

Ref :: MD&CEO:SD:1081/1082/11/12::2018

May 11th, 2018

The Vice President
The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street,
MUMBAI – 400 001

The Vice President
Listing Department
National Stock Exchange of India Ltd
EXCHANGE PLAZA
Bandra-Kurla Complex, Bandra [E]
MUMBAI 400051

Dear Sir,

Subject: Board Meeting – Announcement of Results – 31.03.2018
Ref : Regulation 33 of SEBI (LODR) Regulations, 2015

This is to inform the Stock Exchanges that the Board of the Bank has approved the Audited Financial Result for the Quarter and Year ended 31.03.2018 at its meeting held on 11.05.2018.

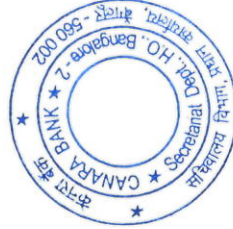
A copy of the Financial Results is enclosed along with the Report of the Auditors.

The meeting of the Board of Directors commenced at 03.00 p.m. and concluded at 03.50 p.m.

Yours faithfully,



GEORGE AUGUSTIN T
COMPANY SECRETARY



सचिवालय विभाग
प्रबंध निदेशक व मुख्य कार्यकारी अधिकारी सचिवालय
प्रधान कार्यालय
112, जे सी रोड बेंगलूर - 560002

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Sl. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
1	INTEREST EARNED (a)+(b)+(c)+(d)	10223.41	10774.64	10492.92	41252.09	41387.64
	(a) Interest/discount on advances/bills	7252.47	7319.23	7221.03	29096.44	29585.67
	(b) Income on Investments	2552.36	2531.27	2871.46	10412.10	10711.29
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	166.54	150.02	200.05	646.99	768.20
	(d) Others	252.04	774.12	200.38	1096.56	322.48
2	Other Income	1331.70	1566.45	2396.28	6942.85	7554.40
3	TOTAL INCOME (1+2)	11555.11	12341.09	12889.20	48194.94	48942.04
4	Interest Expended	7235.82	7095.51	7784.70	29088.76	31515.87
5	Operating Expenses (i)+(ii)	2554.64	2414.19	2131.58	9557.94	8512.28
	(i) Employees Cost	1306.71	1408.37	1184.24	5444.12	4915.09
	(ii) Other Operating Expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	1247.93	1005.82	947.34	4113.82	3597.19
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	9790.46	9509.70	9916.28	38646.70	40028.15
7	Operating Profit before Provisions and Contingencies (3-6)	1764.65	2831.39	2972.92	9548.24	8913.89
8	Provisions (Other than Tax) and Contingencies	9075.04	2673.64	2708.74	16109.10	7271.97
	of which provisions for Non-performing assets	8762.57	1900.32	2924.08	14882.70	7437.77
9	Exceptional items	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	(7,310.39)	157.75	264.18	(6,560.86)	1641.92
11	Tax expense	(2,450.62)	32.00	50.00	(2,338.62)	520.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	(4,859.77)	125.75	214.18	(4,222.24)	1121.92
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)	(4,859.77)	125.75	214.18	(4,222.24)	1121.92
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	733.24	597.29	597.29	733.24	597.29
16	Reserves excluding Revaluation Reserves				28346.86	27715.10
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	72.55%	66.30%	66.30%	72.55%	66.30%
	(ii) Capital Adequacy Ratio - Basel III	13.22%	12.49%	12.86%	13.22%	12.86%
	(a) Common Equity Tier I Ratio	9.51%	8.75%	8.92%	9.51%	8.92%
	(b) Additional Tier 1 Ratio	0.79%	0.82%	0.85%	0.79%	0.85%
	(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	(80.35)	2.11	3.92	(70.47)	20.63
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	(80.35)	2.11	3.92	(70.47)	20.63
	(iv) NPA Ratios					
	(a) Amount of Gross Non Performing Assets	47468.47	40311.98	34202.04	47468.47	34202.04
	(b) Amount of Net Non Performing Assets	28542.40	25295.26	21648.98	28542.40	21648.98
	(c) Percentage of Gross Non Performing Assets	11.84%	10.38%	9.63%	11.84%	9.63%
	(d) Percentage of Net Non Performing Assets	7.48%	6.78%	6.33%	7.48%	6.33%
	(v) Return on Assets (Annualised)	-0.03%	0.09%	0.15%	-0.75%	0.20%



SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018 (Rs in crore)						
BUSINESS SEGMENT		QUARTER ENDED			YEAR ENDED	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
(1)	Segment Revenue					
a	Treasury Operations	2671.03	3043.51	4264.61	12876.12	14427.03
b	Retail Banking Operations	4705.79	4631.12	4000.10	17782.12	16387.47
c	Wholesale Banking Operations	3919.25	3898.53	4486.56	16480.64	17984.63
d	Unallocated	259.04	767.93	137.94	1056.06	142.91
	Total	11555.11	12341.09	12889.20	48194.94	48942.04
	Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00
	Income from operations	11555.11	12341.09	12889.20	48194.94	48942.04
(2)	Segment Results					
a	Treasury Operations	510.99	835.16	1699.94	4009.59	4197.48
b	Retail Banking Operations	1539.78	880.52	489.54	3561.81	2111.83
c	Wholesale Banking Operations	-545.16	347.78	645.51	920.78	2461.72
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
	Total	1505.61	2063.46	2834.99	8492.18	8771.03
	Unallocated Income/Expenses (including Provisions and contingencies)	(8816.00)	(1905.71)	(2570.81)	(15053.04)	(7129.11)
	Total Profit Before tax	(7,310.39)	157.75	264.18	(6,560.86)	1,641.92
	Income tax	(2,450.62)	32.00	50.00	(2,338.62)	520.00
	Net Profit	(4,859.77)	125.75	214.18	(4,222.24)	1,121.92
(3)	Capital Employed					
a	Treasury Operations	10856.86	3921.13	2767.63	10856.86	2767.63
b	Retail Banking Operations	18740.91	17135.25	16488.37	18740.91	16488.37
c	Wholesale Banking Operations	855.50	16237.57	16054.63	855.50	16054.63
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated	5151.56	(3073.73)	(1625.09)	5151.56	(1625.09)
	Total Capital Employed	35604.83	34220.22	33685.54	35604.83	33685.54
		QUARTER ENDED			YEAR ENDED	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	(AUDITED)
(1)	Revenue					
a	Domestic	11172.83	11995.24	12610.04	46888.53	47908.95
b	International	382.28	345.85	279.16	1306.41	1033.09
	Total	11555.11	12341.09	12889.20	48194.94	48942.04
(2)	Assets					
a	Domestic	560817.56	541175.36	522588.25	560817.56	522588.25
b	International	56068.54	58597.74	60931.19	56068.54	60931.19
	Total	616886.10	599773.10	583519.44	616886.10	583519.44
Notes on Segment Reporting:						
1 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.						
2 Segment revenue represents revenue from external customers.						
3 Capital employed for each segment has been allocated proportionate to the assets of the segment.						
4 The figures of the previous period/year have been regrouped and/or restated wherever necessary so as to make them comparable with those of the current period.						



STATEMENT OF ASSETS AND LIABILITIES

(Rs in Crore)

PARTICULARS	As on 31.03.2018	As on 31.03.2017
	(AUDITED)	(AUDITED)
CAPITAL AND LIABILITIES		
CAPITAL	733.24	597.29
RESERVES AND SURPLUS	34871.59	33088.25
DEPOSITS	524771.86	495275.24
BORROWINGS	38808.51	39503.56
OTHER LIABILITIES AND PROVISIONS	17700.90	15055.10
TOTAL	616886.10	583519.44
ASSETS		
CASH & BALANCES WITH RESERVE BANK OF INDIA	22100.04	19922.50
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	27812.29	38902.96
INVESTMENTS	144053.67	150265.89
ADVANCES	381702.99	342008.76
FIXED ASSETS	8318.64	7168.31
OTHER ASSETS	32898.47	25251.02
TOTAL	616886.10	583519.44

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 11th May 2018. The same has been audited by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the year ended 31st March 2018, as compared to those followed in the preceding year ended 31st March 2017.
- The Financial results for the year ended 31st March 2018 have been arrived at after considering provision for Loan Losses in accordance with the extant guidelines and directions of RBI on Prudential Norms for 'Income Recognition, Asset Classification and Provisioning' and Provision for Income Tax and Deferred Tax, Depreciation on Investments and Fixed Assets, provision for exposure to entities with unhedged foreign currency and other necessary provisions.
- RBI vide letter RBI 2017-18:131:DBR NO BP BC 101/21.04.048:2017-18 dated February 12, 2018, issued a Revised Framework for Resolution of Stressed Assets, which superseded the existing guidelines on CDR,SDR, change in ownership outside SDR, Flexible Structuring of Existing Long term project loans (5/25 Scheme) and S4A with immediate effect. Under the revised framework, the stand-still benefits for accounts where any of these schemes had been invoked but not yet implemented were revoked and accordingly these accounts have been classified as per the extant RBI prudential norms on Income Recognition and Asset Classification.
- RBI vide letter DBR No BP 8756 21.04.048:2017-18 dated April 2, 2018, the provisioning requirements in respect of NCLT accounts is reduced from 50% of secured portion to 40% of secured portion as at March 31, 2018. However Bank has not availed the relaxation permitted and continue to provide @ 50% instead of provisioning @ 40%.



- 6 As per RBI letter RBI:2017-18 :147 DBR.No.BP BC 102/21.04.048 2017-18 dated April 2,2018 has permitted banks to opt for spread over provisioning for Mark to Market (MTM) losses on investments held in AFS and HFT for the quarters ended December 31, 2017 and March 31, 2018. The losses can be spread over four quarters, commencing from the quarter in which the loss has been incurred. However, Bank has not availed the option of spreading of MTM losses and provided fully.
- 7 RBI vide letter DBR BP 9730/21.04.018 2017-18 dated April 27, 2018 permitted to spread the additional liability on account of the enhancement in gratuity limits over four quarters beginning with the quarter ended March 31, 2018. However Bank has not availed the relaxation permitted and has provided for the entire liability in March 18 itself.
- 8 In view of fraud reported during the year in certain banks in respect of one Gems and Jewellery borrower group accounts , the Bank has classified these accounts as Non- Performing Asset and provided fully.
- 9 Our Bank has sold 54,880 units under Priority Sector Lending Certificates (PSLCs) to the tune of Rs.13,720 Crore under Agriculture and Small and Marginal Farmers category and earned commission income of Rs 270.10 Crore during the year ended 31st March 2018..
- 10 In accordance with RBI guidelines, the Bank has shifted the securities from HTM to AFS category amounting to Rs. 6273.12 Crore and from AFS to HTM category amounting to Rs. 22313.56 Crore during the first quarter Financial Year 2017-18.
- 11 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.
- 12 During the year Bank had issued and allotted 13,59,54,616 Equity shares of face value of Rs 10 each at an issue price of Rs 357.84 per equity share including premium of Rs 347.84 per equity share to the Government of India (GOI) on preferential basis on 27.03.2018.
- 13 Provision Coverage Ratio as at 31st March 2018 is 58.06%.
- 14 Divergence in the Asset Classification and Provisioning for the year ended 31st March 2017

S. No	Particulars	Amt. (in crores)
1	Gross NPA as on March 31, 2017 as reported by bank	34202.04
2	Gross NPA as on March 31, 2017 as assessed by RBI	37450.54
3	Divergence in Gross NPAs (2-1)	3248.50
4	Net NPA as on March 31, 2017 as reported by the bank	21648.98
5	Net NPA as on March 31, 2017 as assessed by RBI	23496.26
6	Divergence in Net NPAs (5-4)	1847.28
7	Provisions for NPAs as on March 31, 2017 as reported by Bank	12553.06
8	provisions for NPAs as on March 31, 2017 as assessed by RBI	13954.28
9	Divergence in provisioning (8-7)	1401.22
10	Reported Net Profit after Tax (PAT) for the year ended March 31, 2017	1121.92
11	Adjusted (notional) Net Profit after Tax (PAT) for the year ended March 31, 2017 after taking into account the divergence in provisioning	-279.30

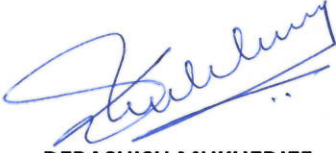
- 15 In pursuant to revised Accounting Standard -10 "Property Plant & Equipment" applicable from 1st April'2017, depreciation of Rs.120.85 crores during the year on the revalued portion of the fixed assets has been debited to the Profit & Loss account. Equivalent amount has been transferred from Revaluation Reserve to Revenue Reserve.



16 Number of Investors Complaints received and disposed off during the quarter ended 31.03.2018

- | | |
|------------------------------------------------|-------|
| i) Pending at the beginning of the quarter | : Nil |
| ii) Received during the quarter | : 432 |
| iii) Disposed off during the quarter | : 431 |
| iv) Lying unresolved at the end of the quarter | : 1 |

17 Figures of the corresponding previous period have been regrouped and/or restated wherever considered necessary.



DEBASHISH MUKHERJEE

EXECUTIVE DIRECTOR



M. V. RAO

EXECUTIVE DIRECTOR



P. V. BHARATHI

EXECUTIVE DIRECTOR



RAKESH SHARMA

MANAGING DIRECTOR & CEO



T.N. MANOHARAN

CHAIRMAN



PLACE : BENGALURU

DATE : 11.05.2018

J Singh & Associates Chartered Accountants FRN : 110266W	J L Sengupta & Co. Chartered Accountants FRN : 307092E	Dagliya & Co Chartered Accountants FRN : 000671S	Komandoor & Co LLP Chartered Accountants FRN: 001420S/S200034
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INDEPENDENT AUDITORS' REPORT

To,

The Members of Canara Bank

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **Canara Bank** as at 31st March, 2018, which comprise the standalone Balance Sheet as at 31st March, 2018, Standalone Profit and Loss Account, the Standalone Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. Incorporated in these financial statements are the returns of 20 branches audited by us, 3661 branches audited by statutory branch auditors and 7 foreign branches audited by local auditors in respective countries. 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 Standalone Balance Sheet and the Standalone Profit and Loss Account are the returns from 2523 branches which have not been subjected to audit. These unaudited branches account for 4.87 per cent of advances, 16.72 per cent of deposits, 3.64 per cent of interest income and 16.30 per cent of interest expenses.

Management's Responsibility for the Standalone Financial Statements

2. The bank's management is responsible for the preparation of these Standalone financial statements in accordance with the Banking Regulation Act 1949, Reserve Bank of India guidelines issued from time to time and Accounting Standards generally accepted in India. This responsibility of the Management includes design, implementation and maintenance of internal control relevant to the preparation of the Standalone Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Standalone 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 ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the standalone 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 judgement, 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 Standalone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 Standalone Balance sheet, read with the significant accounting policies and 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 state of affairs of the Bank as at 31st March, 2018 in conformity with accounting principles generally accepted in India;



J Singh & Associates Chartered Accountants FRN : 110266W	J L Sengupta & Co. Chartered Accountants FRN : 307092E	Dagliya & Co Chartered Accountants FRN : 000671S	Komandoor & Co LLP Chartered Accountants FRN: 001420S/S200034
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- II. the Standalone Profit and Loss Account, read with the significant accounting policies and the notes thereon shows a true balance of loss, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
- III. the Standalone 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 Standalone Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation 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 / 1980 and also subject 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;
9. We further report that:
- a) The Standalone Balance Sheet and the Standalone Profit & Loss Account dealt with by this report are in agreement with the books of account and returns;
- b) The report on the accounts of the Branch/Offices audited by the branch auditors of the Bank under Section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report;
- c) In our opinion, the Standalone Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

 J Singh & Associates Chartered Accountants FRN : 110266W  (J Singh) Partner Membership No 042023	 J L Sengupta & Co. Chartered Accountants FRN : 307092E  (S Mandal) Partner Membership No 068309	 Dagliya & Co. Chartered Accountants FRN : 000671S  (P Manohara Gupta) Partner Membership No 016444	 Komandoor & Co LLP Chartered Accountants FRN : 001420S/ S200034  (K Mohan Acharya) Partner Membership No 029082
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Place : Bengaluru
Date : May 11, 2018