केनरा बैंक Canara Bank

Ref :: CMD:SD:2470/2471/11/12:BNB:2013 **August 03, 2013**

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 - 30.06.2013
Ref : Clause No. 41 of the Listing Agreement

The Financial Results of the Bank for the Quarter ended 30.06.2013 were approved by the Board of Directors at its Meeting of 03.08.2013. A copy of the same is enclosed along with Limited Review Report of the Auditors.

धन्यवाद / Thanking you,

भवदीय/ Yours faithfully,

बी नगेषबाबू / B NAGESH BABU
कंपनी सचिव/ COMPANY SECRETARY

सचिवीय विभाग
अध्यक्ष व प्रबंध निदेशक का सचिवालय
प्रधान कार्यालय
112 जे सी रोड, बेंगलूर - 560002

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केनरा बैंक Canara Bank
(Head Office : Bangalore - 2)

REVIEWED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2013

(Rupees in Crore)

SL. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(REVIEWED)	(AUDITED)	(REVIEWED)	(AUDITED)
1	INTEREST EARNED (a)+(b)+(c)+(d)	9269.58	8465.05	8472.86	34077.93
	(a) Interest/discount on advances/bills	6449.84	6072.65	6229.07	24379.91
	(b) Income on Investments	2481.61	2306.89	2039.89	9112.42
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	338.04	85.14	203.90	585.23
	(d) Others	0.09	0.37	0.00	0.37
2	Other Income	1238.30	1006.52	692.61	3153.01
3	TOTAL INCOME (1+2)	10507.88	9471.57	9165.47	37230.94
4	Interest Expended	7278.48	6374.44	6629.32	26198.94
5	Operating Expenses (i)+(ii)	1331.14	1399.40	1142.38	5141.99
	(i) Employees Cost	887.08	888.42	742.97	3253.56
	(ii) Other Operating Expenses	444.06	510.98	399.41	1888.43
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	8609.62	7773.84	7771.70	31340.93
7	Operating Profit before Provisions and Contingencies (3-6)	1898.26	1697.73	1393.77	5890.01
8	Provisions (Other than Tax) and Contingencies	916.19	752.35	418.53	2217.91
9	Exceptional items	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	982.07	945.38	975.24	3672.10
11	Tax expense	190.00	220.00	200.00	800.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	792.07	725.38	775.24	2872.10
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	792.07	725.38	775.24	2872.10
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	443.00	443.00	443.00	443.00
16	Reserves excluding Revaluation Reserves (As per Balance Sheet of previous accounting year)				22401.55
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	67.72%	67.72%	67.72%	67.72%
	(ii) Capital Adequacy Ratio - Basel II	11.42%	12.40%	13.22%	12.40%
	(iii) Capital Adequacy Ratio - Basel III	11.35%			
	(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.	17.88	16.37	17.50	64.83
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	17.88	16.37	17.50	64.83
	(v) NPA Ratios				
	(a) Amount of Gross Non Performing Assets	7328.88	6260.16	4496.55	6260.16
	(b) Amount of Net Non Performing Assets	6209.17	5278.07	3755.61	5278.07
	(c) Percentage of Gross Non Performing Assets	2.91%	2.57%	1.98%	2.57%
	(d) Percentage of Net Non Performing Assets	2.48%	2.18%	1.66%	2.18%
	(vi) Return on Assets (Annualised)	0.75%	0.77%	0.83%	0.77%
18	Public shareholding				
	- Number of Shares	143000000	143000000	143000000	143000000
	- Percentage of shareholding	32.28%	32.28%	32.28%	32.28%
19	Promoters and promoter group shareholding				
	a) Pledged / Encumbered	NIL			
	- Number of Shares				
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)				
	- Percentage of shares (as a % of the total share capital of the Company)				
	b) Non-encumbered				
	- Number of Shares	300000000	300000000	300000000	300000000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	67.72%	67.72%	67.72%	67.72%

STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

	As on 30.06.2013 (REVIEWED)	As on 30.06.2012 (REVIEWED)	As on 31.03.2013 (AUDITED)
CAPITAL AND LIABILITIES			
CAPITAL	443.00	443.00	443.00
RESERVES AND SURPLUS	25221.04	23064.17	24434.79
DEPOSITS	381971.51	334619.18	355855.99
BORROWINGS	18097.70	17168.27	20283.37
OTHER LIABILITIES AND PROVISIONS	10828.52	9350.50	11325.45
TOTAL	436561.77	384645.12	412342.60
ASSETS			
CASH & BALANCES WITH RESERVE BANK OF INDIA	20967.02	16010.75	15405.93
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	12852.25	18086.99	19308.77
INVESTMENTS	136062.78	111716.96	121132.83
ADVANCES	249891.43	225583.50	242176.62
FIXED ASSETS	2855.79	2848.00	2862.72
OTHER ASSETS	13932.50	10398.92	11455.73
TOTAL	436561.77	384645.12	412342.60

SEGMENT REPORTING FOR THE QUARTER ENDED 30.06.2013

Rs. In Crore

	BUSINESS SEGMENT	QUARTER ENDED			YEAR ENDED
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(REVIEWED)	(AUDITED)	(REVIEWED)	(AUDITED)
(a)	Segment Revenue				
1	Treasury Operations	3160.23	2642.89	2298.24	10294.45
2	Retail Banking Operations	2359.68	2473.84	2190.08	9463.97
3	Wholesale Banking Operations	4808.50	4319.02	4597.65	17223.41
4	Other Banking Operations	0.00	0.00	0.00	0.00
5	Unallocated	179.47	35.82	79.50	249.11
	Total	10507.88	9471.57	9165.47	37230.94
(b)	Segment Results				
1	Treasury Operations	510.29	654.24	56.52	1115.81
2	Retail Banking Operations	380.26	655.73	412.92	1864.14
3	Wholesale Banking Operations	874.35	365.20	866.81	2705.43
4	Other Banking Operations	0.00	0.00	0.00	0.00
	Total	1764.90	1675.17	1336.25	5685.38
(c)	Unallocated Income/Expenses	133.36	22.56	57.52	204.63
(d)	Operating Profit	1898.26	1697.73	1393.77	5890.01
(e)	Provisions and Contingencies	916.19	752.35	418.53	2217.91
(f)	Income Tax	190.00	220.00	200.00	800.00
(g)	Net Profit	792.07	725.38	775.24	2872.10
(h)	Other Information				
(i)	Segment Assets*				
1	Treasury Operations	168782.94	150904.28	142115.04	150904.28
2	Retail Banking Operations	78392.37	78711.04	67693.76	78711.04
3	Wholesale Banking Operations	176297.34	171294.18	164679.89	171294.18
4	Other Banking Operations	0.00	0.00	0.00	0.00
5	Unallocated Assets	11063.61	9399.87	8099.33	9399.87
	Total	434536.26	410309.37	382588.02	410309.37
(j)	Segment Liabilities				
1	Treasury Operations	22276.78	28855.45	41649.28	28855.45
2	Retail Banking Operations	162330.19	156299.98	143736.41	156299.98
3	Wholesale Banking Operations	204200.42	180253.80	153576.28	180253.80
4	Other Banking Operations	0.00	0.00	0.00	0.00
5	Unallocated Liabilities	22090.35	22055.59	22175.98	22055.59
6	Capital and Reserves *	23638.52	22844.55	21450.07	22844.55
	Total	434536.26	410309.37	382588.02	410309.37

(* Excluding Revaluation Reserve)

	GEOGRAPHICAL SEGMENT	QUARTER ENDED	QUARTER ENDED	QUARTER ENDED	YEAR ENDED
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		(REVIEWED)	(AUDITED)	(REVIEWED)	(AUDITED)
a	Domestic Operations				
	Revenue	10246.05	9326.97	9011.76	36645.47
	Assets	406567.09	386312.09	362503.11	386312.09
b	International Operations				
	Revenue	261.83	144.60	153.71	585.47
	Assets	27969.17	23997.27	20084.91	23997.27
c	Total				
	Revenue	10507.88	9471.57	9165.47	37230.94
	Assets*	434536.26	410309.37	382588.02	410309.37

(* Excluding Revaluation Reserve)

Notes:

1 The above Financial Results were approved by the Board of Directors in its meeting held on 3rd August 2013. The results have been subjected to a 'Limited Review' by the Statutory Central Auditors of the Bank.

2 There has been no change in the accounting policies followed during the quarter ended 30th June 2013 as compared to those followed in the preceding financial year ended 31st March 2013. However, in line with IRAC norms, provision on doubtful assets is provided from the date the account becomes doubtful, which hitherto was made on financial year basis. This however has no impact on the provisions on year to year basis.

3 The working results for the quarter ended 30th June 2013 have been arrived at after considering provision for Loan Losses, Depreciation on Investments and Fixed Assets. Provision for Employee Benefits, Income Tax and Other Contingencies are on an estimated basis.

4 In accordance with the RBI Circular No.DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011:

i) a sum of Rs.92.68 Crore has been charged to Profit & Loss Account during the period on proportionate basis towards unamortised liability of Rs.1482.86 Crore (being amortized over 5 years beginning from 31st March 2011) on account of reopening of pension option for existing employees who had not opted for Pension earlier. The balance amount of Rs.648.75 Crore will be dealt with as per the guidelines of Reserve Bank of India.

ii) a sum of Rs.33.97 Crore has been charged to Profit & Loss Account during the period on proportionate basis towards unamortised liability of Rs.543.62 Crore (being amortized over 5 years beginning from 31st March 2011) on account of the enhancement of gratuity limit. The balance amount of Rs.237.84 Crore will be dealt with as per guidelines of Reserve Bank of India.

5 Pending settlement of wage revision w.e.f 01.12.2012, adhoc provision of Rs.140 Crore is held on 30.06.2013 which includes Rs.55 Crore provided during the current quarter.

6 Number of Investors Complaints received and disposed off during the quarter ended 30.06.2013.
- i) Pending at the beginning of the quarter - Nil
- ii) Received during the quarter - 307
- iii) Disposed off during the quarter - 307
- iv) Lying unresolved at the end of the quarter - Nil

7 Figures of the corresponding previous period have been regrouped/restated/incorporated wherever considered necessary/feasible.

DATE : AUGUST 03 2013
PLACE: BANGALORE

V S KRISHNA KUMAR
EXECUTIVE DIRECTOR

ASHOK KUMAR GUPTA
EXECUTIVE DIRECTOR

R K DUBEY
CHAIRMAN & MANAGING DIRECTOR

Limited Review Report

To

The Board of Directors
Canara Bank
Bangalore

Introduction

We have reviewed the accompanying statement of unaudited financial results of Canara Bank for the quarter ended 30th June, 2013 except for the disclosures regarding `Public Shareholding' and `Promoter and Promoter Group Shareholding', which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Bank's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these unaudited Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. 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 upon the review reports in respect of non-performing asset reviewed by the Bank's Inspection teams of 130 branches and the review reports of 1 Foreign branch reviewed by the external auditor of that branch, besides carrying out the review of 20 branches by us and the Treasury Operations. These review reports cover 60.17 percent of the advances portfolio of the Bank and 64.73% of Non Performing Assets of the Bank. Apart from these review reports, in conduct of our review, we have also relied upon various returns received from the branches of the Bank.

H.K. CHAUDHRY & CO. NEW DELHI Chartered Accountants

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

P. CHOPRA & CO. Chartered Accountants

Conclusion

Based on our review conducted as 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 issued by the Institute of Chartered Accountants of India and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement 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 H K Chaudhry & Co.
Chartered Accountants
Firm Registration No.006154N

Monish Baweja
Partner
Membership No. 087384

For K Venkatachalam Aiyer & Co.
Chartered Accountants
Firm Registration No.004610S

V Devarajan
Partner
Membership No.018786

For S P Chopra & Co.
Chartered Accountants
Firm Registration No. 000346N

Sanjiv Gupta
Partner
Membership No.083364

For Loonker & Co.
Chartered Accountants
Firm Registration No. 000172W

S C Loonker
Partner
Membership No.010135

For P Chopra & Co.
Chartered Accountants
Firm Registration No. 004957N

Rakesh Jain
Partner
Membership No.087925

For A R Das & Associates
Chartered Accountants
Firm Registration No.306109E

Syamal Kumar Nayak
Partner
Membership No.051353

Place: Bangalore
Date: August 3, 2013