

Ref :: MD&CEO:SD:437/438/11/12:BNB:2016

February 12, 2016

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,

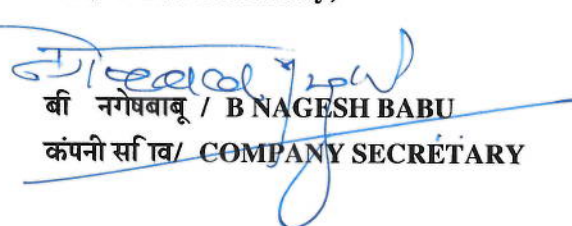
विषय/ Subject: Reviewed Financial Results - 31.12.2015

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 31st December, 2015 were approved by the Board of Directors at its Meeting held on 12.02.2016. A copy of the same along with Limited Review Report submitted by the Statutory Auditors are enclosed.

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

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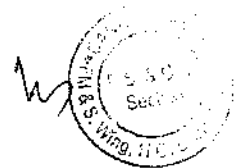
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REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2015

[₹ in Crore]

Sl. No.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		(REVIEWED)			(REVIEWED)		(AUDITED)
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
1	INTEREST EARNED (a)+(b)+(c)+(d)	10882.07	11267.50	11051.66	33289.22	32646.64	43750.04
	(a) Interest/discount on advances/bills	7629.14	8126.01	8063.26	23855.85	23972.93	32066.12
	(b) Income on Investments	2924.03	2942.92	2791.71	8717.03	8097.86	10923.75
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	328.90	198.57	196.69	716.34	575.85	759.79
	(d) Others	0.00	0.00	0.00	0.00	0.00	0.38
2	Other Income	1168.56	1210.45	1176.20	3492.00	3224.44	4550.25
3	TOTAL INCOME (1+2)	12050.63	12477.95	12227.86	36781.22	35871.08	48300.29
4	Interest Expended	8655.47	8621.00	8671.18	25899.62	25469.11	34086.37
5	Operating Expenses (i)+(ii)	1842.72	1912.85	1759.38	5381.49	5184.13	7263.55
	(i) Employees Cost	1039.75	1107.84	1037.85	3206.34	3111.74	4274.25
	(ii) Other Operating Expenses	802.97	805.01	721.53	2175.15	2072.39	2989.30
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	10498.19	10533.85	10430.56	31281.11	30653.24	41349.92
7	Operating Profit before Provisions and Contingencies (3-6)	1552.44	1944.10	1797.30	5500.11	5217.84	6950.37
8	Provisions (Other than Tax) and Contingencies	1428.85	1212.31	841.33	4000.89	2443.17	3452.74
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)	123.59	731.79	955.97	1499.22	2774.67	3497.63
11	Tax expense	38.62	202.93	300.00	406.55	685.00	795.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	84.97	528.86	655.97	1092.67	2089.67	2702.63
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)	84.97	528.86	655.97	1092.67	2089.67	2702.63
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	542.99	542.99	461.26	542.99	461.26	475.20
16	Reserves excluding Revaluation Reserves						25978.18
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	66.30%	66.30%	69.00%	66.30%	69.00%	69.91%
	(ii) Capital Adequacy Ratio - Basel III	11.54%	11.04%	9.87%	11.54%	9.87%	10.56%
	(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	1.56	10.26	14.22	21.07	45.30	58.59
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	1.56	10.26	14.22	21.07	45.30	58.59
	(iv) NPA Ratios						
	(a) Amount of Gross Non Performing Assets	19813.44	14021.34	10573.57	19813.44	10573.57	13039.96
	(b) Amount of Net Non Performing Assets	12940.10	9382.53	7555.85	12940.10	7555.85	8740.09
	(c) Percentage of Gross Non Performing Assets	5.84%	4.27%	3.35%	5.84%	3.35%	3.89%
	(d) Percentage of Net Non Performing Assets	3.90%	2.90%	2.42%	3.90%	2.42%	2.65%
	(v) Return on Assets (Annualised)	0.06%	0.39%	0.53%	0.27%	0.56%	0.55%



SEGMENT REPORTING FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2015

[₹ in Crore]

BUSINESS SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Nine Months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
(1)	Segment Revenue						
a	Treasury Operations	3167.90	3307.87	3174.90	9602.67	8800.15	12201.37
b	Retail Banking Operations	3613.01	3754.30	3173.45	10928.82	9163.22	12582.47
c	Wholesale Banking Operations	5249.20	5389.15	5713.79	16180.63	17363.21	22818.09
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated	20.52	26.63	165.72	69.10	544.50	698.36
	Total	12050.63	12477.95	12227.86	36781.22	35871.08	48300.29
(2)	Segment Results						
a	Treasury Operations	480.14	576.01	418.08	1506.45	702.42	1569.12
b	Retail Banking Operations	491.01	444.76	231.43	1579.35	984.51	1221.35
c	Wholesale Banking Operations	560.76	896.71	999.35	2345.21	3052.08	3548.66
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
	Total	1531.91	1917.48	1648.86	5431.01	4739.01	6339.13
(3)	Unallocated Income/Expenses	20.53	26.62	148.44	69.10	478.83	611.24
(4)	Operating Profit	1552.44	1944.10	1797.30	5500.11	5217.84	6950.37
(5)	Provisions and Contingencies	1428.85	1212.31	841.33	4000.89	2443.17	3452.74
(6)	Income Tax	38.62	202.93	300.00	406.55	685.00	795.00
(7)	Net Profit	84.97	528.86	655.97	1092.67	2089.67	2702.63
(8)	Segment Assets*						
a	Treasury Operations	204355.44	206834.19	197101.40	204355.44	197101.40	192632.54
b	Retail Banking Operations	129024.89	127245.79	109199.61	129024.89	109199.61	117466.87
c	Wholesale Banking Operations	207316.33	202266.63	205558.56	207316.33	205558.56	217195.46
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	20524.44	17018.78	16942.88	20524.44	16942.88	15299.84
	Total Assets	561221.10	553365.39	528802.45	561221.10	528802.45	542594.71
(9)	Segment Liabilities						
a	Treasury Operations	29183.84	28339.04	45838.30	29183.84	45838.30	50848.56
b	Retail Banking Operations	287727.55	307049.87	203695.78	287727.55	203695.78	251281.63
c	Wholesale Banking Operations	184709.09	159341.22	223045.27	184709.09	223045.27	183254.51
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	29533.28	28638.20	30255.64	29533.28	30255.64	30756.63
f	Capital and Reserves *	30067.34	29997.07	25967.46	30067.34	25967.46	26453.38
	Total Liabilities	561221.10	553365.39	528802.45	561221.10	528802.45	542594.71

(* Excluding Revaluation Reserve)

GEOGRAPHICAL SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Nine Months ended		Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
(1)	Domestic Operations						
a	Revenue	11755.08	12130.09	11931.58	35842.48	34953.97	47101.13
b	Assets	509589.08	499332.18	486044.67	509589.08	486044.67	494678.72
(2)	International Operations						
a	Revenue	295.55	347.86	296.28	938.74	917.12	1199.16
b	Assets	51632.02	54033.21	42757.78	51632.02	42757.78	47915.99
	Total						
a	Revenue	12050.63	12477.95	12227.86	36781.22	35871.09	48300.29
b	Assets	561221.10	553365.39	528802.45	561221.10	528802.45	542594.71



STATEMENT OF ASSETS AND LIABILITIES

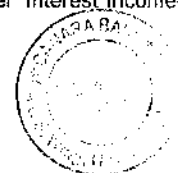
[₹ in Crore]

	As on 31.12.2015 (REVIEWED)	As on 31.12.2014 (REVIEWED)	As on 31.03.2015 (AUDITED)
CAPITAL AND LIABILITIES			
CAPITAL	542.99	461.26	475.20
RESERVES AND SURPLUS	34989.23	30936.47	31384.03
DEPOSITS	490598.87	462449.58	473840.10
BORROWINGS	25359.96	23638.03	25671.57
OTHER LIABILITIES AND PROVISIONS	15194.92	16747.38	16629.66
TOTAL	566685.97	534232.72	548000.56
ASSETS			
CASH & BALANCES WITH RESERVE BANK OF INDIA	22928.49	20874.69	21971.95
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	25197.94	21655.88	26669.14
INVESTMENTS	155887.85	153425.99	145346.18
ADVANCES	331914.86	312268.62	330035.51
FIXED ASSETS	7183.46	6925.38	6949.45
OTHER ASSETS	23573.37	19082.16	17028.33
TOTAL	566685.97	534232.72	548000.56

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 12th February 2016. 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 / period ended 31st December 2015 as compared to those followed in the preceding financial year ended 31st March 2015 except followings:
 - The useful lives of various Fixed Assets (except lease hold buildings and computers) have been changed by the Bank. These changes are based on the management's assessment of the useful lives of such Fixed Assets. The useful lives of Server Hardware, Network Equipment and Automated Teller Machines (ATMs) have been changed to five years (as against three years determined earlier) because these are no longer considered to be part of Computers. In respect of Computers, RBI guidelines have been followed for amortizing them over a period of three years. Further with regard to free hold building the useful life of the assets has been taken as 60 years, pending technical evaluation.
 - The Bank has also adopted a policy of charging depreciation during the initial year at 100% of the normal rate for assets ready for use for 180 days or more and at 50% of the normal rate for assets ready for use for less than 180 days during the year. The earlier policy of the Bank was to charge depreciation at 100% of the normal rate during the initial year irrespective of the number of days the asset was ready to use.
 - Depreciation in respect of those Fixed Assets including building and except Server Hardware, Network Equipment and ATM is now provided on Straight Line Method (SLM) as against the Written Down Value (WDV) method adopted in earlier years. This is done to make more appropriate presentation of the financial statements.
 - The aforesaid changes have resulted in surplus, which has been credited to the Profit and Loss account to the extent of Rs. 166.61 crores and Rs.113.59 crores to the Revaluation Reserve Account. The Bank has been following afore mentioned revised method from 01.04.2015 onwards and accordingly depreciation has been provided. This change has an overall impact in the profits to the tune of Rs. 202.50 crores for the half year ended 30th September 2015.
- The working results for the quarter ended 31st December 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, provision for exposure to entities with unhedged foreign currency and other necessary provisions. Provision for employee benefits, Income-tax and Depreciation on fixed assets are subject to adjustments, if any, at the year end.
- Classification and provision arising from Asset Quality Review (AQR) conducted by Reserve Bank of India is being done over the quarters ended December 31, 2015 and ending on March 31, 2016, as advised by RBI.
- 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. 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.
- The bank has allotted 4,00,00,000 equity shares of face value of Rs. 10/- each at a premium of Rs. 370.08 per equity share to Life Insurance Corporation of India on preferential basis on 12.05.2015 for a total consideration of Rs. 1,520.32 crores and 2,77,94,083 equity shares of face value of Rs. 10/- each at a premium of Rs. 330.72 per equity share to Government of India on preferential basis on 30.09.2015 for a total consideration of Rs. 947.00 crores.
- In accordance with RBI circular DBR.BP.BC.No.31/21.04.018/2015-16 dated 16.07.2015, the Bank has classified deposits placed with NABARD/SIDBI/NHB during the period commencing from April 1, 2015 for meeting shortfall in Priority Sector Lending under the income from such deposits has been classified under the head 'Interest Income-Others', which was hitherto included under 'Interest Income-Investments'.
- Provision Coverage Ratio as on 31st December 2015 is 53.96 %

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9 Number of Investors Complaints received and disposed off during the quarter ended 31.12.2015

- i) Pending at the beginning of the quarter : Nil
- ii) Received during the quarter : 334
- iii) Disposed off during the quarter : 334
- iv) Lying unresolved at the end of the quarter : Nil

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



DINABANDHU MOHAPATRA
EXECUTIVE DIRECTOR



HARIDEESH KUMAR B
EXECUTIVE DIRECTOR



P S RAWAT
EXECUTIVE DIRECTOR



RAKESH SHARMA
MD & CEO



T.N. MANOHARAN
CHAIRMAN

PLACE : BANGALORE
DATE : 12.02.2016

<i>S. C. Vasudeva & Co.</i> <i>Chartered Accountants</i> <i>FRN : 000235N</i>	<i>Vinay Kumar & Co.</i> <i>Chartered Accountants</i> <i>FRN : 000719C</i>	<i>Ramraj & Co.</i> <i>Chartered Accountants</i> <i>FRN : 002839S</i>
<i>V. K. Niranjan & Co.</i> <i>Chartered Accountants</i> <i>FRN : 002468S</i>	<i>J L Sengupta & Co.</i> <i>Chartered Accountants</i> <i>FRN : 307092E</i>	<i>J Singh & Associates</i> <i>Chartered Accountants</i> <i>FRN : 110266W</i>

Limited Review Report

To
The Board of Directors
Canara Bank
Bangalore

1. We have reviewed the accompanying financial results of Canara Bank for the Quarter and nine months ended December 31, 2015. These financial results are the responsibility of the Bank's management and have been taken on record 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 is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. The financial results incorporate the relevant returns of 20 branches reviewed by us, 2 foreign branches reviewed by other auditors specially appointed for this purpose and unreviewed returns in respect of 5583 branches. In the conduct of our review, we have relied on the review reports in respect of non performing assets submitted by the concurrent auditors of NIL branches to the bank management, inspection team of the bank of 184 branches and other firms of auditors of NIL branches specifically appointed for this purpose. These review reports cover 58 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. We draw attention to Notes in the unaudited financial results Note No. 2 regarding the change in accounting policy wrt change in the method charging depreciation, change in the useful life of certain fixed assets and the consequential effect on financial statements.

Our opinion is not modified in respect of above matter.



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 including the manner in which it is to be disclosed, or that it contains and 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 S. C. Vasudeva & Co.
Chartered Accountants
FRN : 000235N


(Ashish Agarwal)
Partner
M. No. 093790



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


(V K Agrawal)
Partner
M. No. 013795



For Ramraj & Co.
Chartered Accountants
FRN : 002839S


(P Karunakara Naidu)
Partner
M. No. 210603



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


(Niranjana V K)
Partner
M. No. 021432



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


(P Parthasarthy)
Partner
M. No. 019410



For J Singh & Associates
Chartered Accountants
FRN : 110266W


(J Singh)
Partner
M. No. 042023



Place: Bangalore

Date: February 12, 2016