

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 Consolidated Financial Results –
31.03.2018**

Ref : Regulation 30 & 33 of SEBI (LODR) Regulations, 2015

This is to inform the Stock Exchanges that the Board of the Bank has approved the Consolidated Audited Financial Results for the Year ended 31.03.2018 at its meeting held on 30.05.2018.

A copy of the Consolidated Financial Results, Audit Report and declaration under Regulation 33(3)(d) are enclosed

The meeting of the Board of Directors commenced at 05:30 p.m. and concluded at 05:55 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

Secretarial Department

MD & CEO's Secretariat

Head Office

112 J C Road, Bangalore - 560002

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E-Mail - hosecretarial@canarabank.com

www.canarabank.com

Ref :: MD&CEO:SD:1372/1373/11/12::2018

May 30th , 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
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Dear Sir,

Subject : Consolidated Financial Results as at 31.03.2018 - Declaration under Regulation 33(3)(d) of the SEBI (LODR) Regulations,2015 on Audit Report

In pursuance to the above regulations, we hereby confirm in respect of the Consolidated Audited Financial Results of the Bank for the year ended 31.03.2018, that the Audit Reports are submitted with **UNMODIFIED OPINION.**

We request you to take the same on record.

Yours faithfully,


GEORGE AUGUSTIN T
COMPANY SECRETARY



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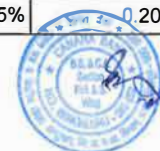
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CONSOLIDATED FINANCIAL RESULTS (AUDITED) FOR THE YEAR ENDED 31ST MARCH 2018

(Rs in Crore)

Sl. No.	PARTICULARS	YEAR ENDED		YEAR ENDED	
		CONSOLIDATED		PARENT	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
1	INTEREST EARNED (a)+(b)+(c)+(d)	41345.32	41456.66	41252.09	41387.64
	(a) Interest/discount on advances/bills	29101.56	29573.98	29096.44	29585.67
	(b) Income on Investments	10484.73	10772.70	10412.10	10711.29
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	653.84	779.61	646.99	768.20
	(d) Others	1105.19	330.37	1096.56	322.48
2	Other Income	7398.00	7852.26	6942.85	7554.40
3	TOTAL INCOME (1+2)	48743.32	49308.92	48194.94	48942.04
4	Interest Expended	29112.90	31540.27	29088.76	31515.87
5	Operating Expenses (i)+(ii)	9837.81	8612.19	9557.94	8512.28
	(i) Employees Cost	5699.35	4962.79	5444.12	4915.09
	(ii) Other Operating Expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	4138.46	3649.40	4113.82	3597.19
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	38950.71	40152.46	38646.70	40028.15
7	Operating Profit before Provisions and Contingencies (3-6)	9792.61	9156.46	9548.24	8913.89
8	Provisions (Other than Tax) and Contingencies	16200.55	7410.18	16109.10	7271.97
	of which provisions for Non-performing assets	14948.28	7576.27	14882.70	7437.77
9	Exceptional items	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	(6407.94)	1746.28	(6560.86)	1641.92
11	Tax expense	(2320.62)	512.67	(2338.62)	520.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	(4087.32)	1233.61	(4222.24)	1121.92
13	Extraordinary items (net of tax expense)	0.00	0.00	0.00	0.00
14	Net Profit (+) / Loss (-) for the period (12-13)	(4087.32)	1233.61	(4222.24)	1121.92
15	Add: Share of Earnings in Associates	214.78	177.19		
16	Less: Minority Interest	78.85	52.52		
17	Net Profit (+) / Loss (-) after Minority Interest (14+15-16)	(3951.39)	1358.28		
18	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	733.24	597.29	733.24	597.29
19	Reserves excluding Revaluation Reserves	29639.72	28714.96	28346.86	27715.10
20	Analytical Ratios				
	(i) Percentage of shares held by Government of India	72.55%	66.30%	72.55%	66.30%
	(ii) Capital Adequacy Ratio - Basel III	13.31%	12.96%	13.22%	12.86%
	(a) Common Equity Tier I Ratio	9.62%	9.03%	9.51%	8.92%
	(b) Additional Tier 1 Ratio	0.78%	0.85%	0.79%	0.85%
	(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	(65.95)	24.98	(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	(65.95)	24.98	(70.47)	20.63
	(iv) NPA Ratios				
	(a) Amount of Gross Non Performing Assets	47698.53	34406.74	47468.47	34202.04
	(b) Amount of Net Non Performing Assets	28593.23	21738.61	28542.40	21648.98
	(c) Percentage of Gross Non Performing Assets	11.88%	9.66%	11.84%	9.63%
	(d) Percentage of Net Non Performing Assets	7.48%	6.34%	7.48%	6.33%
	(v) Return on Assets	-0.69%	0.24%	-0.75%	0.20%



CONSOLIDATED SEGMENT REPORTING (AUDITED) FOR THE YEAR ENDED 31ST MARCH 2018 (Rs in Crore)					
BUSINESS SEGMENT		YEAR ENDED		YEAR ENDED	
		CONSOLIDATED		PARENT	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
(1)	Segment Revenue				
a	Treasury Operations	12876.12	14427.03	12876.12	14427.03
b	Retail Banking Operations	17782.12	16387.47	17782.12	16387.47
c	Wholesale Banking Operations	16480.64	17984.63	16480.64	17984.63
d	Unallocated	1604.44	509.79	1056.06	142.91
	Total	48743.32	49308.92	48194.94	48942.04
	Less: Inter Segment Revenue	0.00	0.00	0.00	0.00
	Income from operations	48743.32	49308.92	48194.94	48942.04
(2)	Segment Results				
a	Treasury Operations	4009.59	4197.48	4009.59	4197.48
b	Retail Banking Operations	3561.81	2111.83	3561.81	2111.83
c	Wholesale Banking Operations	920.78	2461.72	920.78	2461.72
d	Other Banking Operations		0.00	0.00	0.00
	Total	8492.18	8771.03	8492.18	8771.03
	Unallocated Income/Expenses (including Provisions and contingencies)	(14900.12)	(7024.75)	(15053.04)	(7129.11)
	Total Profit Before tax	(6407.94)	1746.28	(6560.86)	1641.92
	Income tax	(2320.62)	512.67	(2338.62)	520.00
	Net Profit	(4087.32)	1233.61	(4222.24)	1121.92
	Add: Share of earning in Associates	214.78	177.19		
	Less: Minority Interest	78.85	52.52		
	Consolidated Profit/(Loss) for the year attributable to the Group	(3951.39)	1358.28	Not Applicable	
(3)	Segment Assets				
a	Treasury Operations	161990.29	176462.61	161990.29	176462.61
b	Retail Banking Operations	178009.24	163912.84	178009.24	163912.84
c	Wholesale Banking Operations	240866.78	218227.64	240866.78	218227.64
d	Other Banking Operations	0.00	0.00	0.00	0.00
e	Unallocated Assets	50569.16	37555.66	36019.79	24916.35
	Total Assets	631435.47	596158.75	616886.10	583519.44
(4)	Segment Liabilities				
a	Treasury Operations	151133.43	173694.98	151133.43	173694.98
b	Retail Banking Operations	159268.33	147424.47	159268.33	147424.47
c	Wholesale Banking Operations	240011.28	202173.02	240011.28	202173.02
d	Other Banking Operations	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	44124.74	38180.88	30868.23	26541.43
	Total Liabilities	594537.78	561473.35	581281.27	549833.90
(5)	Capital Employed				
a	Treasury Operations	10856.86	2767.63	10856.86	2767.63
b	Retail Banking Operations	18740.91	16488.37	18740.91	16488.37
c	Wholesale Banking Operations	855.50	16054.63	855.50	16054.63
d	Other Banking Operations	0.00	0.00	0.00	0.00
e	Unallocated	6444.42	(625.23)	5151.56	(1625.09)
	Total Capital Employed	36897.69	34685.40	35604.83	33685.54
GEOGRAPHICAL SEGMENT		YEAR ENDED		YEAR ENDED	
		CONSOLIDATED		PARENT	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017
(1)	Revenue				
a	Domestic	47402.17	48243.46	46888.53	47908.95
b	International	1341.15	1065.46	1306.41	1033.09
	Total	48743.32	49308.92	48194.94	48942.04
(2)	Assets				
a	Domestic	575008.21	535025.86	560817.56	522588.25
b	International	56427.26	61132.89	56068.54	60931.19
	Total	631435.47	596158.75	616886.10	583519.44

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 31.03.2018 (AUDITED)	As on 31.03.2017 (AUDITED)
<u>CAPITAL AND LIABILITIES</u>		
CAPITAL	733.24	597.29
RESERVES AND SURPLUS	36164.45	34088.11
MINORITY INTEREST	521.80	498.07
DEPOSITS	524846.98	495266.34
BORROWINGS	38909.50	39591.76
OTHER LIABILITIES AND PROVISIONS	30259.50	26117.18
TOTAL	631435.47	596158.75
<u>ASSETS</u>		
CASH & BALANCES WITH RESERVE BANK OF INDIA	22102.42	19924.49
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	28122.19	39042.89
INVESTMENTS	157443.56	162072.92
ADVANCES	382074.58	342320.14
FIXED ASSETS	8335.30	7185.00
OTHER ASSETS	33357.42	25613.31
TOTAL	631435.47	596158.75



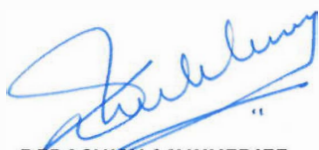
Notes:

- 1 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 30th May 2018. The same have been audited by the Statutory Central Auditors of the Bank.
- 2 There has been no change in the accounting policies followed during the current Financial Year ended 31st March 2018 as compared to those followed in the preceding financial year ended 31st March 2017.
- 3 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%)
- 4 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.
- 5 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.
- 6 In view of fraud reported during the year in certain banks in respect of one Gems and Jewellery borrower group accounts, the Parent Bank has classified these accounts as Non- Performing Asset and provided fully.
- 7 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 by Parent Bank as per the extant RBI prudential norms on Income Recognition and Asset Classification.
- 8 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 Parent Bank has not availed the relaxation permitted and continue to provide @ 50% instead of provisioning @ 40%.
- 9 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, Parent Bank has not availed the option of spreading of MTM losses and provided fully.
- 10 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, Parent Bank has not availed the relaxation permitted and has provided for the entire liability in March 18 itself.
- 11 Divergence in the Asset Classification and Provisioning for the year ended 31st March 2017 for Parent Bank.

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	-279.30



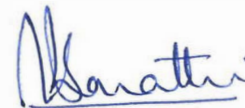
12 Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.



DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR



M. V. RAO
EXECUTIVE DIRECTOR



P. V. BHARATHI
EXECUTIVE DIRECTOR



RAKESH SHARMA
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER



T.N. MANOHARAN
CHAIRMAN



PLACE : BENGALURU
DATE :30.05.2018

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

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

To

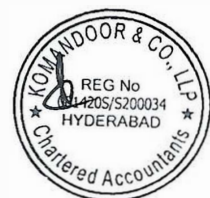
The Board of Directors
Canara Bank

Report on the Consolidated 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 joint ventures (together referred to as "the Group"). The consolidated Financial Statements comprise of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the Year then ended , and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements") in which are incorporated:
 - i) Audited financial statements of Bank audited by us.
 - ii) Audited financial statements of six (6) Subsidiaries, and one (1) Associate audited by other auditors.
 - iii) Unaudited accounts of two (2) Subsidiaries, two (2) associates and One (1) Jointly Controlled Entity.

Management's Responsibility for the Consolidated Financial Statements

2. The Bank's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cashflows of the Group in accordance with the requirements 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 –



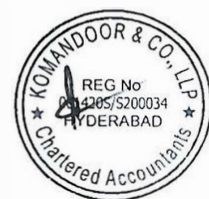
“Financial Reporting of Interest in Joint Ventures” issued by the Institute of Chartered Accountants of India, provisions of Section 29 of the Banking Regulation Act, 1949, and the applicable guidelines issued by the Reserve Bank of India from time to time and other accounting principles generally accepted in India . This responsibility of the management of the Bank includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit we have taken into account the applicable accounting standards and the standards on 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 consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 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 of 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 management of the entities of the group, as well as evaluating the overall presentation of the consolidated financial statements.
5. 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.

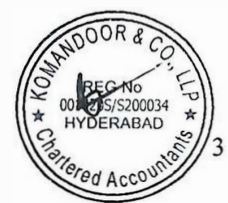


Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on our consideration of the reports of other auditors on separate financial statements and on the other financial information of the Subsidiaries, Joint Venture and Associates:
- The Consolidated Balance Sheet, read with the accounting policies and notes thereon is a full and fair Consolidated Balance Sheet containing all the necessary particulars 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 2018 in conformity with accounting principles generally accepted in India;
 - The Consolidated Profit and Loss Account, read with the notes thereon shows a true balance of Loss of the Group for the year in conformity with accounting principles generally accepted in India; and
 - 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.

Other Matters

7. (a) We did not audit the financial statements of six (6) subsidiaries whose financial statements reflect total assets of Rs 13602.41 Crores as at 31st March, 2018, total revenues of Rs 896.82 Crores and net cash inflows amounting to Rs 84.27 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs 90.53 Crores for the year ended 31st March 2018, as considered in the consolidated financial statements, in respect of one (1) associate, whose financial statements/ financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Bank and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements / financial information of two (2) subsidiaries and one (1) joint venture whose financial statements/financial information reflect total assets of Rs. 1645.15 Crores as at 31st March, 2018, total revenues of Rs. 116.06 Crores and net cash inflows amounting to Rs. 209.43 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs.124.25 Crores for the year ended 31st March, 2018 as considered in the consolidated financial statements, in respect of two (2) associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements,



in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint venture, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Bank, these financial statements/ financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Bank.

Report on Other Legal and Regulatory Requirements

- 8 i) The Consolidated Balance Sheet and the Consolidated 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 comply with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India .

<p>J Singh & Associates Chartered Accountants FRN : 110266W</p>  <p>(J. Singh) Partner Membership No 042023</p>	<p>J L Sengupta & Co. Chartered Accountants FRN : 307092E</p>  <p>(S R Ananthkrishnan) Partner Membership No 018073</p>	<p>Dagliya & Co. Chartered Accountants FRN :000671S</p>  <p>(P Manohara Gupta) Partner Membership No 016444</p>	<p>Komandoor & Co LLP Chartered Accountants FRN : 001420S/ S200034</p>  <p>(K Mohan Acharya) Partner Membership No 029082</p>
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Place: Bangalore

Date: 30th May, 2018