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January 24<sup>th</sup>, 2018

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प्रिय महोदय / Dear Sir,

विषय / Subject: Press Release - Financial Results of the Bank - 31.12.2017

We herewith enclose a copy of the Press Release on the Financial Results of the Bank for the Quarter ended 31.12.2017.

This is for your information.

भवदीय / Yours faithfully,



जॉर्ज ऑगस्टिन / GEORGE AUGUSTIN T  
कंपनी सचिव/COMPANY SECRETARY



सचिवीय विभाग  
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**Press Release- Financial Results- December 2017 (Q3 FY18)**

**24<sup>th</sup> January 2018**

**Major Highlights Q3 FY18**

- ✓ Gross profit improved 42.90% y.o.y to ₹ 2831 crore from ₹ 1981 crore in Q3 FY17.
- ✓ Net profit stood at ₹ 126 crore compared to ₹ 322 crore a year ago.
- ✓ Net Interest Income surged 52.4% y.o.y to ₹ 3679 crore, up from ₹ 2414 crore in Q3 FY17.
- ✓ Net revenues (Net. Int. Income + Non. Int. Income increased) by 24.7% y.o.y to ₹ 5245 crore.
- ✓ Non-Interest Income stood at ₹ 1566 crore.
  - Non. Int. Income excluding trading profit increased by 11% y.o.y, aided by enhanced recovery in written off assets (134% increase y.o.y).
- ✓ Global Business rose to ₹ 8.77 lakh crore, up by 4.16% y.o.y.
  - Aided by a healthy Net Advances growth of 12.5% to ₹ 3.73 lakh crore.
  - Global deposits stood at ₹ 5.04 lakh crore
- ✓ Strong growth in assets (y.o.y) -especially in risk-weight light assets
  - ✓ Agriculture (14.80%), MSME (15.65%), Retail lending (32.87%), Direct Housing (22.29%), Vehicle (33.21%), Education (11.85%) and Other Personal loans (43.46%).
- ✓ CASA Deposits up by 2.53% y.o.y to ₹ 1.58 lakh cr inspite of the base effect due to demonetization.
  - Domestic CASA share improved to 33.83% from 32.12% a year ago.
- ✓ Cost of deposits came down by a healthy 72 bps to 5.59% from 6.31% last year.
- ✓ Net Interest Margin (NIM) improved to 2.64% (Domestic) and 2.39% (Global).
- ✓ Cost to Income ratio came down to 47.36% from 51.25%.
- ✓ Gross NPA Ratio at 10.38% down sequentially from 10.51% as at Sept 2017
- ✓ Net NPA at 6.78% down sequentially from 7.02% as at Sept 2017.
- ✓ Cash Recovery aggregated to ₹ 1527 cr during the quarter.
- ✓ Provision Coverage ratio improved to 55.81%, up from 52.52% last year.
- ✓ Capital adequacy ratio improved to 12.49%, up from 12.28% a year ago.
- ✓ Branch network stood at 6179 and number of ATMs at 9743.
- ✓ E- transactions ratio rose sharply to 76.22%, from 42.0% a year ago
  - ✓ 76.38 lakh Mobile Banking and 43.7 lakh Net Banking users.
- ✓ ROA (annualized) at 0.15% and ROE (annualized) at 3.14%.
- ✓ Total expenditure declined by 5.83% y-o-y, aided by 9.89% decline in interest expenses.

**Goals: March 2018**

Continued thrust on Retail Business & Asset Quality- CASA & retail deposits, retail credit, fee income, containing NPA, Resolution of large NPA accounts, recovery & upgradation and improving operational financial ratios, such as, NIM, RoA, RoE and Cost-to-Income.

*Speaking on the occasion, Shri. Rakesh Sharma, MD & CEO, commented, "Our strategy, of chasing higher yielding and risk weight-light assets for qualitative business growth by deploying the surplus liquidity, generated by divesting our excess treasury assets, has paid off through healthy improvement in our core net interest income. Our net interest income growth of 52.4% and 11.29% growth in non-interest income-excluding trading profits- have significantly shielded us from the unexpected quarter-end surge in bond yields and resultant mark-to-market provisions. Further, the qualitative growth in assets has improved our CD ratio to a healthy 74.05%. The Bank's strenuous efforts for recovery have resulted in improved recovery under stressed assets especially written off assets thereby improving our non-interest income (ex-treasury). Consequently, our net NPA ratio has improved to 6.78% which we expect to decline further to less than 5.5% by the year-end. Our determined efforts for activation of bank branches and alternate digital channels to generate CASA deposits through better customer value creation have resulted in improvement in CASA ratio to 33.8% overcoming the demonetization-related base effect. Our Bank is now in its path to generate higher stakeholder value through significant improvement in the profitability."*

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## REVIEWED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31ST DECEMBER 2017

(Rs In Crores)

Sl. No.	PARTICULARS	QUARTER ENDED			NINE MONTHS PERIOD ENDED		YEAR ENDED
		(REVIEWED)			(REVIEWED)		(AUDITED)
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016	31.03.2017
1	INTEREST EARNED (a)+(b)+(c)+(d)	10774.64	10958.45	10287.67	31028.68	30894.72	41387.64
	(a) Interest/discount on advances/bills	7319.23	7276.26	7423.32	21843.97	22364.64	29585.67
	(b) Income on investments	2531.27	2595.03	2721.92	7359.74	7839.83	10711.29
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	150.02	151.10	95.16	480.45	568.15	768.20
	(d) Others	774.12	36.06	47.26	844.52	122.10	322.48
2	Other Income	1566.45	1936.19	1791.70	5611.15	5158.12	7554.40
3	TOTAL INCOME (1+2)	12341.09	11994.64	12079.37	36639.83	36052.84	48942.04
4	Interest Expended	7095.51	7275.08	7873.87	21852.94	23731.17	31515.87
5	Operating Expenses (i)+(ii)	2414.19	2239.74	2224.17	7003.30	6380.70	8512.28
	(i) Employees Cost	1408.37	1377.26	1305.74	4137.41	3730.85	4915.09
	(ii) Other Operating Expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	1005.82	862.48	918.43	2865.89	2649.85	3597.19
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	9509.70	9514.82	10098.04	28856.24	30111.87	40028.15
7	Operating Profit before Provisions and Contingencies (3-6)	2831.39	2479.82	1981.33	7783.59	5940.97	8913.89
8	Provisions (Other than Tax) and Contingencies	2673.64	2156.64	1464.57	7034.06	4563.23	7271.97
	of which provisions for Non-performing assets	1930.32	1949.81	1486.57	6120.13	4513.69	7437.77
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)	157.75	323.18	496.76	749.53	1377.74	1641.92
11	Tax expense	32.00	63.00	171.88	112.00	470.00	520.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	125.75	260.18	324.88	637.53	907.74	1121.92
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)	125.75	260.18	324.88	637.53	907.74	1121.92
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	597.29	597.29	542.99	597.29	542.99	597.29
16	Reserves excluding Revaluation Reserves						27715.10
17	Analytical Ratios						
	(i) Percentage of shares held by Government of India	66.30%	66.30%	66.30%	66.30%	66.30%	66.30%
	(ii) Capital Adequacy Ratio - Basel III	12.49%	12.45%	12.26%	12.49%	12.28%	12.86%
	(a) Common Equity Tier 1 Ratio	8.75%	8.68%	8.11%	8.75%	8.11%	8.92%
	(b) Additional Tier 1 Ratio	0.82%	0.82%	0.90%	0.82%	0.90%	0.85%
	(iii) Earnings per Share (EPS) (Net 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	2.11	4.36	5.93	10.67	16.72	20.63
	b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year	2.11	4.36	5.93	10.67	16.72	20.63
	(iv) NPA Ratios						
	(a) Amount of Gross Non Performing Assets	40311.98	39164.08	34338.65	40311.98	34338.65	34202.04
	(b) Amount of Net Non Performing Assets	25295.26	25165.57	22295.79	25295.26	22295.79	21648.98
	(c) Percentage of Gross Non Performing Assets	10.38%	10.51%	9.97%	10.38%	9.97%	9.63%
	(d) Percentage of Net Non Performing Assets	6.78%	7.02%	6.72%	6.78%	6.72%	6.33%
	(v) Return on Assets (Annualised)	0.09%	0.19%	0.23%	0.15%	0.22%	0.20%

