

Ref :: MD&CEO:SD: 1764 /1765 /11/12:BNB:2017

May 27, 2017

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/ Sub: Board Meeting - Audited Consolidated Financial Results - 31.03.2017
Ref : Regulation 33 of SEBI (LODR) Regulations, 2015

The Audited Consolidated Financial Results of the Bank for the Year ended 31.03.2017 were approved by the Board of Directors at its meeting held on 27.05.2017. A copy of the same is enclosed along with the Report of the Auditors.

The meeting of the Board of Directors commenced at 3.15 p.m. and concluded at 8.35 p.m.

धन्यवाद / Thanking you,

भवदीय/ Yours faithfully,


बी नगेशबाबू / B NAGESH BABU
कंपनी सचिव/ COMPANY SECRETARY

CONSOLIDATED FINANCIAL RESULTS (AUDITED) FOR THE YEAR ENDED 31ST MARCH 2017

(Rs in Crore)

Sl. No.	PARTICULARS	YEAR ENDED		YEAR ENDED	
		CONSOLIDATED		PARENT	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
1	INTEREST EARNED (a)+(b)+(c)+(d)	41456.66	44039.49	41387.64	44022.13
	(a) Interest/discount on advances/bills	29573.98	31334.74	29585.67	31377.25
	(b) Income on Investments	10772.70	11458.61	10711.29	11407.79
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	779.61	884.38	768.20	879.50
	(d) Others	330.37	361.76	322.48	357.59
2	Other Income	7852.26	5131.26	7554.40	4875.23
3	TOTAL INCOME (1+2)	49308.92	49170.75	48942.04	48897.36
4	Interest Expended	31540.27	34262.99	31515.87	34258.77
5	Operating Expenses (i)+(ii)	8612.19	7591.94	8512.28	7491.93
	(i) Employees Cost	4962.79	4489.52	4915.09	4445.88
	(ii) Other Operating Expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	3649.40	3102.42	3597.19	3046.05
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	40152.46	41854.93	40028.15	41750.70
7	Operating Profit before Provisions and Contingencies (3-6)	9156.46	7315.82	8913.89	7146.66
8	Provisions (Other than Tax) and Contingencies	7410.18	10364.63	7271.97	10332.43
	of which provisions for Non-performing assets	7576.27	9641.37	7437.77	9608.16
9	Exceptional items	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	1746.28	(3048.81)	1641.92	(3185.77)
11	Tax expense	512.67	(378.52)	520.00	(372.95)
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	1233.61	(2670.29)	1121.92	(2812.82)
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	1233.61	(2670.29)	1121.92	(2812.82)
15	Add: Share of Earnings in Associates	177.19	135.17		
16	Less: Minority Interest	52.52	71.89		
17	Net Profit (+) / Loss (-) after Minority Interest (14+15-16)	1358.28	(2,607.01)		
18	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	597.29	542.99	597.29	542.99
19	Reserves excluding Revaluation Reserves	28714.96	26422.02	27715.10	25615.55
20	Analytical Ratios				
	(i) Percentage of shares held by Government of India	66.30%	66.30%	66.30%	66.30%
	(ii) Capital Adequacy Ratio - Basel III	12.96%	11.17%	12.86%	11.08%
	(a) Common Equity Tier I Ratio	9.03%	8.26%	8.92%	8.18%
	(b) Additional Tier 1 Ratio	0.85%	0.63%	0.85%	0.62%
	(iii) Earnings per Share (EPS)				
	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	24.98	(49.69)	20.63	(53.61)
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	24.98	(49.69)	20.63	(53.61)
	(iv) NPA Ratios				
	(a) Amount of Gross Non Performing Assets	34406.74	31852.34	34202.04	31637.83
	(b) Amount of Net Non Performing Assets	21738.61	20967.21	21648.98	20832.91
	(c) Percentage of Gross Non Performing Assets	9.66%	9.44%	9.63%	9.40%
	(d) Percentage of Net Non Performing Assets	6.34%	6.44%	6.33%	6.42%
	(v) Return on Assets	0.24%	(0.47%)	0.20%	(0.52%)



CONSOLIDATED SEGMENT REPORTING (AUDITED) FOR THE YEAR ENDED 31ST MARCH 2017 (Rs in Crore)					
BUSINESS SEGMENT		YEAR ENDED		YEAR ENDED	
		CONSOLIDATED		PARENT	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
(1)	Segment Revenue				
a	Treasury Operations	14427.03	12811.13	14427.03	12811.13
b	Retail Banking Operations	16387.47	15516.47	16387.47	15516.47
c	Wholesale Banking Operations	17984.63	20382.09	17984.63	20382.09
d	Unallocated	509.79	461.06	142.91	187.67
	Total	49308.92	49170.75	48942.04	48897.36
	Less: Inter Segment Revenue	0.00	0.00	0.00	0.00
	Income from operations	49308.92	49170.75	48942.04	48897.36
(2)	Segment Results				
a	Treasury Operations	4197.48	2156.28	4197.48	2156.28
b	Retail Banking Operations	2111.83	2429.04	2111.83	2429.04
c	Wholesale Banking Operations	2461.72	2373.68	2461.72	2373.68
d	Other Banking Operations	0.00	0.00	0.00	0.00
	Total	8771.03	6959.00	8771.03	6959.00
	Unallocated Income/Expenses (including Provisions and contingencies)	(7024.75)	(10007.81)	(7129.11)	(10144.77)
	Total Profit Before tax	1746.28	(3048.81)	1641.92	(3185.77)
	Income tax	512.67	(378.52)	520.00	(372.95)
	Net Profit	1233.61	(2670.29)	1121.92	(2812.82)
	Add: Share of earning in Associates	177.19	135.17		
	Less: Minority Interest	52.52	71.89		
	Consolidated Profit/(Loss) for the year attributable to the Group	1358.28	(2607.01)	Not Applicable	
(3)	Capital Employed				
a	Treasury Operations	2767.63	15771.98	2767.63	15771.98
b	Retail Banking Operations	16488.37	10069.32	16488.37	10069.32
c	Wholesale Banking Operations	16054.63	10773.20	16054.63	10773.20
d	Other Banking Operations	0.00	0.00	0.00	0.00
e	Unallocated	(625.23)	(4204.83)	(1625.09)	(5011.30)
	Total Capital Employed	34685.40	32409.67	33685.54	31603.20
		YEAR ENDED		YEAR ENDED	
		CONSOLIDATED		PARENT	
		31.03.2017	31.03.2016	31.03.2017	31.03.2016
(1)	Revenue				
a	Domestic	48243.46	47908.25	47908.95	47634.87
b	International	1065.46	1262.50	1033.09	1262.49
	Total	49308.92	49170.75	48942.04	48897.36
(2)	Assets				
a	Domestic	535025.86	509350.66	522588.25	498586.52
b	International	61132.89	54374.26	60931.19	54374.26
	Total	596158.75	563724.92	583519.44	552960.78

Notes on Segment Reporting:

- As per guidelines of RBI on compliance with Accounting Standards, the Bank has adopted "Treasury Operations", Wholesale, Retail and "Other Banking Operations" as Primary business segments and "Domestic" and international as secondary/geographic segments for the purpose of compliance with AS-17 on Segment Reporting issued by ICAI.
- Segment revenue represents revenue from external customers.
- Capital employed for each segment has been allocated proportionate to the assets of the segment.
- Segment Revenue, Results & capital employed attributable to the group entities are considered as unallocated
- The figures of the previous period/year have been regrouped/rearranged wherever necessary so as to make them comparable with those of the current period.



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(Rs in Crore)

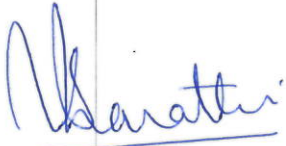
	As on 31.03.2017 (AUDITED)	As on 31.03.2016 (AUDITED)
CAPITAL AND LIABILITIES		
CAPITAL	597.29	542.99
RESERVES AND SURPLUS	34088.11	31866.68
MINORITY INTEREST	498.07	449.23
DEPOSITS	495266.34	479748.94
BORROWINGS	39591.76	26963.42
OTHER LIABILITIES AND PROVISIONS	26117.18	24153.66
TOTAL	596158.75	563724.92
ASSETS		
CASH & BALANCES WITH RESERVE BANK OF INDIA	19924.49	20665.04
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	39042.89	36078.71
INVESTMENTS	162072.92	152469.80
ADVANCES	342320.14	324992.36
FIXED ASSETS	7185.00	7205.76
OTHER ASSETS	25613.31	22313.25
TOTAL	596158.75	563724.92

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 27th May 2017. The same have been audited by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the current Financial Year ended 31st March 2017 as compared to those followed in the preceding financial year ended 31st March 2016.
- The Consolidated Financial Statement (CFS) of the Group companies comprises the result of Canara Bank and its subsidiaries namely; Canbank Ventue Capital Fund Ltd (100%), Canbank Financial Services Ltd (100%), Canara Bank Securities Ltd (100%), Canara Bank (Tanzania) Ltd (100%), Canbank Factors Ltd (70%), Canbank Computer Services Ltd (69.14%), Canara Robecco Asset Management Company Ltd (51%), Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd (51%), Associates namely Canfin Homes Ltd (30%), Pragathi Krishna Gramin Bank (35%), Kerala Gramin Bank (35%) and a Joint Venture namely Commercial Indo Bank LLC (40%)
- During the financial year 2016-17, pursuant to exercise of Rights Issue option, Parent Bank has allotted 1,83,00,000 equity shares to the Shareholders and 3,59,99,105 equity shares to Government of India of face value of Rs.10/- each at a premium of Rs.197 per equity share for a total consideration of Rs.1123.99 crores.
- During Financial Year 2017, the Parent Bank has divested 13.45% of shares held in M/s Canfin Homes Ltd., one of the Associates and realised a profit of Rs.703.91 Crore.
- 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.



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



P. V. BHARATHI
EXECUTIVE DIRECTOR



HARIDEESH KUMAR B
EXECUTIVE DIRECTOR



RAKESH SHARMA
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

M



T.N. MANOHARAN
CHAIRMAN

PLACE : BENGALURU

DATE :27.05.2017

Ramraj & Co Chartered Accountants FRN: 002839S	V K Niranjana & Co Chartered Accountants FRN: 002468S
J Singh & Associates Chartered Accountants FRN: 110266W	J L Sengupta & Co Chartered Accountants FRN: 307092E

**INDEPENDENT AUDITORS' REPORT
ON THE CONSOLIDATED FINANCIAL STATEMENTS**

To

The Members of Canara Bank

Report on the Financial Statements

1. We have audited the accompanying consolidated financial statements of Canara Bank (hereinafter referred to as "the Bank"), in which are incorporated the financial statements of its subsidiaries, associates, and jointly controlled entity (together referred to as "the Group"). The consolidated financial statements comprise of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Profit & Loss Account, the Consolidated Cash Flow Statement for the Year ended on that date annexed thereto, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements"). In the Consolidated Financial Statements referred to herein above are incorporated:
 - i) Audited financial statements of Canara Bank audited by us.
 - ii) Audited financial statements of six (6) Subsidiaries, and three (3) Associates audited by other auditors.
 - iii) Unaudited accounts of two (2) Subsidiaries, and One (1) Jointly Controlled Entity.

Management's Responsibility for the Consolidated Financial Statements

2. The Consolidated Financial Statements are the responsibility of the Bank's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding Subsidiaries, Associates



and Joint Ventures. Our responsibility is to express our opinion on these Consolidated Financial Statements based on our audit.

3. The consolidated financial statements have been prepared by the management of the Bank in accordance with the requirement of the accounting Standard (AS) 21-“Consolidated Financial Statements”, Accounting Standard (AS) 23-“Accounting for Investments in Associates in Consolidated Financial Statements” and Accounting Standard (AS) 27 –“Financial Reporting of Interest in Joint Ventures” issued by the Institute of Chartered Accountants of India and the guidelines issued by the Reserve Bank of India.

Auditors’ Responsibility

4. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit of the accounts of the Bank. While conducting the audit we have taken into account the applicable accounting standards and the standards of auditing issued by the Institute of Chartered Accountants of India.

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

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditors’ judgment, including the assessment of the risks of material misstatement of the consolidated financial statements whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Bank’s preparation and presentation of the consolidated financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness on the Bank’s internal financial controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Bank’s management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Other Matters

6. We did not audit the financial statements of Eight (8) subsidiaries (whose financial statements reflect total assets of Rs.12925.71 Crore as at 31st March 2017, total revenues of Rs. 508.74 Crore and net cash flows of Rs. 85.61 Crore for the year then ended), Three (3) Associates (whose financial statements reflect total assets of Rs.51714.17 Crore as at 31st March 2017, total revenues of Rs.4782.13 Crore and net cash flows of Rs.(484.11) Crore for the year then ended) and One (1) Jointly Controlled Entity (whose financial statements reflect total assets of Rs.719.89 Crore as at 31st March 2017, total revenues of Rs.50.67 Crore and net cash flows of Rs.(75.46) Crore for the year then ended). These financial statements and other financial information (as referred to in Para 1 of this Audit Report) have been relied upon by us and our opinion on the Consolidated Financial Statements, in so far as it relates to the aforesaid subsidiaries, associates and joint Venture are based solely on the report of the other auditors and information and explanation as provided by the management.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters based on our reliance on the work done and the reports of the other auditors/management.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us:
- i) the Consolidated Balance Sheet, read with the accounting policies and notes thereon is a full and fair Balance Sheet containing all the necessary particular and, is properly drawn up so as to exhibit a true and fair view of state of affairs of the Group as at 31st March 2017 in conformity with accounting principles generally accepted in India;
 - ii) the Consolidated Profit and Loss Account, read with the notes thereon shows a true balance of Profit of the Group, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - iii) the Consolidated Cash Flow Statement gives a true and fair view of the cash flows of the Group for the year ended on that date.



Report on Other Legal and Regulatory Requirements

8. i) The Balance Sheet and the Profit and Loss Account have been drawn up in Form "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
- ii) In our opinion, the Consolidated Balance Sheet, Consolidated Profit and Loss Account and Consolidated Cash Flow Statement of the Group comply with the applicable Accounting Standards.

For RAMRAJ & Co.
CHARTERED ACCOUNTANTS
FRN.002839S



K SIVA SUBRAMANYA PRASAD
PARTNER
MEMBERSHIP NO.024456



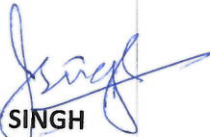
For V K NIRANJAN & Co.
CHARTERED ACCOUNTANTS
FRN.002468S



NIRANJANA V K
PARTNER
MEMBERSHIP NO.021432



For J SINGH & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN.110266W



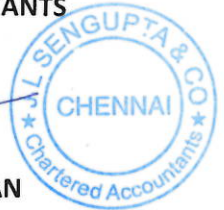
J SINGH
PARTNER
MEMBERSHIP NO.042023



For J L SENGUPTA & Co.
CHARTERED ACCOUNTANTS
FRN.307092E



S R ANANTHAKRISHNAN
PARTNER
MEMBERSHIP NO.018073



Place: Bangalore

Date: 27th May, 2017