

केनरा बैंक  Canara Bank

REF ::CMD/SD/ 3452/3453 /11:12/2013  
Date :: November 12, 2013

The Manager  
The Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street MUMBAI – 400 001  
Fax: 022- 2723121/22721557  
22721278/3354/3577

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,

**Sub : Reviewed Financial Results - 30.09.2013**


**Ref : Clause No 41 of the Listing Agreement**



The Reviewed Financial Results of the Bank for the Second Quarter & Half year ended 30<sup>th</sup> September 2013 were approved by the Board of Directors at its Meeting of 12.11.2013. A copy of the same is enclosed, along with Limited Review Report.

Thanking you,

भवदीय/ Yours faithfully

  
बी नगेशबाबू / B NAGESH BABU  
कंपनी सचिव/ COMPANY SECRETARY

सचिवालय विभाग  
अध्यक्ष व प्रबंध निदेशक का सचिवालय  
प्रधान कार्यालय  
112 1<sup>st</sup> सी रोड, बंगलूर - 560002

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## SEGMENT REPORTING FOR THE SECOND QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

[₹ in Crore]

BUSINESS SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
(1)	Segment Revenue						
a	Treasury Operations	2544.47	3160.23	2537.54	5704.70	4835.78	10294.45
b	Retail Banking Operations	2628.28	2359.68	2487.18	4987.96	4677.26	9463.97
c	Wholesale Banking Operations	5102.89	4808.50	4133.04	9911.39	8730.69	17223.41
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated	151.84	179.47	45.85	331.31	125.35	249.11
	Total	10427.48	10507.88	9203.61	20935.36	18369.08	37230.94
(2)	Segment Results						
a	Treasury Operations	374.01	510.29	99.05	884.30	155.57	1115.81
b	Retail Banking Operations	467.86	380.26	489.13	848.12	902.05	1864.14
c	Wholesale Banking Operations	473.13	874.35	646.43	1347.48	1513.24	2705.43
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
	Total	1315.00	1764.90	1234.61	3079.90	2570.86	5685.38
(3)	Unallocated Income/Expenses	109.97	133.36	47.48	243.33	105.00	204.63
(4)	Operating Profit	1424.97	1898.26	1282.09	3323.23	2675.86	5890.01
(5)	Provisions and Contingencies	674.03	916.19	421.12	1590.22	839.65	2217.91
(6)	Income Tax	125.00	190.00	200.00	315.00	400.00	800.00
(7)	Net Profit	625.94	792.07	660.97	1418.01	1436.21	2872.10
(8)	Segment Assets*						
a	Treasury Operations	150938.61	168782.94	147789.90	150938.61	147789.90	150904.28
b	Retail Banking Operations	83412.07	78392.37	69971.86	83412.07	69971.86	78711.04
c	Wholesale Banking Operations	199808.06	176297.34	153480.03	199808.06	153480.03	171294.18
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	14041.25	11063.61	10397.79	14041.25	10397.79	9399.87
	Total Assets	448199.99	434536.26	381639.58	448199.99	381639.58	410309.37
(9)	Segment Liabilities						
a	Treasury Operations	31801.83	22276.78	40950.26	31801.83	40950.26	28855.45
b	Retail Banking Operations	169662.47	162330.19	148293.00	169662.47	148293.00	156299.98
c	Wholesale Banking Operations	200415.42	204200.42	151797.64	200415.42	151797.64	180253.80
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	22048.96	22090.35	18517.46	22048.96	18517.46	22055.59
f	Capital and Reserves *	24271.31	23638.52	22081.22	24271.31	22081.22	22844.55
	Total Liabilities	448199.99	434536.26	381639.58	448199.99	381639.58	410309.37

(\* Excluding Revaluation Reserve)

GEOGRAPHICAL SEGMENT		REVIEWED			REVIEWED		AUDITED
		Quarter ended			Half year ended		Year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
(1)	Domestic Operations						
a	Revenue	10207.63	10246.05	9062.25	20453.68	18074.01	36645.47
b	Assets	415131.17	406567.09	362258.83	415131.17	362258.83	386312.09
(2)	International Operations						
a	Revenue	219.85	261.83	141.36	481.68	295.07	585.47
b	Assets	33068.82	27969.17	19380.75	33068.82	19380.75	23997.28
	Total						
a	Revenue	10427.48	10507.88	9203.61	20935.36	18369.08	37230.94
b	Assets	448199.99	434536.26	381639.58	448199.99	381639.58	410309.37

	As on 30.09.2013 (REVIEWED)	As on 30.09.2012 (REVIEWED)	As on 31.03.2013 (AUDITED)
<b>CAPITAL AND LIABILITIES</b>			
CAPITAL	443.00	443.00	443.00
RESERVES AND SURPLUS	25846.10	23687.28	24434.79
DEPOSITS	391612.93	336761.62	355855.99
BORROWINGS	22658.71	14882.53	20283.37
OTHER LIABILITIES AND PROVISIONS	9657.04	7914.20	11325.45
<b>TOTAL</b>	<b>450217.78</b>	<b>383688.63</b>	<b>412342.60</b>
<b>ASSETS</b>			
CASH & BALANCES WITH RESERVE BANK OF INDIA	16998.91	16398.84	15405.93
BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE	13095.37	15073.35	19308.77
INVESTMENTS	119481.11	121255.34	121132.83
ADVANCES	281104.47	215751.01	242176.62
FIXED ASSETS	2955.17	2861.31	2862.72
OTHER ASSETS	16582.75	12348.78	11455.73
<b>TOTAL</b>	<b>450217.78</b>	<b>383688.63</b>	<b>412342.60</b>

## Notes:

- The above Financial Results were approved by the Board of Directors in the meeting held on 12th November 2013. The results have been subjected to a 'Limited Review' by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies followed during the quarter ended 30th September 2013 as compared to those followed in the preceding financial year ended 31st March 2013. However, 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 on year to year basis.
- The working results for the quarter ended 30th September 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.
- In accordance with the RBI Circular No.DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011:
  - a sum of Rs.92.68 Crore has been charged to Profit & Loss Account during the quarter ended September 2013 on proportionate basis towards unamortized liability of Rs.1482.86 Crore (being amortized over 5 years beginning from 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.556.07 Crore will be dealt with as per guidelines of Reserve Bank of India.
  - a sum of Rs.33.98 Crore has been charged to Profit & Loss Account during the quarter ended September 2013 on proportionate basis towards unamortised liability of Rs.543.62 Crore (being amortized over 5 years beginning from 31st March 2011) on account of the enhancement of gratuity limit. The balance amount of Rs.203.86 Crore will be dealt with as per guidelines of Reserve Bank of India.
- 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",
  - The Bank has transferred SLR Securities with face value of Rs.19605.72 Crore From AFS/HFT categories to HTM Category and fully recognized loss on transfer of these securities amounting to Rs.141.51 Crore during the quarter ended September 30, 2013
  - The aforesaid circular allowed Banks an option to distribute the net depreciation on the entire AFS and HFT portfolios on each of the valuation dates in the current financial year in equal installments over the year. The net depreciation on these portfolios of the Bank amounted to Rs.1061.07 Crore as against which provision of Rs.355.62 Crore is held as on 30th September, 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 Half Yearly disclosures related to the Computation of Capital with effect from September 30, 2013. Accordingly, Pillar 3 disclosures under Basel III Capital Regulations are being made available on our website "www.canarabank.com". These disclosures have not been subjected to a Limited Review by the auditors.
- 7 Pending settlement of wage revision w.e.f 01.11.2012, adhoc provision of Rs.195.00 Crore is held on 30.09.2013 which includes Rs.55 Crore provided during the current quarter.
- 8 Number of Investors Complaints received and disposed off during the quarter ended 30.09.2013.
- i) Pending at the beginning of the quarter - Nil
  - ii) Received during the quarter - 715
  - iii) Disposed off during the quarter - 715
  - iv) Lying unresolved at the end of the quarter - Nil
- 9 Figures of the corresponding previous period have been regrouped/restated/incorporated wherever considered necessary/feasible.

Place: Bangalore

Date: 12.11.2013



P S RAWAT

EXECUTIVE DIRECTOR



V S KRISHNA KUMAR

EXECUTIVE DIRECTOR



ASHOK KUMAR GUPTA

EXECUTIVE DIRECTOR



R K GUBEY

CHAIRMAN & MANAGING DIRECTOR



## 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 half year ended 30<sup>th</sup> September, 2013 except for the disclosures 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 unaudited 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 asset reviewed by the Bank's Inspection teams of 130 branches and the review reports of 2 Foreign branches reviewed by the external auditor of that branch, besides carrying out the review of 20 branches by us and the Treasury Operations. These review reports cover 62.21% of the advances portfolio of the Bank (excluding ARM Branches and Food Credit), 65.93% 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.

For H K Chaudhry & Co.  
Chartered Accountants  
Firm Registration No.006154N



Inderjit Soni  
Partner  
Membership No. 088694

For K Venkatachalam Aiyer & Co.  
Chartered Accountants  
Firm Registration No.004610S



V Devarajan  
Partner  
Membership No.018786

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



S C Loonker  
Partner  
Membership No.010135

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



Pradeep Kumar Chopra  
Partner  
Membership No. 082598

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

Handwritten signature of Piyali Basu  
Piyali Basu  
Partner  
Membership No. 054704



Place: Bangalore  
Date: November 12, 2013