

The Manager  
The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street MUMBAI – 400 001

The Manager, Listing Department  
National Stock Exchange of India Ltd  
EXCHANGE PLAZA  
Bandra-Kurla Complex, Bandra [E]  
MUMBAI 400051

प्रिय महोदय/ Dear Sir,

विषय/ Subject: Board Meeting - 20.01.2017 - Limited Reviewed Consolidated  
Financial Statements for the Half-Year Ended Reviewed Financial  
Results for the Half-Year ended 30.09.2016

Ref : Our Letter MD& CEO SD 418 419 11 12 BNB 2017, dated 18.01.2017

We have, vide the above cited letter informed the Exchange that the Board of Directors will approve the Limited Reviewed Consolidated Financial Statements of the Bank for the Half-Year ended September 30, 2016 for the purpose of inclusion in the Letter of Offer to be filed with the Stock Exchanges for a proposed Rights Issue of the Bank.

Accordingly, the Limited Reviewed Consolidated Financial Statements of the Bank for the Half-Year ended September 30, 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.

We request you to take the same on record and disseminate on your website.

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

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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MD & CEO's Secretariat

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**CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30TH SEPTEMBER 2016**

SL. No.	PARTICULARS	PERIOD ENDED (CONSOLIDATED)		YEAR ENDED (CONSOLIDATED)
		(REVIEWED)		(AUDITED)
		30.09.2016	30.09.2015	31.03.2016
1	<b>INTEREST EARNED (a)+(b)+(c)+(d)</b>	<b>206363.43</b>	<b>224086.54</b>	<b>440394.87</b>
	(a) Interest/discount on advances/bills	149324.40	161978.63	313347.36
	(b) Income on Investments	51479.07	58199.77	114586.12
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	4750.89	3905.90	8843.78
	(d) Others	809.07	2.24	3617.61
2	Other Income	34476.98	24164.95	51312.58
3	<b>TOTAL INCOME (1+2)</b>	<b>240840.41</b>	<b>248251.49</b>	<b>491707.45</b>
4	Interest Expended	158692.94	172407.39	342629.92
5	<b>Operating Expenses (i)+(ii)</b>	<b>41897.09</b>	<b>36146.92</b>	<b>75919.38</b>
	(i) Employees Cost	24488.25	21887.56	44895.19
	(ii) Other Operating Expenses	17408.84	14259.36	31024.19
6	<b>TOTAL EXPENSES ((4)+5) excluding Provisions &amp; Contingencies)</b>	<b>200590.03</b>	<b>208554.31</b>	<b>418549.30</b>
7	<b>Operating Profit before Provisions and Contingencies (3-6)</b>	<b>40250.38</b>	<b>39697.18</b>	<b>73158.15</b>
8	Provisions (Other than Tax) and Contingencies	30975.94	25832.54	103646.30
9	Exceptional items	0.00	0.00	0.00
10	<b>Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)</b>	<b>9274.44</b>	<b>13864.64</b>	<b>(30488.15)</b>
11	Tax expense	2975.78	3756.61	(3785.18)
12	Add: Share of earnings from Associate	987.96	559.83	1351.77
13	Less: Minority Interest	161.06	151.16	718.88
14	<b>Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11+12-13)</b>	<b>7125.56</b>	<b>10516.70</b>	<b>(26070.08)</b>
15	Extraordinary items (net of tax expense)	0.00	0.00	0.00
16	<b>Net Profit (+) / Loss (-) for the period (14-15)</b>	<b>7125.56</b>	<b>10516.70</b>	<b>(26070.08)</b>
17	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	5429.91	5429.91	5429.91
18	Reserves excluding Revaluation Reserves	270727.80	301329.42	264220.20
19	Analytical Ratios			
	(i) Percentage of shares held by Government of India	66.30%	66.30%	66.30%
	(iii) Capital Adequacy Ratio - Basel III	12.29%	11.11%	11.17%
	(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 and for the previous year	13.12	20.77	(49.69)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	13.12	20.77	(49.69)
	(v) NPA Ratios			
	(a) Amount of Gross Non Performing Assets	335717.80	142044.10	318523.40
	(b) Amount of Net Non Performing Assets	220445.10	95060.70	209672.10
	(c) Percentage of Gross Non Performing Assets	9.87%	4.31%	9.44%
	(d) Percentage of Net Non Performing Assets	6.73%	2.93%	6.44%
	(vi) Return on Assets (Annualised) (%)	0.26	0.38	(0.47)





**CONSOLIDATED SEGMENT REPORTING FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016 (Rs in Mn)**

	BUSINESS SEGMENT	HALF YEAR ENDED		AUDITED
		30.09.2016	30.09.2015	YEAR ENDED
		(REVIEWED)	(REVIEWED)	31.03.2016 (AUDITED)
(1)	<b>Segment Revenue</b>			
a	Treasury Operations	64685.0	64347.7	128111.3
b	Retail Banking Operations	79346.1	73158.1	154594.8
c	Wholesale Banking Operations	95252.8	109314.3	203820.9
d	Unallocated	1556.5	1431.4	5180.5
	<b>Total</b>	<b>240840.4</b>	<b>248251.5</b>	<b>491707.5</b>
	Less: Inter Segment Revenue	0.0	0.0	0.0
	<b>Income from operations</b>	<b>240840.4</b>	<b>248251.5</b>	<b>491707.5</b>
(2)	<b>Segment Results</b>			
a	Treasury Operations	16297.8	10263.1	21562.8
b	Retail Banking Operations	9885.3	10883.4	23720.4
c	Wholesale Banking Operations	12962.8	17844.5	23736.8
d	Other Banking Operations	0.0	0.0	0.0
	<b>Total</b>	<b>39145.9</b>	<b>38991.0</b>	<b>69020.0</b>
	Unallocated Income/Expenses (including Provisions and contingencies)	-29871.5	-25126.4	-99508.1
	<b>Total Profit Before tax</b>	<b>9274.4</b>	<b>13864.6</b>	<b>-30488.1</b>
	Income tax	2975.8	3756.6	-3785.2
	<b>Net Profit</b>	<b>6298.7</b>	<b>10108.0</b>	<b>-26702.9</b>
	Add: Share of Earning in Associates	988.0	559.8	1351.7
	Less: Minority Interest	161.1	151.2	718.9
	<b>Consolidated Profit/(Loss) for the half year ended attributable to the Group</b>	<b>7125.6</b>	<b>10516.7</b>	<b>-26070.1</b>
(3)	<b>Capital Employed</b>			
a	Treasury Operations	164490.8	141004.9	157719.8
b	Retail Banking Operations	109666.8	132460.9	100693.2
c	Wholesale Banking Operations	105933.6	142699.2	107732.0
d	Other Banking Operations	0.0	0.0	0.0
e	Unallocated	-49840.1	-54575.1	-42048.3
	<b>Total Capital Employed</b>	<b>330251.1</b>	<b>361589.9</b>	<b>324096.7</b>
		HALF YEAR ENDED		YEAR ENDED
		30.09.2016	30.09.2015	31.03.2016
		(REVIEWED)	(REVIEWED)	(AUDITED)
(1)	<b>Revenue</b>			
	Domestic	234137.8	241819.6	479082.6
b	International	6702.6	6431.9	12624.9
	<b>Total</b>	<b>240840.4</b>	<b>248251.5</b>	<b>491707.5</b>
(2)	<b>Assets</b>			
a	Domestic	5162829.2	5151825.5	5093506.6
b	International	575278.7	540332.1	543742.6
	<b>Total</b>	<b>5738107.9</b>	<b>5692157.6</b>	<b>5637249.2</b>

**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.



	As on 30.09.2016 (REVIEWED)	As on 30.09.2015 (REVIEWED)
<b>CAPITAL AND LIABILITIES</b>		
CAPITAL	5429.91	5429.91
RESERVES AND SURPLUS	324821.20	356160.05
MINORITY INTEREST	4616.52	3924.59
DEPOSITS	4843383.37	4851001.30
BORROWINGS	255868.16	242580.02
OTHER LIABILITIES AND PROVISIONS	303988.74	233061.71
<b>TOTAL</b>	<b>5738107.90</b>	<b>5692157.58</b>
<b>ASSETS</b>		
CASH & BALANCES WITH RESERVE BANK OF INDIA	205351.53	200548.67
BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE	428608.72	333458.43
INVESTMENTS	1522588.14	1631432.87
ADVANCES	3274351.22	3233413.60
FIXED ASSETS	71745.13	72297.36
OTHER ASSETS	235463.16	221006.64
<b>TOTAL</b>	<b>5738107.90</b>	<b>5692157.58</b>

**Notes:**

- 1 For the limited review of Consolidated Financial Statements of Canara Bank (herein after referred to as the "Parent Bank") in which are incorporated the Financial Results of Standalone Balance Sheet and Profit & Loss account were subject to limited review and approved by the Board. The results of all subsidiaries, Joint Venture & Associates (Except one Associates namely Canfin Homes Ltd) were not subject to limited review and based on the unaudited results of these group entities adopted by the respective Board.
- 2 The Consolidated Financial Statements (CFS) of the Group companies comprises the result of Canara Bank and subsidiaries namely; Canarabank Venture Capital Fund Ltd (100%), Canarabank Financial Services Ltd (100%), Canarabank Securities Ltd (100%), Canbank Factors Ltd (70%), Canbank Computer Services Ltd (69.14%), Canara Robecco Asset Management Company Ltd (51%), Canara HSBC OBC Life Insurance Co Ltd (51%), Canarabank (Tanzania) Ltd (100%), Associates namely canfin homes Ltd (43.45%), Pragathi Krishna Gramin Bank (35%), Kerala Gramin Bank (35%) and a Joint Venture namely Commercial Indo Bank LLC (40%).
- 3 Commonwealth trust (India) Ltd, an associates in which Parent has 30% holding, couldn't be considered for consolidation considering the unsubstantial financials of the associates as the last available financial statement as at 31.03.2014. There is no material impact of non inclusion of investments.
- 4 There has been no change in the accounting policies followed by Parent bank as well as Group entities during the period ended 30th September 2016 as compared to those followed in the preceding financial year ended 31st March 2016.
- 5 RBI has issued revised Priority Sector guidelines vide FIDD.CO.Plan.BC.23/04.09.01/2015-16 dated April, 2016. Parent Bank sold 6,400 units amounting to Rs.16,000 Million under Priority Sector Lending Credit - SF/MF category and 4,000 units amounting to Rs.10,000 Million Priority Sector Lending Credit - Agriculture category.
- 6 The financial results of Parent Bank for the period ended 30th September 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 respect of Group entities the above aspects have been considered relying upon the unaudited results adopted by the respective Board.
- 7 In compliance to the RBI letter DBR.BNP.NO.11643/21.04.132/2015-16 dated 17.03.2016 on Ujwal Discom Assurance Yojna (UDAY) scheme, the Parent Bank is holding as at 30th September 2016, a provision of RS. 3,890 million in respect of segment not envisaged to be converted into SDL in F.Y 2016-17 and Rs 609 Million for diminution in the fair value of loan/Discom Bonds.
- 8 The Parent Bank had made a provision of Rs 3,360 Million being 15% of the outstanding food credit availed by the State Government of Punjab as at 31.03.2016. During the period ended September 2016 an excess provision of Rs. 960 Million written back.



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



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

### Limited Review Report

**To**  
**The Board of Directors**  
**Canara Bank**  
**Bangalore**

- We have reviewed the consolidated financial statements of Canara Bank (hereinafter referred to as "Parent Bank") for the half year ended 30<sup>th</sup> September 2016, in which are incorporated the financial statements of its subsidiaries, associates, and jointly controlled entity (together referred to as "the Group"). 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 the consolidated financial statements based on our limited review. In the Consolidated Financial Statements referred to herein above are incorporated:
  - Financial statements of Parent Bank reviewed by the Central Statutory Auditors as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - Unaudited Board adopted financial statements of Eight (8) Subsidiaries, and two (2) Associates and one (1) Jointly Controlled Entity.
  - Financial statements of one (1) Associate reviewed as per the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- We conducted our limited 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.



In the conduct of our review, we have relied on the Financial statements of Parent Bank reviewed by the Central Statutory Auditors as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Unaudited Board adopted financial statements of Eight (8) Subsidiaries, and two (2) Associates and one (1) Jointly Controlled Entity, financial statements of one (1) Associate reviewed as per the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

3. Based on our review as aforesaid, subject to limitations in scope as mentioned in Para 2 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 with respect to 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**



**(P Karunakara Naidu)**  
**Partner**  
**M. No. 210603**

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



**(Jayarajan M)**  
**Partner**  
**M. No. 011105**



**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 Krishnam)**  
**Partner**  
**M. No.018073**

**Place: Bangalore**  
**Date: 20<sup>th</sup> January, 2017**