

Ref :: MD&CEO:SD: 1710 /1711 /11/12:BNB:2017

May 08, 2017

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: Board Meeting - Announcement of Results - 31.03.2017

Ref : Regulation 33 of SEBI (LODR) Regulations, 2015

The Audited Financial Results of the Bank for the Quarter and Year ended 31.03.2017 were approved by the Board of Directors at its meeting held on 08.05.2017. A copy of the same is enclosed along with the Report of the Auditors.

The Bank has sought permission from RBI to declare minimum dividend for the year 2016-17 as per the RBI guidelines. Pending RBI approval, the Board has recommended payment of Dividend of Rs. 1.00 (10%) per Equity Share of face value of Rs. 10/- each for the year 2016-17 subject to the approval of the shareholders in the ensuing Annual General Meeting.

Book-Closure dates for the purpose of the Annual General Meeting (AGM) of the Bank and the other relevant dates would be announced later.

The meeting of the Board of Directors commenced at 12.40 p.m. and concluded at 2.30 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

112, जे सी रोड बेंगलूर - 560002

Secretarial Department

MD & CEO's Secretariat

Head Office

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Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED (STANDALONE)	
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
1	INTEREST EARNED (a)+(b)+(c)+(d)	10492.92	10287.67	10732.91	41387.64	44022.13
	(a) Interest/discount on advances/bills	7221.03	7423.32	7521.40	29585.67	31377.25
	(b) Income on Investments	2871.46	2721.93	2841.32	10711.29	11407.79
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	200.05	95.16	163.16	768.20	879.50
	(d) Others	200.38	47.26	207.03	322.48	357.59
2	Other Income	2396.28	1791.70	1383.23	7554.40	4875.23
3	TOTAL INCOME (1+2)	12889.20	12079.37	12116.14	48942.04	48897.36
4	Interest Expended	7784.70	7873.87	8359.15	31515.87	34258.77
5	Operating Expenses (i)+(ii)	2131.58	2224.17	2110.44	8512.28	7491.93
	(i) Employees Cost	1184.24	1305.74	1239.54	4915.09	4445.88
	(ii) Other Operating Expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	947.34	918.43	870.90	3597.19	3046.05
6	TOTAL EXPENSES ((4)+5) excluding Provisions & Contingencies)	9916.28	10098.04	10469.59	40028.15	41750.70
7	Operating Profit before Provisions and Contingencies (3-6)	2972.92	1981.33	1646.55	8913.89	7146.66
8	Provisions (Other than Tax) and Contingencies	2708.74	1484.57	6331.54	7271.97	10332.43
	of which provisions for Non-performing assets	2924.08	1486.57	5883.47	7437.77	9608.16
9	Exceptional items	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	264.18	496.76	(4,684.99)	1641.92	(3,185.77)
11	Tax expense	50.00	174.88	(779.50)	520.00	(372.95)
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	214.18	321.88	(3,905.49)	1121.92	(2,812.82)
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	214.18	321.88	(3,905.49)	1121.92	(2,812.82)
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	597.29	542.99	542.99	597.29	542.99
16	Reserves excluding Revaluation Reserves				27715.10	25615.55
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	66.30%	66.30%	66.30%	66.30%	66.30%
	(ii) Capital Adequacy Ratio - Basel III	12.86%	12.28%	11.08%	12.86%	11.08%
	(a) Common Equity Tier I Ratio	8.92%	8.11%	8.18%	8.92%	8.18%
	(b) Additional Tier 1 Ratio	0.85%	0.90%	0.62%	0.85%	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	3.92	5.93	(71.92)	20.63	(53.61)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	3.92	5.93	(71.92)	20.63	(53.61)
	(iv) NPA Ratios					
	(a) Amount of Gross Non Performing Assets	34202.04	34338.65	31637.83	34202.04	31637.83
	(b) Amount of Net Non Performing Assets	21648.98	22295.79	20832.91	21648.98	20832.91
	(c) Percentage of Gross Non Performing Assets	9.63%	9.97%	9.40%	9.63%	9.40%
	(d) Percentage of Net Non Performing Assets	6.33%	6.72%	6.42%	6.33%	6.42%
	(v) Return on Assets (Annualised)	0.15%	0.23%	(2.88%)	0.20%	(0.52%)

SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2017						(Rs in Crore)
BUSINESS SEGMENT		QUARTER ENDED (STANDALONE)			YEAR ENDED (STANDALONE)	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
(1)	Segment Revenue					
a	Treasury Operations	4264.61	3693.92	3208.46	14427.03	12811.13
b	Retail Banking Operations	4000.10	4412.48	4539.65	16387.47	15516.47
c	Wholesale Banking Operations	4486.56	3972.79	4201.46	17984.63	20382.09
d	Unallocated	137.94	0.18	166.57	142.91	187.67
	Total	12889.20	12079.37	12116.14	48942.04	48897.36
	Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00
	Income from operations	12889.20	12079.37	12116.14	48942.04	48897.36
(2)	Segment Results					
a	Treasury Operations	1699.94	867.76	649.83	4197.48	2156.28
b	Retail Banking Operations	489.54	596.80	801.68	2111.83	2429.04
c	Wholesale Banking Operations	645.51	519.93	28.47	2461.72	2373.68
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
	Total	2834.99	1984.49	1479.98	8771.03	6959.00
	Unallocated Income/Expenses (including Provisions and contingencies)	(2,570.81)	(1,487.73)	(6,164.97)	(7,129.11)	(10,144.77)
	Total Profit Before tax	264.18	496.76	(4,684.99)	1641.92	(3,185.77)
	Income tax	50.00	174.88	(779.50)	520.00	(372.95)
	Net Profit	214.18	321.88	(3,905.49)	1121.92	(2,812.82)
(3)	Capital Employed					
a	Treasury Operations	2767.63	17134.35	15771.98	2767.63	15771.98
b	Retail Banking Operations	16488.37	10176.07	10069.32	16488.37	10069.32
c	Wholesale Banking Operations	16054.63	10558.22	10773.20	16054.63	10773.20
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated	(1,625.09)	(5,439.94)	(5,011.30)	(1,625.09)	(5,011.30)
	Total Capital Employed	33685.54	32428.70	31603.20	33685.54	31603.20
GEOGRAPHICAL SEGMENT		QUARTER ENDED (STANDALONE)			YEAR ENDED (STANDALONE)	
		31.03.2017	31.12.2016	31.03.2016	31.03.2017	31.03.2016
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
(1)	Revenue					
a	Domestic	12610.04	11995.69	11792.39	47908.95	47634.87
b	International	279.16	83.68	323.75	1033.09	1262.49
	Total	12889.20	12079.37	12116.14	48942.04	48897.36
(2)	Assets					
a	Domestic	522588.25	537792.41	498586.52	522588.25	498586.52
b	International	60931.19	53223.54	54374.26	60931.19	54374.26
	Total	583519.44	591015.95	552960.78	583519.44	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.



STATEMENT OF ASSETS AND LIABILITIES

(Rs in Crore)

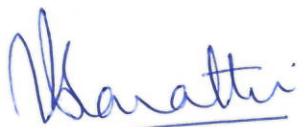
	As on 31.03.2017 (AUDITED)	As on 31.03.2016 (AUDITED)
<u>CAPITAL AND LIABILITIES</u>		
CAPITAL	597.29	542.99
RESERVES AND SURPLUS	33088.25	31060.21
DEPOSITS	495275.24	479791.56
BORROWINGS	39503.56	26873.32
OTHER LIABILITIES AND PROVISIONS	15055.10	14692.70
TOTAL	583519.44	552960.78
<u>ASSETS</u>		
CASH & BALANCES WITH RESERVE BANK OF INDIA	19922.50	20664.05
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	38902.96	36069.61
INVESTMENTS	150265.89	142309.30
ADVANCES	342008.76	324714.83
FIXED ASSETS	7168.31	7198.10
OTHER ASSETS	25251.02	22004.89
TOTAL	583519.44	552960.78

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 8th May 2017. 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 current Financial Year ended 31st March 2017 as compared to those followed in the preceding financial year ended 31st March 2016.
- The Financial results for the Financial Year ended 31st March 2017 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, provision for exposure to entities with unhedged foreign currency and other necessary provisions.
- Our Bank has sold 47,200 units under Priority Sector Lending Certificates (PSLCs) to the tune of Rs.11,800 Crore under Agriculture and Small and Marginal Farmers category as at March 2017.
- During the year the Bank has made certain modifications in the additional provisioning for non-performing advances by dispensing with additional provisioning for category II of doubtful advances. Consequently the Bank is holding such additional provision of Rs.500 Crore (previous year Rs. 1486 Crore) for non-performing advances over and above the minimum provision prescribed under IRAC norms of RBI.
- 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 Crore has been accounted for.
- 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 audit by the auditors.
- During the financial year 2016-17, pursuant to exercise of Rights Issue option, the Bank has allotted 1,83,00,000 equity shares to the Shareholders and 3,59,99,105 equity shares to Government of India of face value of Rs.10/- each at a premium of Rs.197 per equity share for a total consideration of Rs.1123.99 crores.
- During Financial Year 2017, the Bank has divested 13.45% of shares held in M/s Canfin Homes Ltd., one of our Associates and realised a profit of Rs.703.91 Crore.
- The Board has recommended dividend of 10% (Rupee 1 per Share) for the year ended 31st March 2017, subject to the approval from RBI.
- Provision Coverage Ratio as at 31st March 2017 is 55.62 %



- 12 Number of Investors Complaints received and disposed off during the quarter ended 31.03.2017
- i) Pending at the beginning of the quarter : Nil
 - ii) Received during the quarter : 237
 - iii) Disposed off during the quarter : 237
 - iv) Lying unresolved at the end of the quarter : Nil
- 13 Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.



P. V. BHARATHI
EXECUTIVE DIRECTOR



HARIDEESH KUMAR B
EXECUTIVE DIRECTOR



RAKESH SHARMA
MANAGING DIRECTOR & CEO



T.N. MANOHARAN
CHAIRMAN

PLACE : BENGALURU

DATE :08.05.2017

Ramraj & Co. Chartered Accountants FRN:002839S	V K Niranjan & Co. Chartered Accountants FRN:002468S
J Singh & Associates Chartered Accountants FRN:110266W	J L Sengupta & Co. Chartered Accountants FRN:307092E

INDEPENDENT AUDITORS' REPORT

To,

The Members of Canara Bank

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Canara Bank** as on 31st March, 2017, which comprise the Balance Sheet as at 31st March, 2017, 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, 3234 branches audited by statutory branch auditors and 7 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 2821 branches which have not been subjected to audit. These unaudited branches account for 5.24 per cent of advances, 15.39 per cent of deposits, 5.00 per cent of interest income and 14.95 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 in accordance with the Banking Regulation Act 1949, Reserve Bank of India guidelines issued from time to time and Accounting Standards generally accepted in India. This responsibility of the Management includes design, implementation and maintenance of internal control relevant to the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

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 as to 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 judgement, 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:
- 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, 2017 in conformity with accounting principles generally accepted in India;
 - 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
 - the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. 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.
8. 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 also subject to the limitations of disclosure required therein, we report that;
- 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;
 - The transactions of the Bank, which have come to our notice have been within the powers of the Bank;
 - The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit;
9. We further report that:
- The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and returns;
 - The report on the accounts of the Branch/Offices audited by the branch auditors of the Bank under Section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
 - In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For Ramraj & Co
Chartered Accountants
FRN:002839S



G Venkateshwara Rao
Partner
Membership No.024182



Place : Bangalore
Dated: May 08, 2017

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



Jayarajan M
Partner
Membership No. 011105



For J Singh & Associates
Chartered Accountants
FRN:110266W



J Singh
Partner
Membership No.042023



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



S R Ananthakrishnan
Partner
Membership No.018073

