

The Manager  
The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street MUMBAI - 400 001  
Fax: 022-22722037/39/2041/2061/  
3121/1557/1278/3354/3577

The Manager  
Listing Department  
National Stock Exchange of India Ltd  
EXCHANGE PLAZA  
Bandra-Kurla Complex  
Bandra [E] MUMBAI 400051 Fax : 022 -  
26598237 / 238 / 26598347 / 348

प्रिय महोदय/ Dear Sir,

विषय/ Subject: Reviewed Financial Results - 31.12.2016

Ref : Regulations 30 and 33 of SEBI(LODR) Regulations, 2015

The Reviewed Financial Results of the Bank for the Third Quarter and Nine Months ended 31<sup>st</sup> December, 2016 were approved by the Board of Directors at its Meeting held on 20.01.2017. A copy of the same is enclosed along with Limited Review Report of the Auditors.

The meeting of the Board of Directors commenced at 12.20 p.m. and concluded at 2.15 p.m.

धन्यवाद / Thanking you,

भवदीय/ Yours faithfully,

  
बी नगेशबाबू / B NAGESH BABU  
कंपनी सचिव/ COMPANY SECRETARY

सचिवीय विभाग

प्रबंध निदेशक व मुख्य कार्यकारी अधिकारी सचिवालय  
प्रधान कार्यालय

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REVIEWED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2016

(₹ in Crore)

Sl. No.	PARTICULARS	QUARTER ENDED (REVIEWED)			NINE MONTHS ENDED (REVIEWED)		YEAR ENDED (AUDITED)
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
1	INTEREST EARNED (a)+(b)+(c)+(d)	10287.67	10405.35	10882.07	30894.72	33289.22	44022.13
	(a) Interest/discount on advances/bills	7423.32	7505.32	7629.14	22364.64	23855.85	31377.25
	(b) Income on Investments	2721.93	2612.79	2877.05	7839.83	8616.59	11407.79
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	95.16	248.77	328.90	568.15	666.22	879.50
	(d) Others	47.26	38.47	46.98	122.10	150.56	357.59
2	Other Income	1791.70	1781.77	1168.56	5158.12	3492.00	4875.23
3	TOTAL INCOME (1+2)	12079.37	12187.12	12050.63	36052.84	36781.22	48897.36
4	Interest Expended	7873.87	7963.00	8655.47	23731.17	25899.62	34258.77
5	Operating Expenses (i)+(ii)	2224.17	2083.35	1842.72	6380.70	5381.49	7491.93
	(i) Employees Cost	1305.74	1216.94	1039.75	3730.85	3206.34	4445.88
	(ii) Other Operating Expenses ( All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	918.43	866.41	802.97	2649.85	2175.15	3046.05
6	TOTAL EXPENSES ((4)+5) excluding Provisions & Contingencies)	10098.04	10046.35	10498.19	30111.87	31281.11	41750.70
7	Operating Profit before Provisions and Contingencies (3-6)	1981.33	2140.77	1552.44	5940.97	5500.11	7146.66
8	Provisions (Other than Tax) and Contingencies	1484.57	1585.74	1428.85	4563.23	4000.89	10332.43
	of which provisions for Non-performing assets	1486.57	1558.37	1431.77	4513.69	3724.69	9608.16
9	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	496.76	555.03	123.59	1377.74	1499.22	(3,185.77)
11	Tax expense	174.88	198.12	38.62	470.00	406.55	(372.95)
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	321.88	356.91	84.97	907.74	1092.67	(2,812.82)
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	321.88	356.91	84.97	907.74	1092.67	(2,812.82)
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	542.99	542.99	542.99	542.99	542.99	542.99
16	Reserves excluding Revaluation Reserves						25615.55
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	66.30%	66.30%	66.30%	66.30%	66.30%	66.30%
	(ii) Capital Adequacy Ratio - Basel III	12.28%	12.19%	11.54%	12.28%	11.54%	11.08%
	(a) Common Equity Tier I Ratio	8.11%	8.25%	8.03%	8.11%	8.03%	8.18%
	(b) Additional Tier 1 Ratio	0.90%	0.62%	0.65%	0.90%	0.65%	0.62%
	(iii) 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 and for the previous year	5.93	6.57	1.56	16.72	21.07	(53.61)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	5.93	6.57	1.56	16.72	21.07	(53.61)
	(iv) NPA Ratios						
	(a) Amount of Gross Non Performing Assets	34338.65	33315.40	19813.44	34338.65	19813.44	31637.83
	(b) Amount of Net Non Performing Assets	22295.79	21887.09	12940.10	22295.79	12940.10	20832.91
	(c) Percentage of Gross Non Performing Assets	9.97%	9.81%	5.84%	9.97%	5.84%	9.40%
	(d) Percentage of Net Non Performing Assets	6.72%	6.69%	3.90%	6.72%	3.90%	6.42%
	(v) Return on Assets (Annualised)	0.23%	0.26%	0.06%	0.22%	0.27%	(0.52%)

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SEGMENT REPORTING FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2016 (Rs in Crores)							
BUSINESS SEGMENT		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(AUDITED)
(1)	Segment Revenue						
a	Treasury Operations	3693.92	3301.30	3167.90	10162.42	9602.67	12811.13
b	Retail Banking Operations	4410.98	4227.66	3613.01	12345.59	10928.82	15459.48
c	Wholesale Banking Operations	3972.79	4649.65	5249.20	13498.07	16180.63	20382.09
d	Unallocated	1.68	8.51	20.52	46.76	69.10	244.66
	Total	12079.37	12187.12	12050.63	36052.84	36781.22	48897.36
	Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00
	Income from operations	12079.37	12187.12	12050.63	36052.84	36781.22	48897.36
(2)	Segment Results						
a	Treasury Operations	867.76	888.88	480.14	2497.54	1506.45	2156.28
b	Retail Banking Operations	591.98	627.05	491.01	1580.51	1579.35	2372.04
c	Wholesale Banking Operations	519.93	616.32	560.76	1816.21	2345.21	2373.68
d	Other Banking Operations	0.00		0.00	0.00	0.00	0.00
	Total	1979.67	2132.25	1531.91	5894.26	5431.01	6902.00
	Unallocated Income/Expenses (including Provisions and contingencies)	(1,482.91)	(1,577.22)	(1,408.32)	(4,516.52)	(3,931.79)	(10,087.77)
	Total Profit Before tax	496.76	555.03	123.59	1377.74	1499.22	(3,185.77)
	Income tax	174.88	198.12	38.62	470.00	406.55	(372.95)
	Net Profit	321.88	356.91	84.97	907.74	1092.67	(2,812.82)
(3)	Capital Employed						
a	Treasury Operations	17134.35	16449.08	16974.82	17134.35	16974.82	15771.98
b	Retail Banking Operations	10176.07	10966.68	10527.70	10176.07	10527.70	10069.32
c	Wholesale Banking Operations	10558.22	10593.36	11573.73	10558.22	11573.73	10773.20
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated	(5,439.94)	(5,892.31)	(3,544.03)	(5,439.94)	(3,544.03)	(5,011.30)
	Total Capital Employed	32428.70	32116.81	35532.22	32428.70	35532.22	31603.20
		QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		31.12.2016	30.09.2016	31.12.2015	31.12.2016	31.12.2015	31.03.2016
		(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(AUDITED)
(1)	Revenue						
a	Domestic	11995.69	11845.11	11755.08	35298.91	35842.48	47634.87
b	International	83.68	342.01	295.55	753.93	938.74	1262.49
	Total	12079.37	12187.12	12050.63	36052.84	36781.22	48897.36
(2)	Assets						
a	Domestic	537792.41	504604.82	515053.95	537792.41	515053.95	498586.52
b	International	53223.54	57527.87	51632.02	53223.54	51632.02	54374.26
	Total	591015.95	562132.69	566685.97	591015.95	566685.97	552960.78

#### Notes on Segment Reporting:

- As per guidelines of RBI on compliance with Accounting Standards, the Bank has adopted "Treasury Operations", Wholesale, Retail and "Other Banking Operations" as Primary business segments and "Domestic" and international as secondary/geographic segments for the purpose of compliance with AS-17 on Segment Reporting issued by ICAI.
- Segment revenue represents revenue from external customers.
- Capital employed for each segment has been allocated proportionate to the assets of the segment.
- The figures of the previous period/year have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current period.

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	As on 31.12.2016 (REVIEWED)	As on 31.12.2015 (REVIEWED)	As on 31.03.2016 (AUDITED)
<b>CAPITAL AND LIABILITIES</b>			
CAPITAL	542.99	542.99	542.99
RESERVES AND SURPLUS	31885.71	34989.23	31060.21
DEPOSITS	510327.47	490598.87	479791.56
BORROWINGS	31311.61	25359.96	26873.32
OTHER LIABILITIES AND PROVISIONS	16948.17	15194.92	14692.70
<b>TOTAL</b>	<b>591015.95</b>	<b>566685.97</b>	<b>552960.78</b>
<b>ASSETS</b>			
CASH & BALANCES WITH RESERVE BANK OF INDIA	23972.11	22928.49	20664.05
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	34508.67	25197.94	36069.61
INVESTMENTS	169034.59	155887.85	142309.30
ADVANCES	331636.38	331914.86	324714.83
FIXED ASSETS	7170.57	7183.46	7198.10
OTHER ASSETS	24693.63	23573.37	22004.89
<b>TOTAL</b>	<b>591015.95</b>	<b>566685.97</b>	<b>552960.78</b>

**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 20th January 2017. The results have been subjected to 'Limited Review' by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the quarter ended 31st December 2016 as compared to those followed in the preceding financial year ended 31st March 2016.
- RBI has issued revised Priority Sector guidelines vide FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April, 2016. Our Bank sold 18,200 units amounting to Rs.4,550 Crore under Priority Sector Lending Credit -SF/MF category and 4,000 units amounting to Rs.1,000 Crore under Priority Sector Lending Credit - Agriculture category for the period ended December 2016.
- The financial results for the third quarter ended 31st December 2016 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, Unhedged Foreign Currency Exposure and other necessary provisions. As per Board approved policy, the Bank has made additional provision of 5% on the Substandard assets and 10% on the advances under Doubtful II category.
- In compliance to the RBI letter DBR.BNP.NO.11643/21.04.132/2015-16 dated 17.03.2016 on Ujwal Discom Assurance Yojana (UDAY) scheme, the Bank is holding as at 31st December 2016, a provision of Rs.388.55 Crore in respect of segment not envisaged to be converted into SDL in F.Y 2016-17 and Rs.22.06 Crore for diminution in the fair value of loan/Discom Bonds.
- The bank had made a provision of Rs.336.00 Crore being 15% of the outstanding food credit availed by the State Government of Punjab as at 31.03.2016. During the period ended December 2016 an excess provision of Rs. 132 Crore written back.
- In accordance with RBI guidelines, the Bank has shifted the securities from HTM to AFS category amounting to Rs.9496.19 Crore and AFS to HTM category amounting to Rs.4742.73 Crore during the first quarter of Financial Year 2016-17 the resultant depreciation Rs.33.70 has been accounted.
- In terms of RBI Circular DBR. No. BP.BC.1/21.06.201/2015-16 July 1, 2015 Banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. These details are being made available on our website "www.canarabank.com". These disclosures have not been subjected to a Limited Review by the auditors.
- Provision Coverage Ratio as on 31st December 2016 is 52.52 %



10 Number of Investors Complaints received and disposed off during the quarter ended 31.12.2016

- i) Pending at the beginning of the quarter : Nil
- ii) Received during the quarter : 164
- iii) Disposed off during the quarter : 164
- iv) Lying unresolved at the end of the quarter : Nil

11 Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.



**P. V. BHARATHI**  
EXECUTIVE DIRECTOR



**DINA BANDHU MOHAPATRA**  
EXECUTIVE DIRECTOR



**HARIDEESH KUMAR B**  
EXECUTIVE DIRECTOR



**RAKESH SHARMA**  
MANAGING DIRECTOR &  
CHIEF EXECUTIVE OFFICER



**T.N. MANOHARAN**  
CHAIRMAN

PLACE : BENGALURU

DATE : 20.01.2017



<b>Ramraj &amp; Co.</b> Chartered Accountants FRN : 002839S	<b>V. K. Niranjana &amp; Co.</b> Chartered Accountants FRN : 002468S	<b>J Singh &amp; Associates</b> Chartered Accountants FRN : 110266W	<b>J L Sengupta &amp; Co.</b> Chartered Accountants FRN : 307092E
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### Limited Review Report

To  
The Board of Directors  
Canara Bank  
Bangalore

1. We have reviewed the accompanying financial results of Canara Bank (the "Bank") for the Quarter and period ended December 31, 2016. The disclosures relating to "Pillar 3 under Basel III Capital Regulations", "Leverage Ratio" and "Liquidity Coverage Ratio" as have been disclosed on the Bank's website and in respect of which a link have been provided in the aforesaid financial results have not been reviewed by us. These financial results are the responsibility of the Bank's management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
3. The financial results incorporate the relevant returns of 20 branches reviewed by us, 3 foreign branches reviewed by other auditors specially appointed for this purpose and un-reviewed returns in respect of 5749 branches. In the conduct of our review, we have relied on the review reports in respect of non-performing assets submitted by the Inspection Officials of bank of 200 branches. These review reports cover 55.55 percent of the advances portfolio of the bank. Apart from these review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank.
4. Based on our review as aforesaid, subject to limitations in scope as mentioned in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results together with the notes thereon, prepared in




accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with RBI circular (2016-17/29 dt. 28/07/2016 wrt half-yearly/quarterly review of the account of public sector banks) including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For Ramraj & Co.  
Chartered Accountants  
FRN : 002839S

  
(K. Siva Subramanya  
Prasad)  
Partner  
M. No. 024456



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

  
(Jayarajan M)  
Partner  
M. No. 011167



For J Singh & Associates  
Chartered Accountants  
FRN : 110266W

  
(J Singh)  
Partner  
M. No. 042023



For J L Sengupta & Co.  
Chartered Accountants  
FRN : 307092E

  
(S R Anantha  
Krishnan)  
Partner  
M. No. 018073



**Place:** Bangalore

**Date:** January 20, 2017