

Ref :: CMD:SD:602/603/11/12:BNB:2014

January 31, 2014

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,

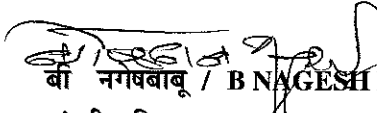
विषय/ Subject: Reviewed Financial Results - 31.12.2013

Ref : Clause No. 41 of the Listing Agreement

The Reviewed Financial Results of the Bank for the Third Quarter and Nine Months ended 31st December, 2013 were approved by the Board of Directors at its Meeting of 31.01.2014. A copy of the same along with Limited Review Report are enclosed.

धन्यवाद / Thanking you,

भवदीय/ Yours faithfully,


बी नगेशबाबू / B NAGESH BABU
कंपनी सचिव/ COMPANY SECRETARY

सचिवालय विभाग

अध्यक्ष व प्राथम निदेशक का सचिवालय

प्रधान कार्यालय

112 1 सी रोड, बंगलूर - 560002

Secretarial Department

C&MD's Secretariat

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REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER 2013

(₹ in Crore)

Sl. No.	PARTICULARS	QUARTER ENDED			NINE MONTHS ENDED		YEAR ENDED
		(REVIEWED)			(REVIEWED)		(AUDITED)
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
1	INTEREST EARNED (a)+(b)+(c)+(d)	10083.87	9654.48	8544.48	29007.93	25612.88	34077.93
	(a) Interest/discount on advances/bills	7360.12	6964.34	5957.54	20774.30	18307.26	24379.91
	(b) Income on Investments	2574.55	2596.98	2459.57	7653.14	6805.53	9112.42
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	149.10	93.04	127.37	580.18	500.09	585.23
	(d) Others	0.10	0.12	0.00	0.31	0.00	0.37
2	Other Income	851.42	773.00	845.81	2862.72	2146.49	3153.01
3	TOTAL INCOME (1+2)	10935.29	10427.48	9390.29	31870.65	27759.37	37230.94
4	Interest Expended	7856.88	7463.32	6556.45	22598.68	19824.50	26198.94
5	Operating Expenses (i)+(ii)	1487.55	1539.19	1317.43	4357.88	3742.59	5141.99
	(i) Employees Cost	873.44	932.62	831.08	2693.14	2365.14	3253.56
	(ii) Other Operating Expenses	614.11	606.57	486.35	1664.74	1377.45	1888.43
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	9344.43	9002.51	7873.88	26956.56	23567.09	31340.93
7	Operating Profit before Provisions and Contingencies (3-6)	1590.86	1424.97	1516.41	4914.09	4192.28	5890.01
8	Provisions (Other than Tax) and Contingencies	1051.51	674.03	625.90	2641.73	1465.56	2217.91
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)	539.35	750.94	890.51	2272.36	2726.72	3672.10
11	Tax expense	130.00	125.00	180.00	445.00	580.00	800.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	409.35	625.94	710.51	1827.36	2146.72	2872.10
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)	409.35	625.94	710.51	1827.36	2146.72	2872.10
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	461.26	443.00	443.00	461.26	443.00	443.00
16	Reserves excluding Revaluation Reserves						22401.55
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	69.00%	67.72%	67.72%	69.00%	67.72%	67.72%
	(ii) Capital Adequacy Ratio - Basel II	10.12%	10.96%	12.64%	10.12%	12.64%	12.40%
	(iii) Capital Adequacy Ratio - Basel III	9.83%	10.62%		9.83%		
	(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	9.24	14.13	16.04	41.24	48.46	64.83
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	9.24	14.13	16.04	41.24	48.46	64.83
	(iv) NPA Ratios						
	(a) Amount of Gross Non Performing Assets	8073.92	7475.07	6090.08	8073.92	6090.08	6260.16
	(b) Amount of Net Non Performing Assets	6869.87	6459.30	5134.40	6869.87	5134.40	5278.07
	(c) Percentage of Gross Non Performing Assets	2.79%	2.64%	2.77%	2.79%	2.77%	2.57%
	(d) Percentage of Net Non Performing Assets	2.39%	2.30%	2.35%	2.39%	2.35%	2.18%
	(v) Return on Assets (Annualised)	0.37%	0.58%	0.82%	0.55%	0.78%	0.77%
18	Public shareholding						
	- Number of Shares	143000000	143000000	143000000	143000000	143000000	143000000
	- Percentage of shareholding	31.00%	32.28%	32.28%	31.00%	32.28%	32.28%
19	Promoters and promoter group shareholding						
	a) Pledged / Encumbered						
	- 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	318258837	300000000	300000000	318258837	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%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	69.00%	67.72%	67.72%	69.00%	67.72%	67.72%

STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

	As on 31.12.2013 (REVIEWED)	As on 31.12.2012 (REVIEWED)	As on 31.03.2013 (AUDITED)
CAPITAL AND LIABILITIES			
CAPITAL	461.26	443.00	443.00
RESERVES AND SURPLUS	29038.88	24420.05	24434.79
DEPOSITS	408924.42	323963.36	355855.99
BORROWINGS	22622.81	19746.28	20283.37
OTHER LIABILITIES AND PROVISIONS	13621.30	11009.51	11325.45
TOTAL	474668.67	379582.20	412342.60
ASSETS			
CASH & BALANCES WITH RESERVE BANK OF INDIA	18708.76	14634.66	15405.93
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	16228.32	12671.43	19308.77
INVESTMENTS	130359.44	118834.53	121132.83
ADVANCES	287700.05	218242.39	242176.62
FIXED ASSETS	6492.73	2873.20	2862.72
OTHER ASSETS	15179.37	12325.99	11455.73
TOTAL	474668.67	379582.20	412342.60

SEGMENT REPORTING FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2013

[₹ in Crore]

BUSINESS SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Nine Months ended		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
(1)	Segment Revenue						
a	Treasury Operations	2676.16	2544.47	2815.78	8380.86	7651.56	10294.45
b	Retail Banking Operations	2705.54	2628.28	2312.87	7693.50	6990.13	9463.97
c	Wholesale Banking Operations	5392.25	5102.89	4173.70	15303.64	12904.39	17223.41
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated	161.34	151.84	87.94	492.65	213.29	249.11
	Total	10935.29	10427.48	9390.29	31870.65	27759.37	37230.94
(2)	Segment Results						
a	Treasury Operations	231.67	374.01	306.00	1115.97	461.57	1115.81
b	Retail Banking Operations	469.25	467.86	306.35	1317.37	1208.41	1864.14
c	Wholesale Banking Operations	728.59	473.13	826.99	2076.07	2340.23	2705.43
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
	Total	1429.51	1315.00	1439.34	4509.41	4010.21	5685.38
(3)	Unallocated Income/Expenses	161.35	109.97	77.07	404.68	182.07	204.63
(4)	Operating Profit	1590.86	1424.97	1516.41	4914.09	4192.28	5890.01
(5)	Provisions and Contingencies	1051.51	674.03	625.90	2641.73	1465.56	2217.91
(6)	Income Tax	130.00	125.00	180.00	445.00	580.00	800.00
(7)	Net Profit	409.35	625.94	710.51	1827.36	2146.72	2872.10
(8)	Segment Assets*						
a	Treasury Operations	164804.81	150938.61	147052.51	164804.81	147052.51	150904.28
b	Retail Banking Operations	91751.92	83412.07	69827.55	91751.92	69827.55	78711.04
c	Wholesale Banking Operations	200165.64	199808.06	150666.88	200165.64	150666.88	171294.18
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	12433.75	14041.25	9994.25	12433.75	9994.25	9399.87
	Total Assets	469156.12	448199.99	377541.19	469156.12	377541.19	410309.37
(9)	Segment Liabilities						
a	Treasury Operations	42115.15	31801.83	30241.46	42115.15	30241.46	28855.45
b	Retail Banking Operations	174806.12	169662.47	149807.43	174806.12	149807.43	156299.98
c	Wholesale Banking Operations	202767.59	200415.42	151269.67	202767.59	151269.67	180253.80
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	25479.67	22048.96	23400.59	25479.67	23400.59	22055.59
f	Capital and Reserves *	23987.59	24271.31	22822.04	23987.59	22822.04	22844.55
	Total Liabilities	469156.12	448199.99	377541.19	469156.12	377541.19	410309.37

(* Excluding Revaluation Reserve)

[₹ in Crore]

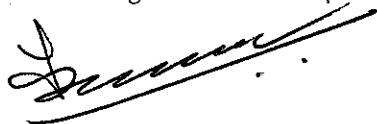
GEOGRAPHICAL SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Nine Months ended		Year ended
		31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	31.03.2013
(1)	Domestic Operations						
a	Revenue	10649.89	10207.63	9244.49	31103.57	27318.50	36645.47
b	Assets	435026.52	415131.17	356994.37	435026.52	356994.37	386312.09
(2)	International Operations						
a	Revenue	285.40	219.85	145.80	767.08	440.87	585.47
b	Assets	34129.60	33068.82	20546.82	34129.60	20546.82	23997.28
	Total						
a	Revenue	10935.29	10427.48	9390.29	31870.65	27759.37	37230.94
b	Assets	469156.12	448199.99	377541.19	469156.12	377541.19	410309.37

Notes:

- 1 The above Financial Results were reviewed by the Audit Committee of the Board and were approved by the Board of Directors in the meeting held on 31st January 2014. 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 31st December 2013 as compared to those followed in the preceding financial year ended 31st March 2013. 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 made as compared to the preceding financial year
- 3 The working results for the quarter ended 31st December 2013 have been arrived at after considering provision for Loan Losses, Depreciation on Investments and Fixed Assets. Provision for Employee Benefits, Income Tax, Deferred 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 quarter ended December 2013 on proportionate basis out of the total additional liability of Rs.1853.57 Crore (being amortized over 5 years beginning from the Financial year ending 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.463.39 Crore will be dealt with as per guidelines of Reserve Bank of India.
 - ii) a sum of Rs.33.98 Crore has been charged to Profit & Loss Account during the quarter ended December 2013 on proportionate basis out of the total additional liability of Rs.679.52 Crore (being amortized over 5 years beginning from the Financial Year ending 31st March 2011) on account of the enhancement of gratuity limit. The balance amount of Rs.169.88 Crore will be dealt with as per guidelines of Reserve Bank of India.
- 5 In terms of RBI Circular DBOD.BP.BC.No.41/21.01.141./2013-14 dated August 23, 2013 on "Investment Portfolio of Banks - Classification, Valuation and Provisioning", Banks have been given the option of distributing the net depreciation of the entire AFS / HFT portfolios on each of the valuation dates in the current financial year in equal installments during the Financial year 2013-14. Accordingly, out of the net depreciation of Rs.771.26 Crore on the entire AFS and HFT investments portfolio of the Bank as at December 31,2013, the Bank has recognised Rs.158.55 Crore in the Profit & Loss Account of the current quarter, in addition to Rs.355.62 Crore provided for in the quarter ended September 30, 2013.
- 6 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. The disclosures are being made available on the Bank's website "www.canarabank.com". These disclosures have not been subjected to a Limited Review by the auditors.
- 7 Provision of Rs.25 Crore has been made during the quarter towards arrears for wage revision, which will be effective from 1st November 2012 pending negotiation by IBA. Bank has made provision of Rs.220 Crore upto 31st December 2013 (upto 30th September 2013 of Rs.195 Crore).
- 8 The bank has allotted 1,82,58,837 equity shares of face value of Rs. 10 at a premium of Rs. 263.84 per equity share to Government of India (President of India) on preferential basis on 31st Decemeber'2013 for a total consideration of Rs. 499,99,99,924.08 (Rupees Four Hundred Ninety Nine Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Twenty Four and paise eight only). Accordingly the EPS has been calculated on weighted Average number of equity shares as specified in AS-20 issued by the Institute of Chartered Accountants of India.
- 9 The board of directors of the Bank in its meeting dated 20th January, 2014 declared an interim dividend of Rs. 6.50 per equity share i.e @ of 65% of the paid up capital of the Bank, the date of payment of dividend being 31st January 2014..The Government of India has issued a notification F. No.10/3/2010-BOA dated 15th January, 2014 declaring that the provisions of Section 15(1) of the Banking Regulation Act, 1949 shall not apply to the Public Sector Banks for the Financial Year 2013-14.
- 10 The bank has revalued certain immovable properties (both freehold and leasehold) the original cost of which is Rs.366.37 Crore acquired and capitalised on or before 31st March 2013 during the period ended 31st December'2013 on the basis of value determined by the approved valuers and an additional amount of Rs.3573.60 Crores has been credited to Capital Reserve-Revaluation Reserve. Accordingly, Tier II capital has been increased by Rs.1608.12 Crore being 45% of Rs.3573.60 Crores due to current revaluation for the purpose of computing Capital Adequacy Ratio in tune with Reserve Bank of India guidelines.
- 11 RBI vide their letter-DBOD No.BP 12415 /21.04.132 /2013-14 dated 03.01.2014 has permitted to spread the creation of Sundry Liabilities (Interest Capitalisation) on account of the past period Funded Interest Term Loan (FITL) amounting to Rs.528.63 Crores over a period of four quarters from December 2013 to September 2014. Accordingly Rs.132 Crores has been charged to Profit & Loss account during the quarter ended December 2013 on proportionate basis.

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- 12 Bank was holding a sum of Rs.3500 Crore under Special Reserves as on 31.03.2013. In terms of RBI Circular DBOD.No.BP.BC.77/21.04.018/2013-14 dated 20.12.2013, Bank has adjusted as on 31.12.2013, the Deferred Tax Liability amounting to Rs.1189.65 Crore directly from Reserves.
- 13 Provision Coverage Ratio as on 31st December 2013 is 57.39%
- 14 Number of Investors Complaints received and disposed off during the quarter ended 31.12.2013
- i) Pending at the beginning of the quarter - Nil
 - ii) Received during the quarter - 593
 - iii) Disposed off during the quarter - 593
 - iv) Lying unresolved at the end of the quarter - Nil
- 15 Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.



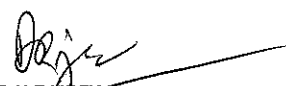
P S RAWAT
EXECUTIVE DIRECTOR



V S KRISHNA KUMAR
EXECUTIVE DIRECTOR



ASHOK KUMAR GUPTA
EXECUTIVE DIRECTOR



R K DUBEY
CHAIRMAN & MANAGING DIRECTOR

PLACE : BANGALORE
DATE : 31.01.2014

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 and nine months period ended 31st December, 2013 except for the disclosure 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 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 assets reviewed by the Bank's Inspection teams of 142 branches and the review reports of 2 Foreign branches reviewed by the external auditor of those branches, besides carrying out the review of 20 branches by us and the Treasury Operations. These review reports cover 61.80% of the advances portfolio of the Bank (excluding ARM Branches and Food Credit), 67.89% 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.

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.

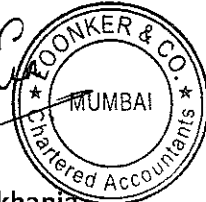


Emphasis of Matter

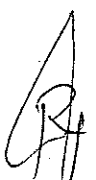
We draw attention to Notes in the unaudited financial results i.e., no.4 (i) and (ii) regarding amortization of pension and gratuity liability as permitted by the RBI vide their circular dated February 9, 2011, Note 5 regarding distribution of Provision for net depreciation on investment portfolio of the Bank as per option given by RBI circular dated August 23, 2013 and Note 11 regarding spreading the creation of Sundry Liability (Interest Capitalisation) on account of past period FITL as permitted by RBI vide their letter dated January 3, 2014.

Our conclusion is not qualified in respect of the above matters.

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

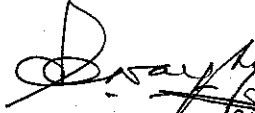
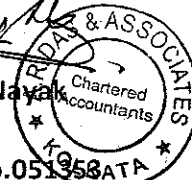


Hrudyesh Pankhania
Partner
Membership No. 138932

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

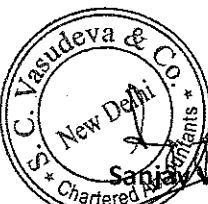
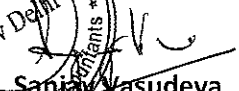


Rakesh Jain
Partner
Membership No. 087925

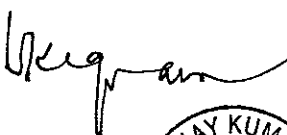
For A R Das & Associates
Chartered Accountants
Firm Registration No. 306109E



Syamal Kumar Nayak
Partner
Membership No. 051958

For S C Vasudeva & Co.
Chartered Accountants
Firm Registration No. 000235N

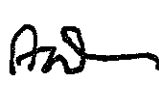
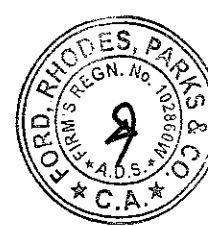


Sanjay Vasudeva
Partner
Membership No. 090989

For Vinay Kumar & Co.
Chartered Accountants
Firm Registration No. 000719C



V K Agrawal
Partner
Membership No. 013795

For Ford Rhodes Parks & Co.
Chartered Accountants
Firm Registration No. 102860W



A D Shenoy
Partner
Membership No. 011549

Place: Bangalore

Date: January 31, 2014