केनरा बैंक Canara Bank

REF ::CMD/SD/ 1475/1476 /11:12/2013
Date :: May 02, 2013

The Manager
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street MUMBAI – 400 001
Fax: 022-22722037/39/41/61 3121/
3719/1278/1557/3354/3577

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/
66418126/25/24

प्रिय महोदय/ Dear Sir,

Sub : Results Announcement - 31.03.2013

Ref : Clause No 20 & 41 of the Listing Agreement

- The Audited Financial Results of the Bank for the Quarter/Year ended 31.03.2013 were approved by the Board of Directors at its Meeting held on 02.05.2013. A copy of the same is enclosed, along with Report of the Auditors.
- The Board has recommended a Dividend @ 130% / Rs. 13/- per equity share of the face value of Rs. 10/- for the year ended 31.03.2013
- Book-Closure dates for payment of Dividend will be synchronized with the Annual General Meeting (AGM), which will be announced later.

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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Canara Bank

(Head Office : Bangalore - 2)

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2013

(₹ in Crore)

SL No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
1	INTEREST EARNED (a)+(b)+(c)+(d)	8465.05	8544.48	8267.49	34077.93	30850.62
	(a) Interest/discount on advances/bills	6072.65	5957.54	6189.31	24379.91	23443.42
	(b) Income on Investments	2306.89	2459.57	1908.30	9112.42	7044.73
	(c) Interest on balances with Reserve Bank of India & Other Inter Bank Funds	85.14	127.37	169.90	585.23	362.21
	(d) Others	0.37	0.00	-0.02	0.37	0.26
2	Other Income	1006.52	845.81	769.26	3153.01	2927.60
3	TOTAL INCOME (1+2)	9471.57	9390.29	9036.75	37230.94	33778.22
4	Interest Expended	6374.44	6556.45	6227.33	26198.94	23161.31
5	Operating Expenses (i)+(ii)	1399.40	1317.43	1318.72	5141.99	4673.75
	(i) Employees Cost	888.42	831.08	825.94	3253.56	2973.09
	(ii) Other Operating Expenses	510.98	486.35	492.78	1888.43	1700.66
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	7773.84	7873.88	7546.05	31340.93	27835.06
7	Operating Profit before Provisions and Contingencies (3-6)	1697.73	1516.41	1490.70	5890.01	5943.16
8	Provisions (Other than Tax) and Contingencies	752.35	625.90	461.61	2217.91	1860.45
9	Exceptional items	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	945.38	890.51	1029.09	3672.10	4082.71
11	Tax expense	220.00	180.00	200.00	800.00	800.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	725.38	710.51	829.09	2872.10	3282.71
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)	725.38	710.51	829.09	2872.10	3282.71
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	443.00	443.00	443.00	443.00	443.00
16	Reserves excluding Revaluation Reserves				22401.55	20181.82
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	67.72%	67.72%	67.72%	67.72%	67.72%
	(ii) Capital Adequacy Ratio	12.40%	12.64%	13.76%	12.40%	13.76%
	(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	16.37	16.04	18.72	64.83	74.10
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	16.37	16.04	18.72	64.83	74.10
	(iv) NPA Ratios					
	(a) Amount of Gross Non Performing Assets	6260.16	6090.08	4031.75	6260.16	4031.75
	(b) Amount of Net Non Performing Assets	5278.07	5134.40	3386.31	5278.07	3386.31
	(c) Percentage of Gross Non Performing Assets	2.57%	2.77%	1.73%	2.57%	1.73%
	(d) Percentage of Net Non Performing Assets	2.18%	2.35%	1.46%	2.18%	1.46%
	(v) Return on Assets (Annualised)	0.77%	0.82%	0.96%	0.77%	0.95%
18	Public shareholding					
	- Number of Shares	143000000	143000000	143000000	143000000	143000000
	- Percentage of shareholding	32.28%	32.28%	32.28%	32.28%	32.28%
19	Promoters and promoter group shareholding					
	a) Pledged / Encumbered					
	- Number of shares			NIL		
	- 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	300000000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	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%	67.72%

SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2013(Rs in crores)

	BUSINESS SEGMENT	AUDITED	REVIEWED	AUDITED	AUDITED	
		Quarter ended			Year Ended	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
(1)	**Segment Revenue**					
a	Treasury Operations	2642.89	2815.78	2171.12	10294.45	7826.50
b	Retail Banking Operations	2473.84	2312.87	1984.28	9463.97	8338.57
c	Wholesale Banking Operations	4319.02	4173.70	4851.23	17223.41	17272.11
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated	35.82	87.94	30.12	249.11	341.04
	Total	**9471.57**	**9390.29**	**9036.75**	**37230.94**	**33778.22**
(2)	**Segment Results**					
a	Treasury Operations	654.24	306.00	164.03	1115.81	572.72
b	Retail Banking Operations	655.73	306.35	469.69	1864.14	2031.47
c	Wholesale Banking Operations	365.20	826.99	731.24	2705.43	3036.11
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
	Total	**1675.17**	**1439.34**	**1364.96**	**5685.38**	**5640.30**
(3)	Unallocated Income/Expenses	22.56	77.07	125.75	204.63	302.86
(4)	**Operating Profit**	**1697.73**	**1516.41**	**1490.71**	**5890.01**	**5943.16**
(5)	Provisions and Contingencies	752.35	625.90	461.61	2217.91	1860.45
(6)	Income Tax	220.00	180.00	200.00	800.00	800.00
(7)	**Net Profit**	**725.38**	**710.51**	**829.10**	**2872.10**	**3282.71**
(8)	**Segment Assets***					
a	Treasury Operations	150904.28	147052.51	119619.18	150904.28	119619.18
b	Retail Banking Operations	78711.04	69827.55	68458.60	78711.04	68458.60
c	Wholesale Banking Operations	171294.18	150666.88	177113.82	171294.18	177113.82
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	9399.87	9994.25	6903.46	9399.87	6903.46
	Total Assets	**410309.37**	**377541.19**	**372095.06**	**410309.37**	**372095.06**
(9)	**Segment Liabilities**					
a	Treasury Operations	28855.45	30241.46	42572.21	28855.45	42572.21
b	Retail Banking Operations	156299.98	149807.43	139940.75	156299.98	139940.75
c	Wholesale Banking Operations	180253.80	151269.67	149166.13	180253.80	149166.13
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	22055.59	23400.59	19791.15	22055.59	19791.15
f	Capital and Reserves *	22844.55	22822.04	20624.82	22844.55	20624.82
	Total Liabilities	**410309.37**	**377541.19**	**372095.06**	**410309.37**	**372095.06**

(* Excluding Revaluation Reserve)

	GEOGRAPHICAL SEGMENT	AUDITED	REVIEWED	AUDITED	AUDITED	
		Quarter ended			Year Ended	
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
(1)	**Domestic Operations**					
a	Revenue	9326.97	9244.49	8886.89	36645.47	33264.31
b	Assets	386312.09	356994.37	354488.20	386312.09	354488.20
(2)	**International Operations**					
a	Revenue	144.60	145.80	149.86	585.47	513.91
b	Assets	23997.27	20546.82	17606.86	23997.27	17606.86
	Total					
a	Revenue	9471.57	9390.29	9036.75	37230.94	33778.22
b	Assets	410309.37	377541.19	372095.06	410309.37	372095.06

STATEMENT OF ASSETS AND LIABILITIES (₹ in crore)

	As on 31.03.2013 (AUDITED)	As on 31.03.2012 (AUDITED)
CAPITAL AND LIABILITIES		
CAPITAL	443.00	443.00
RESERVES AND SURPLUS	24434.79	22246.95
DEPOSITS	355855.99	327053.73
BORROWINGS	20283.37	15525.39
OTHER LIABILITIES AND PROVISIONS	11325.45	8891.12
TOTAL	**412342.60**	**374160.19**
ASSETS		
CASH & BALANCES WITH RESERVE BANK OF INDIA	15405.93	17795.13
BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE	19308.77	10384.26
INVESTMENTS	121132.83	102057.43
ADVANCES	242176.62	232489.82
FIXED ASSETS	2862.72	2857.54
OTHER ASSETS	11455.73	8576.01
TOTAL	**412342.60**	**374160.19**

Notes:

1 The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 2nd May 2013. The same have been audited by the Statutory Central Auditors of the Bank.

2 There has been no change in the accounting policies and practices followed during the quarter / year ended 31st March 2013 as compared to those followed in the preceding financial year ended 31st March 2012.

3 The working results for the quarter / year ended 31st March 2013 have been arrived at after considering provision for Loan Losses, Standard Assets, Depreciation on Investments, Fixed Assets, other usual and necessary provisions.

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 ₹370.71 Crore has been charged to Profit & Loss Account during the year ended 31st March 2013 on proportionate basis towards unamortised liability of ₹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 arlier. The balance amount of ₹741.44 Crore will be dealt with as per guidelines of Reserve Bank of India.

ii) a sum of ₹135.90 Crore has been charged to Profit & Loss Account during the year ended March 2013 on proportionate basis towards unamortised liability of ₹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 ₹271.82 Crore will be dealt with as per guidelines of Reserve Bank of India.

5 The Board has recommended a dividend of 20% on Published Profit which works out to Rs.13/- per Share for the year ended March 2013.

6 Number of Investors Complaints received and disposed off during the quarter ended 31.03.2013.

i) Pending at the beginning of the quarter - Nil
ii) Received during the quarter - 364
iii) Disposed off during the quarter - 364
iv) Lying unresolved at the end of the quarter - Nil

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

DATE : MAY 2, 2013
PLACE: BANGALORE

V S KRISHNA KUMAR
EXECUTIVE DIRECTOR

R K DUBEY
CHAIRMAN & MANAGING DIRECTOR

Independent Auditors' Report

To
The President of India

Report on the Financial Statements

1. We have audited the accompanying financial statements of Canara Bank as at 31st March 2013, which comprise the Balance Sheet as at 31st March 2013 and Profit & Loss Account and the Cash Flow Statement for the year then ended, a summary of significant Accounting Policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches audited by us, 1875 branches audited by Branch Auditors and 4 foreign branches audited by local auditors. 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 statement of Profit & Loss Account are the returns from 1698 Branches, which have not been subjected to audit. These unaudited branches account for 5.85 per cent of advances, 18.40 per cent of deposits, 4.65 per cent of interest income and 15.87 per cent of interest expenses.

Management's responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the Banking Regulation Act, 1949. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's 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 the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 judgment, 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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:

   (i) the Balance Sheet read with 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 the state of affairs of the Bank as at March 31, 2013, in conformity with the accounting principles generally accepted in India;

   (ii) the Profit & Loss Account read with the notes thereon shows a true balance of profit, in conformity with the accounting principles generally accepted in India, for the year covered by the account; and

   (iii) 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 & Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulations 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 and subject also to the limitations of disclosure required therein, we report that:

   a. 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.

   b. The transactions of the Bank, which have come to our notice, have been within the powers of the Bank.

   c. The returns received from the Offices and Branches of the Bank have been found adequate for the purposes of our audit.

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

LODHA & COMPANY MUMBAI CHARTERED ACCOUNTANTS

R. CHOPRA & CO. KARNAL Chartered Accountants

A.R.DAS & ASSOCIATES Chartered Accountants KOLKATA

S.P. CHOPRA & CO. CHECKED CHARTERED ACCOUNTANTS

9. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For H K Chaudhry & Co.
Chartered Accountants
Firm Registration No. 006154N

D N Bhargava
Partner
Membership No. 010005

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

A Gopalakrishnan
Partner
Membership No. 018159

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.

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

Pradeep Kumar Chopra
Partner
Membership No.082598

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

Syamal Kumar Nayak
Partner
Membership No.051353

Bangalore
May 02, 2013