

Ref :: MD&CEO:SD:2475/2476/11/12::2018

October 31 , 2018

**The Vice President
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street,
MUMBAI – 400 001**

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

Dear Sir/Madam,

**Subject: Reviewed Financial Results for the Quarter/ Half year ended on 30.09.2018
Ref: Regulation 33 of the SEBI (LODR) Regulations, 2015**

The Reviewed Financial Results of the Bank for the Second Quarter/Half Year ended 30.09.2018 were approved by the Board of Directors at its Meeting held on 31st October,2018. A copy of the same is enclosed along with Limited Review Report of the Auditors.

The meeting of the Board of Directors commenced at 2.30p.m. and concluded at 3.45 p.m.

The above is for your information and record.

Yours faithfully,



VINAY MOHTA
COMPANY SECRETARY



सचिवालय विभाग
प्रबंध निदेशक व मुख्य कार्यकारी अधिकारी सचिवालय
प्रधान कार्यालय
112, जे सी रोड बेंगलूर - 560002

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MD & CEO's Secretariat
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REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2018

Sl. No.	PARTICULARS	QUARTER ENDED			HALF YEAR ENDED		(Rs. in Crore)
		(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	(REVIEWED)	YEAR ENDED
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	(AUDITED) 31.03.2018
1	INTEREST EARNED (a)+(b)+(c)+(d)	11123.75	11359.55	10058.45	22483.30	20254.04	41252.09
	(a) Interest/discount on advances/bills	8201.22	8325.98	7276.26	16527.20	14524.74	29096.44
	(b) Income on Investments	2719.67	2618.41	2595.03	5338.08	5328.47	10412.10
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	170.38	157.18	151.10	327.56	330.43	646.99
	(d) Others	32.48	257.98	36.06	290.46	70.40	1096.56
2	Other Income	1555.31	1832.91	1936.19	3388.22	4044.70	6942.85
3	TOTAL INCOME (1+2)	12679.06	13192.46	11994.64	25871.52	24298.74	48194.94
4	Interest Expended	7842.48	7476.65	7275.08	15319.13	14757.43	29088.76
5	Operating Expenses (i)+(ii)	2509.20	2783.02	2239.74	5292.22	4589.11	9557.94
	(i) Employees Cost	1552.40	1516.89	1377.28	3069.29	2729.04	5444.12
	(ii) Other Operating Expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	956.80	1266.13	862.46	2222.93	1860.07	4113.82
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	10351.68	10259.67	9514.82	20611.35	19346.54	38646.70
7	Operating Profit before Provisions and Contingencies (3-6)	2327.38	2932.79	2479.82	5260.17	4952.20	9548.24
8	Provisions (Other than Tax) and Contingencies	2835.14	2582.30	2156.64	5417.44	4360.42	16109.10
	of which provisions for Non-performing assets	2403.06	2466.20	1949.81	4869.26	4219.81	14882.70
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)	(507.76)	350.49	323.18	(157.27)	591.78	(6,560.86)
11	Tax expense	(807.30)	69.00	63.00	(738.30)	80.00	(2,338.62)
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	299.54	281.49	260.18	581.03	511.78	(4,222.24)
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)	299.54	281.49	260.18	581.03	511.78	(4,222.24)
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	733.24	733.24	597.29	733.24	597.29	733.24
16	Reserves excluding Revaluation Reserves (as per balance sheet of previous accounting year)						28346.86
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	72.55%	72.55%	66.30%	72.55%	66.30%	72.55%
	(ii) Capital Adequacy Ratio - Basel III	12.62%	13.00%	12.45%	12.62%	12.45%	13.22%
	(a) Common Equity Tier I Ratio	9.11%	9.35%	8.68%	9.11%	8.68%	9.51%
	(b) Additional Tier 1 Ratio	0.75%	0.77%	0.82%	0.75%	0.82%	0.79%
	(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	4.08	3.84	4.36	7.92	8.57	(70.47)
	b)Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	4.08	3.84	4.36	7.92	8.57	(70.47)
	(iv) NPA Ratios						
	a) Amount of Gross Non Performing Assets	45233.22	44659.56	39164.08	45233.22	39164.08	47468.47
	b) Amount of Net Non-Performing Assets	26777.64	26693.50	25165.57	26777.64	25165.57	28542.40
	c) Percentage of Gross Non Performing Assets	10.56%	11.05%	10.51%	10.56%	10.51%	11.84%
	d) Percentage of Net Non-Performing Assets	6.54%	6.91%	7.02%	6.54%	7.02%	7.48%
	(v) Return on Assets (Annualised)	0.20%	0.19%	0.19%	0.19%	0.18%	(0.75%)



STATEMENT OF ASSETS AND LIABILITIES

(Rs in Crore)

PARTICULARS	As on	As on	As on
	30.09.2018 (REVIEWED)	30.09.2017 (REVIEWED)	31.03.2018 (AUDITED)
CAPITAL AND LIABILITIES			
CAPITAL	733.24	597.29	733.24
RESERVES AND SURPLUS	35567.09	33531.05	34871.59
DEPOSITS	551926.03	496439.79	524771.86
BORROWINGS	49289.74	30291.10	38808.51
OTHER LIABILITIES AND PROVISIONS	13306.01	14301.60	17700.90
TOTAL	650822.11	575160.83	616886.10
ASSETS			
CASH & BALANCES WITH RESERVE BANK OF INDIA	26097.30	23510.12	22100.04
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	25336.05	27545.35	27812.29
INVESTMENTS	151688.16	137025.91	144053.67
ADVANCES	409528.64	358255.19	381702.99
FIXED ASSETS	8270.89	7121.99	8318.64
OTHER ASSETS	29901.07	21702.27	32898.47
TOTAL	650822.11	575160.83	616886.10

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 31st October 2018. The results have been subjected to a "Limited Review" by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the quarter and period ended 30th September 2018, as compared to those followed in the preceding year ended 31st March 2018.
- The Financial results for the quarter and period ended 30th September 2018 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 Employees benefits, provision for exposure to entities with un-hedged foreign currency and other necessary provisions.
- The Reserve Bank of India circular RBI:2017-18/200 DBR No. BP.BC.113/21.04.048/2017-18 dated 15.06.2018 granted banks an option to spread provisioning for mark to market (MTM) losses on investments held in AFS and HFT for the quarter ended June 30, 2018 equally over up to four quarters, commencing with the quarter ended June 30, 2018. Accordingly, during the quarter and half year period ended September 30, 2018 Rs.150.96 Crore and Rs.301.92 Crore respectively have been charged to the profit and loss account towards such MTM losses and the balance unamortised MTM loss as on September 30, 2018 is Rs.301.92 Crore. Additionally MTM losses due to movement in the yield for the quarter ended 30th September 2018 of Rs.332.75 Crores have been fully provided.
- Our Bank has sold 36,760 units under Priority Sector Lending Certificates (PSLCs) to the tune of Rs.9,190.00 Crores under Agriculture and Small and Marginal Farmers category and earned commission income of Rs 86.17 Crores during the quarter ended 30th September 2018.
- 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.
- Provision Coverage Ratio as at 30th September 2018 is 61.39%.



9. Number of Investors Complaints received and disposed off during the quarter ended 30.09.2018.

v.	Pending at the beginning of the quarter	:	NIL
vi.	Received during the quarter	:	635
vii.	Disposed off during the quarter	:	635
viii.	Lying unresolved at the end of the quarter	:	NIL

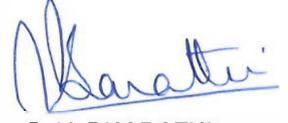
10. Figures of the corresponding previous period have been regrouped and/or restated wherever considered necessary.



DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR



M. V. RAO
EXECUTIVE DIRECTOR



P. V. BHARATHI
EXECUTIVE DIRECTOR



T.N. MANOHARAN
CHAIRMAN

PLACE: BENGALURU
DATE: 31.10.2018



J Singh & Associates Chartered Accountants FRN : 110266W	J L Sengupta & Co. Chartered Accountants FRN : 307092E	Dagliya & Co Chartered Accountants FRN : 000671S	Komandoor & Co LLP Chartered Accountants FRN: 001420S / S200034
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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 September 30, 2018. 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.

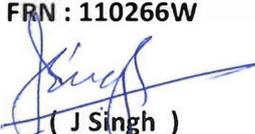
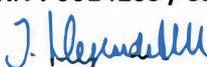
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free from material mis-statement. 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 6065 branches. In the conduct of our review, we have relied on the review reports of 220 branches in respect of non-performing assets submitted by the Inspection Officials of the Bank. These review reports cover 58.04 percent of the advances portfolio of the bank. Apart from aforesaid review reports, in the conduct of our review, we have also relied upon various returns received from the branches of the Bank.



J Singh & Associates Chartered Accountants FRN : 110266W	J L Sengupta & Co. Chartered Accountants FRN : 307092E	Dagliya & Co Chartered Accountants FRN : 000671S	Komandoor & Co LLP Chartered Accountants FRN: 001420S / S200034
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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 prevailing 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 w.r.t 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 mis-statement 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.

J Singh & Associates Chartered Accountants FRN : 110266W  (J Singh) Partner Membership No 042023 	J L Sengupta & Co. Chartered Accountants FRN : 307092E  (S Mandal) Partner Membership No 068309 	Dagliya & Co. Chartered Accountants FRN : 000671S  (P Manohara Gupta) Partner Membership No 016444 	Komandoor & Co LLP Chartered Accountants FRN : 001420S / S200034  (T. Nagendranadh) Partner Membership No 226246 
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Place: Bangalore
Date: Oct 31, 2018