

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2015

(Rs. in Crore)

SL. No.	PARTICULARS	QUARTER ENDED (STANDALONE)			YEAR ENDED (STANDALONE)		YEAR ENDED (CONSOLIDATED)	
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)		(AUDITED)	
		31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
1	INTEREST EARNED (a)+(b)+(c)+(d)	11103.40	11051.66	10539.68	43750.04	39547.61	43813.37	39570.16
	(a) Interest/discount on advances/bills	8093.19	8063.26	7683.02	32066.12	28457.32	32066.49	28433.68
	(b) Income on investments	2825.89	2791.71	2597.94	10923.75	10251.08	10970.20	10293.32
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	183.94	196.69	150.64	759.79	730.82	764.78	733.58
	(d) Others	0.38	0.00	108.08	0.38	108.39	11.90	109.58
2	Other Income	1325.81	1176.20	1070.04	4550.25	3932.76	4733.45	4143.68
3	TOTAL INCOME (1+2)	12429.21	12227.86	11609.72	48300.29	43480.37	48546.82	43713.84
4	Interest Expended	8617.26	8671.18	8004.49	34086.37	30603.17	34133.12	30605.53
5	Operating Expenses (i)+(ii)	2079.42	1759.38	1723.13	7263.55	6081.01	7266.03	6116.26
	(i) Employees Cost	1162.51	1037.85	979.24	4274.25	3672.38	4313.30	3706.53
	(ii) Other Operating Expenses	916.91	721.53	743.89	2989.30	2408.63	2952.73	2409.73
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	10696.68	10430.56	9727.62	41349.92	36684.18	41399.15	36721.79
7	Operating Profit before Provisions and Contingencies (3-6)	1732.53	1797.30	1882.10	6950.37	6796.19	7147.67	6992.05
8	Provisions (Other than Tax) and Contingencies	1009.57	841.33	1091.27	3452.74	3733.00	3464.39	3750.04
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	722.96	955.97	790.83	3497.63	3063.19	3683.28	3242.01
11	Tax expense	110.00	300.00	180.00	795.00	625.00	825.26	652.49
12	Add: Share of earnings from Associate						73.03	82.74
13	Less: Minority Interest						66.39	42.09
14	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11+12-13)	612.96	655.97	610.83	2702.63	2438.19	2864.66	2630.17
15	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Net Profit (+) / Loss (-) for the period (14-15)	612.96	655.97	610.83	2702.63	2438.19	2864.66	2630.17
17	Paid up Equity Share Capital (Face Value of each share - Rs.10/-)	475.20	461.26	461.26	475.20	461.26	475.20	461.26
18	Reserves excluding Revaluation Reserves				25978.18	23660.60	26610.66	24216.75
19	Analytical Ratios							
	(i) Percentage of shares held by Government of India	69.91%	69.00%	69.00%	69.91%	69.00%	69.91%	69.00%
	(ii) Capital Adequacy Ratio - Basel II	10.98%	10.26%	11.14%	10.98%	11.14%	11.01%	11.37%
	(iii) Capital Adequacy Ratio - Basel III	10.56%	9.87%	10.63%	10.56%	10.63%	10.79%	10.75%
	(iv) Earnings per Share (EPS) (Not Annualised)							
	a) Basic and diluted EPS before Extraordinary items (net of tax expense) for the period, for the year to date	13.29	14.22	13.65	58.59	54.48	62.10	58.77
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	13.29	14.22	13.65	58.59	54.48	62.10	58.77
	(v) NPA Ratios							
	(a) Amount of Gross Non Performing Assets	13039.96	10573.57	7570.21	13039.96	7570.21	13173.61	7700.17
	(b) Amount of Net Non Performing Assets	8740.09	7555.85	5965.46	8740.09	5965.46	9462.00	6074.14
	(c) Percentage of Gross Non Performing Assets	3.89%	3.35%	2.49%	3.89%	2.49%	3.92%	2.53%
	(d) Percentage of Net Non Performing Assets	2.65%	2.42%	1.98%	2.65%	1.98%	2.86%	2.01%
	(vi) Return on Assets (Annualised)	0.50%	0.53%	0.54%	0.55%	0.54%	0.57%	0.57%
20	Public shareholding							
	- Number of Shares	143000000	143000000	143000000	143000000	143000000	143000000	143000000
	- Percentage of shareholding	30.09%	31.00%	31.00%	30.09%	31.00%	30.09%	31.00%
21	Promoters and promoter group shareholding							
	a) Pledged / Encumbered							
	- Number of shares							
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)							
	- Percentage of shares (as a % of the total share capital of the Company)							
	b) Non-encumbered							
	- Number of shares	332196971	318258837	318258837	332196971	318258837	332196971	318258837
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	69.91%	69.00%	69.00%	69.91%	69.00%	69.91%	69.00%

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SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2015

(Rs in Crore)

BUSINESS SEGMENT	QUARTER ENDED (STANDALONE)			YEAR ENDED (STANDALONE)		YEAR ENDED (CONSOLIDATED)	
	AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
(1) Segment Revenue							
a Treasury Operations	3401.22	3174.90	2698.31	12201.37	11079.17	12201.37	11079.17
b Retail Banking Operations	3419.25	3173.45	3094.88	12582.47	10788.38	12582.47	10788.38
c Wholesale Banking Operations	5454.88	5713.79	5502.92	22818.09	20806.56	22818.09	20806.56
d Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e Unallocated	153.86	165.72	313.61	698.36	806.26	944.89	1039.73
Total	12429.21	12227.86	11609.72	48300.29	43480.37	48546.82	43713.84
(2) Segment Results							
a Treasury Operations	866.70	418.08	347.03	1569.12	1463.00	1569.12	1463.00
b Retail Banking Operations	236.84	231.43	405.06	1221.35	1722.43	1221.35	1722.43
c Wholesale Banking Operations	496.58	999.35	870.67	3548.66	2946.74	3548.66	2946.74
d Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	1600.12	1648.86	1622.76	6339.13	6132.17	6339.13	6132.17
(3) Unallocated Income/Expenses	132.41	148.44	259.34	611.24	664.02	808.54	859.88
(4) Operating Profit	1732.53	1797.30	1882.10	6950.37	6796.19	7147.67	6992.05
(5) Provisions and Contingencies	1009.57	841.33	1091.27	3452.74	3733.00	3464.39	3750.04
(6) Tax Expense	110.00	300.00	180.00	795.00	625.00	825.26	652.49
(7) Add: Share of earnings in Associates						73.03	82.74
(8) Less: Minority Interest						66.39	42.09
	Not Applicable						
(9) Net Profit	612.96	655.97	610.83	2702.63	2438.19	2864.66	2630.17
(10) Segment Assets*							
a Treasury Operations	192632.54	197101.40	167100.83	192632.54	167100.83	192632.54	167100.83
b Retail Banking Operations	117466.87	109199.61	99619.98	117466.87	99619.98	117466.87	99619.98
c Wholesale Banking Operations	217195.46	205558.56	209370.03	217195.46	209370.03	217195.46	209370.03
d Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e Unallocated Assets	15299.84	16942.88	10332.76	15299.84	10332.76	25856.83	19500.50
Total Assets	542594.71	528802.45	486423.60	542594.71	486423.60	553151.70	495591.34
(11) Segment Liabilities							
a Treasury Operations	50848.56	45838.30	51466.11	50848.56	51466.11	50848.56	51466.11
b Retail Banking Operations	251281.63	203695.78	183552.33	251281.63	183552.33	251281.63	183552.33
c Wholesale Banking Operations	183254.51	223045.27	199789.78	183254.51	199789.78	183254.51	199789.78
d Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e Unallocated Liabilities	30756.63	30255.64	27493.52	30756.63	27493.52	40681.14	36105.11
f Capital and Reserves *	26453.38	25967.46	24121.86	26453.38	24121.86	27085.86	24678.01
Total Liabilities	542594.71	528802.45	486423.60	542594.71	486423.60	553151.70	495591.34

(* Excluding Revaluation Reserve)

(Rs. In Crore)

GEOGRAPHICAL SEGMENT	QUARTER ENDED (STANDALONE)			YEAR ENDED (STANDALONE)		YEAR ENDED (CONSOLIDATED)	
	AUDITED	REVIEWED	AUDITED	AUDITED		AUDITED	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014	31.03.2015	31.03.2014
(1) Domestic Operations							
a Revenue	12147.17	11931.58	11328.16	47101.13	42431.73	47330.27	42648.64
b Assets	494678.72	486044.67	449034.29	494678.72	449034.29	505063.47	458011.95
(2) International Operations							
a Revenue	282.04	296.29	281.56	1199.16	1048.64	1216.55	1065.20
b Assets	47915.99	42757.78	37389.31	47915.99	37389.31	48088.23	37579.39
Total							
a Revenue	12429.21	12227.87	11609.72	48300.29	43480.37	48546.82	43713.84
b Assets	542594.71	528802.45	486423.60	542594.71	486423.60	553151.70	495591.34

STATEMENT OF ASSETS AND LIABILITIES (Standalone)

Rs in Crore

	As on 31.03.2015 (AUDITED)	As on 31.03.2014 (AUDITED)
CAPITAL AND LIABILITIES		
CAPITAL	475.20	461.26
RESERVES AND SURPLUS	31384.03	29158.85
DEPOSITS	473840.10	420722.82
BORROWINGS	25671.57	27230.64
OTHER LIABILITIES AND PROVISIONS	16629.66	14348.28
TOTAL	548000.56	491921.85
ASSETS		
CASH & BALANCES WITH RESERVE BANK OF INDIA	21971.95	22153.78
BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE	26669.14	22674.93
INVESTMENTS	145346.18	126828.25
ADVANCES	330035.51	301067.48
FIXED ASSETS	6949.45	6641.56
OTHER ASSETS	17028.33	12555.85
TOTAL	548000.56	491921.85

Notes:

- The above Financial Results were reviewed by the Audit Committee of the Board and approved by the Board of Directors in the meeting held on 25th May 2015. The same have been audited by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the quarter/year ended 31st March 2015 as compared to those followed in the preceding financial year ended 31st March 2014.
- The working results for the quarter/year ended 31st March 2015 have been arrived at after considering provision for Loan Losses in accordance with the extant guidelines and directions of RBI on Prudential Norms for 'Income Recognition, Asset Classification and Provisioning' and Provision for Income Tax and Deferred Tax, Depreciation on Investments and Fixed Assets and other necessary provisions.
- In accordance with the RBI Circular No.DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011:
 - a sum of Rs.370.72 Crore has been charged to Profit & Loss Account during the year ended March, 2015 on proportionate basis towards unamortized liability of Rs.1853.57 Crore (being amortized over 5 years beginning from 31st March 2011) on account of reopening of pension option for existing employees who had not opted for Pension earlier. The unamortized amount is NIL as on 31.03.2015.
 - a sum of Rs.135.91 Crore has been charged to Profit & Loss Account during the year ended March 2015 on proportionate basis towards unamortised liability of Rs.679.52 Crore (being amortized over 5 years beginning from 31st March 2011) on account of the enhancement of gratuity limit. The unamortized amount is NIL as on 31.03.2015.
- Based on the available data, available financial statements and declaration from the Borrowers wherever received, the Bank has estimated the liability of Rs.84.56 Crore as at 31.03.2015 (Previous year -NIL) on Unhedged Foreign Currency Exposure to their constituents in terms of RBI Circular DBOD.No.BP.BC.85/21.06.200/2013-14 dated 15.01.2014. The entire estimated amount is fully provided for.
- In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 Banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. The Disclosures are being made available on our website "www.canarabank.com" alongwith the publication of Consolidated Financial Statements.
- The Board has recommended final dividend of 105% (Rs.10.50 per Share) for the year ended 31st March 2015. No interim dividend declared during the Financial Year 2014-15.
- The Bank has allotted 1,39,38,134 equity shares of face value of Rs.10 each at a premium of Rs.398.95 per equity share to Government of India (President of India) on preferential basis on 31.03.2015 for a total consideration of Rs.569.99 crore.
- Pending settlement of wage revision w.e.f 01.11.2012, adhoc provision of Rs.675 Crore is held as on 31.03.2015 which includes Rs.350 Crore provided during the current year.
- Provision Coverage Ratio as on 31st March 2015 is 57.29% (Previous year as at 31.03.2014 - 60.11%)
- Number of Investors Complaints received and disposed off during the quarter ended 31.03.2015.
 - Pending at the beginning of the quarter - Nil
 - Received during the quarter - 263
 - Disposed off during the quarter - 263
 - Lying unresolved at the end of the quarter - Nil
- Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.

PLACE : BANGALORE

DATE : 25.05.2015

HARIDEESH KUMAR B

EXECUTIVE DIRECTOR

P S RAWAT

EXECUTIVE DIRECTOR (ADDITIONAL CHARGE OF MD & CEO)

INDEPENDENT AUDITORS' REPORT

To,

The President of India

Report on the Financial Statements

1. We have audited the accompanying financial statements of **CanaraBank** as on 31st March, 2015, which comprise the Balance Sheet as at 31st March, 2015, Profit and Loss Account, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches audited by us, 2671 branches audited by statutory branch auditors and 6 foreign branches audited by local auditors in respective countries. The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also incorporated in the Balance Sheet and the Profit and Loss Account are the returns from 3116 branches which have not been subjected to audit. These unaudited branches account for 4.97 per cent of advances, 16.39 per cent of deposits, 4.18 per cent of interest income and 14.54 per cent of interest expenses.

Management's Responsibility for the Financial Statements

2. The bank's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Banking Regulation Act 1949, Reserve Bank of India guidelines and recognized accounting policies and practices, including Accounting Standards issued by Institute of Chartered Accountants of India (ICAI), as applicable. This responsibility of the management includes maintenance of adequate accounting records in accordance with the provisions of applicable laws for safeguarding the assets of the Bank and for preventing and detecting frauds and other irregularities; the selection of and application of appropriate accounting policies; making judgments and estimates that are prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, and risk management systems relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Financial Statements by the management of the Bank, as aforesaid. In making those risk assessments, the management has implemented such internal controls that are relevant to the preparation of the financial statement and designed procedures that are appropriate in the circumstances so that the internal control with regard to all the activities of the Bank is effective.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical



requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, as shown by the books of the Bank, and to the best of our information and according to the explanations given to us:
 - I. the Balance sheet, read with the significant accounting policies and the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Bank as at 31st March, 2015 in conformity with accounting principles generally accepted in India;
 - II. the Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - III. the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

7. We draw attention to the Schedule 18: 'Notes to Accounts' regarding:
 - I. Note 6.19 to the financial statement, which provide details of crediting Sundry Liability (Interest Capitalisation) on account of past period FITL directly from the Revenue Reserve as a one time measure, as permitted by Reserve Bank of India vide their letter dated June 27, 2014
 - II. Note 6.17 to the financial statements, which provide details of identification and adjustment during the year regarding amortization of pension and gratuity liability as permitted by Reserve Bank of India vide their circular dated February 9, 2011.
 - III. Note 6.20 to the financial statements, which provide details of staggering of provision of Rs. 801.07 crores for certain non-performing advances as permitted by Reserve Bank of India vide their letter dated May 15, 2015.

Our opinion is not qualified in respect of the above stated matters.



Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
9. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 / 1980 and subject also to the limitations of disclosure required therein, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice have been within the powers of the Bank;
 - c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit;
10. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable accounting Standards.

For P. Chopra & Co.
Chartered Accountants
FRN : 004957N


(Rakesh Jain)
Partner
M. No. 087925



For A.R. Das & Associates
Chartered Accountants
FRN : 306109E


(Syamal Kumar Nayak)
Partner
M. No. 051353



For S. C. Vasudeva & Co.
Chartered Accountants
FRN : 000235N


(Ashish Agarwal)
Partner
M. No. 093790



For Vinay Kumar & Co.
Chartered Accountants
FRN : 000719C


(V. K. Agarwal)
Partner
M. No. 013795



For Ramraj & Co.
Chartered Accountants
FRN : 002839S


(K. Sivasubramanya Prasad)
Partner
M. No. 024456



For V. K. Niranjana & Co.
Chartered Accountants
FRN: 002468S


(Niranjana V. K.)
Partner
M. No. 021432



Place: Bangalore

Dated: May 25, 2015