

Ref :: CMD:SD:1564/1565/11/12:BNB:2014

05th May, 2014

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/ Subject: Board Meeting - Announcement of Results - 31.03.2014

Ref : Clause No. 20 & 41 of the Listing Agreement

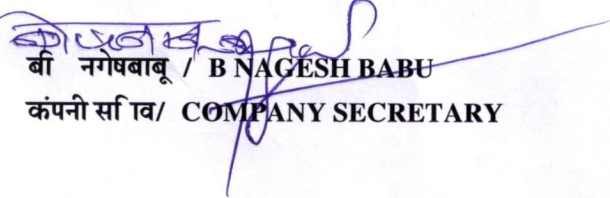
The Audited Financial Results of the Bank for the Quarter and Year ended 31.03.2014 were approved by the Board of Directors at its meeting held on 05.05.2014. A copy of the same is enclosed along with the Report of the Auditors.

The Board has recommended a Final Dividend @ 45 % / Rs. 4.50 per Equity Share of the face value of Rs. 10/- for the year ended 31.03.2014, subject to the approval of Shareholders at the Annual General Meeting.

Book-Closure dates for payment of Final Dividend will be synchronized with the Annual General Meeting (AGM), which will be announced later.

धन्यवाद / 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 सी रोड, बंगलूर - 560002

Secretarial Department

C&MD's Secretariat
Head Office
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AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH 2014

(₹ in Crore)

SL. No.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		(AUDITED)	(REVIEWED)	(AUDITED)	(AUDITED)	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
1	INTEREST EARNED (a)+(b)+(c)+(d)	10539.68	10083.87	8465.05	39547.61	34077.93
	(a) Interest/discount on advances/bills	7683.02	7360.12	6072.65	28457.32	24379.91
	(b) Income on Investments	2597.94	2574.55	2306.89	10251.08	9112.42
	(c) Interest on balances with Reserve Bank of India & Other Inter-Bank Funds	150.64	149.10	85.14	730.82	585.23
	(d) Others	108.08	0.10	0.37	108.39	0.37
2	Other Income	1070.04	851.42	1006.52	3932.76	3153.01
3	TOTAL INCOME (1+2)	11609.72	10935.29	9471.57	43480.37	37230.94
4	Interest Expended	8004.49	7856.88	6374.44	30603.17	26198.94
5	Operating Expenses (i)+(ii)	1723.13	1487.55	1399.40	6081.01	5141.99
	(i) Employees Cost	979.24	873.44	888.42	3672.38	3253.56
	(ii) Other Operating Expenses	743.89	614.11	510.98	2408.63	1888.43
6	TOTAL EXPENSES ((4+5) excluding Provisions & Contingencies)	9727.62	9344.43	7773.84	36684.18	31340.93
7	Operating Profit before Provisions and Contingencies (3-6)	1882.10	1590.86	1697.73	6796.19	5890.01
8	Provisions (Other than Tax) and Contingencies	1091.27	1051.51	752.35	3733.00	2217.91
9	Exceptional items	0.00	0.00	0.00	0.00	0.00
10	Profit (+) / Loss (-) from Ordinary Activities before tax (7-8-9)	790.83	539.35	945.38	3063.19	3672.10
11	Tax expense	180.00	130.00	220.00	625.00	800.00
12	Net Profit (+) / Loss (-) from Ordinary Activities after tax (10-11)	610.83	409.35	725.38	2438.19	2872.10
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)	610.83	409.35	725.38	2438.19	2872.10
15	Paid up Equity Share Capital (Face Value of each share-Rs.10/-)	461.26	461.26	443.00	461.26	443.00
16	Reserves excluding Revaluation Reserves				23660.60	22401.55
17	Analytical Ratios					
	(i) Percentage of shares held by Government of India	69.00%	69.00%	67.72%	69.00%	67.72%
	(ii) Capital Adequacy Ratio - Basel II	11.14%	10.12%	12.40%	11.14%	12.40%
	(iii) Capital Adequacy Ratio - Basel III	10.63%	9.83%		10.63%	
	(iv) 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	13.65	9.24	16.37	54.48	64.83
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	13.65	9.24	16.37	54.48	64.83
	(v) NPA Ratios					
	(a) Amount of Gross Non Performing Assets	7570.21	8073.92	6260.16	7570.21	6260.16
	(b) Amount of Net Non Performing Assets	5965.46	6869.87	5278.07	5965.46	5278.07
	(c) Percentage of Gross Non Performing Assets	2.49%	2.79%	2.57%	2.49%	2.57%
	(d) Percentage of Net Non Performing Assets	1.98%	2.39%	2.18%	1.98%	2.18%
	(vi) Return on Assets (Annualised)	0.54%	0.37%	0.77%	0.54%	0.77%
18	Public shareholding					
	- Number of Shares	143000000	143000000	143000000	143000000	143000000
	- Percentage of shareholding	31.00%	31.00%	32.28%	31.00%	32.28%
19	Promoters and promoter group shareholding					
	a) Pledged / Encumbered					
	- Number of shares					
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)					
	- Percentage of shares (as a % of the total share capital of the Company)					
	b) Non-encumbered					
	- Number of shares	318258837	318258837	300000000	318258837	300000000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%
	- Percentage of shares (as a % of the total share capital of the Company)	69.00%	69.00%	67.72%	69.00%	67.72%

SEGMENT REPORTING FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

(Rs in Crore)

BUSINESS SEGMENT		AUDITED	REVIEWED	AUDITED	AUDITED	
		Quarter ended			Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
(1)	Segment Revenue					
a	Treasury Operations	2698.31	2676.16	2642.89	11079.17	10294.45
b	Retail Banking Operations	3094.88	2705.54	2473.84	10788.38	9463.97
c	Wholesale Banking Operations	5502.92	5392.25	4319.02	20806.56	17223.41
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated	313.61	161.34	35.82	806.26	249.11
	Total	11609.72	10935.29	9471.57	43480.37	37230.94
(2)	Segment Results					
a	Treasury Operations	347.03	231.67	654.24	1463.00	1115.81
b	Retail Banking Operations	405.06	469.25	655.73	1722.43	1864.14
c	Wholesale Banking Operations	870.67	728.59	365.20	2946.74	2705.43
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
	Total	1622.76	1429.51	1675.17	6132.17	5685.38
(3)	Unallocated Income/Expenses	259.34	161.35	22.56	664.02	204.63
(4)	Operating Profit	1882.10	1590.86	1697.73	6796.19	5890.01
(5)	Provisions and Contingencies	1091.27	1051.51	752.35	3733.00	2217.91
(6)	Income Tax	180.00	130.00	220.00	625.00	800.00
(7)	Net Profit	610.83	409.35	725.38	2438.19	2872.10
(8)	Segment Assets*					
a	Treasury Operations	167100.83	164804.81	150904.28	167100.83	150904.28
b	Retail Banking Operations	99619.98	91751.92	78711.04	99619.98	78711.04
c	Wholesale Banking Operations	209370.03	200165.64	171294.18	209370.03	171294.18
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated Assets	10332.76	12433.75	9399.87	10332.76	9399.87
	Total Assets	486423.60	469156.12	410309.37	486423.60	410309.37
(9)	Segment Liabilities					
a	Treasury Operations	51466.11	42115.15	28855.45	51466.11	28855.45
b	Retail Banking Operations	183552.33	174806.12	156299.98	183552.33	156299.98
c	Wholesale Banking Operations	199789.78	202767.59	180253.80	199789.78	180253.80
d	Other Banking Operations	0.00	0.00	0.00	0.00	0.00
e	Unallocated Liabilities	27493.52	25479.67	22055.59	27493.52	22055.59
f	Capital and Reserves *	24121.86	23987.59	22844.55	24121.86	22844.55
	Total Liabilities	486423.60	469156.12	410309.37	486423.60	410309.37

(* Excluding Revaluation Reserve)

(Rs. In Crore)

GEOGRAPHICAL SEGMENT		AUDITED	REVIEWED	AUDITED	AUDITED	
		Quarter ended			Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013
(1)	Domestic Operations					
a	Revenue	11328.16	10649.89	9326.97	42431.73	36645.47
b	Assets	449034.29	435026.52	386312.09	449034.29	386312.09
(2)	International Operations					
a	Revenue	281.56	285.40	144.60	1048.64	585.47
b	Assets	37389.31	34129.60	23997.28	37389.31	23997.28
	Total					
a	Revenue	11609.72	10935.29	9471.57	43480.37	37230.94
b	Assets	486423.60	469156.12	410309.37	486423.60	410309.37

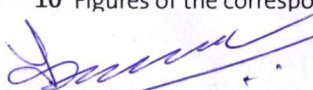
STATEMENT OF ASSETS AND LIABILITIES

(₹ in Crore)

	As on 31.03.2014 (AUDITED)	As on 31.03.2013 (AUDITED)
CAPITAL AND LIABILITIES		
CAPITAL	461.26	443.00
RESERVES AND SURPLUS	29158.85	24434.79
DEPOSITS	420722.82	355855.99
BORROWINGS	27230.64	20283.37
OTHER LIABILITIES AND PROVISIONS	14348.28	11325.45
TOTAL	491921.85	412342.60
ASSETS		
CASH & BALANCES WITH RESERVE BANK OF INDIA	22153.78	15405.93
BALANCES WITH BANKS AND MONEY AT CALL & SHORT NOTICE	22674.93	19308.77
INVESTMENTS	126828.25	121132.83
ADVANCES	301067.48	242176.62
FIXED ASSETS	6641.56	2862.72
OTHER ASSETS	12555.85	11455.73
TOTAL	491921.85	412342.60

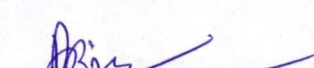
Notes:

- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 5th May 2014. The same have been audited by the Statutory Central Auditors of the Bank.
- There has been no change in the accounting policies and practices followed during the quarter / year ended 31st March 2014 as compared to those followed in the preceding financial year ended 31st March 2013 except that income on Government business is accounted on accrual basis which was hitherto accounted on realisation.
- The working results for the quarter / year ended 31st March 2014 have been arrived at after considering provision for Loan Losses, Standard Assets, Depreciation on Investments, Fixed Assets, other usual and necessary provisions.
- In accordance with the RBI Circular No.DBOD.BP.BC.80/21.04.018/2010-11 dated 09.02.2011:
 - a sum of Rs.370.72 Crore has been charged to Profit & Loss Account during the year ended 31st March 2014 on proportionate basis towards unamortised liability of Rs.1853.57 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.370.72 Crore will be dealt with as per guidelines of Reserve Bank of India.
 - a sum of Rs.135.91 Crore has been charged to Profit & Loss Account during the year ended March 2014 on proportionate basis towards unamortised liability of Rs.679.52 Crore (being amortized over 5 years beginning from 31st March 2011) on account of the enhancement of gratuity limit. The balance amount of Rs.135.91 Crore will be dealt with as per guidelines of Reserve Bank of India.
- In terms of RBI Circular DBOD.BP.BC.2/21.06.201/2013-14 dated 01.07.2013 Banks are required to make Pillar 3 disclosures under Basel III Capital Regulations. The disclosures shall be made available on the Bank's website 'www.canarabank.com' along with the publication of Consolidated Financial Statements.
- The Board has recommended final dividend of 45% (Rs.4.50 per Share) for the year ended 31st March 2014. With the interim dividend declared on 20.01.2014 of Rs.6.50 per share, the total dividend for the year works out to 110% (Rs.11 per share).
- The Bank has allotted 1,82,58,837 equity shares of face value of Rs.10 at a premium of Rs.263.84 per equity share to Government of India (President of India) on preferential basis on 31st December 2013 for a total consideration of Rs.499,99,99,924.08.
- Provision Coverage Ratio as on 31st March 2014 is 60.11%
- Number of Investors Complaints received and disposed off during the quarter ended 31.03.2014.
 - Pending at the beginning of the quarter - Nil
 - Received during the quarter - 596
 - Disposed off during the quarter - 596
 - Lying unresolved at the end of the quarter - Nil
- Figures of the corresponding previous period have been regrouped/restated wherever considered necessary.


P S RAWAT
EXECUTIVE DIRECTOR


V S KRISHNA KUMAR
EXECUTIVE DIRECTOR


A K GUPTA
EXECUTIVE DIRECTOR


R K DUBEY
CHAIRMAN & MANAGING DIRECTOR

PLACE: BANGALORE
DATE: 05.05.2014

Loonker & Co.
Chartered Accountants
FRN : 000172W

P. Chopra & Co.
Chartered Accountants
FRN : 004957N

A.R. Das & Associates
Chartered Accountants
FRN : 306109E

S. C. Vasudeva & Co.
Chartered Accountants
FRN : 000235N

Vinay Kumar & Co.
Chartered Accountants
FRN : 000719C

Ford Rhodes Parks & Co.
Chartered Accountants
FRN : 102860W

Independent Auditor's Report

Canara Bank

To
The President of India

Report on Financial Statements

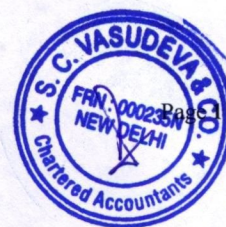
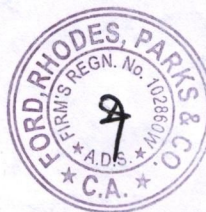
1. We have audited the accompanying financial statements of **Canara Bank** as at March 31, 2014, which comprise the Balance Sheet as at March 31, 2014, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (Notes to Accounts). Incorporated in these financial statements are the returns of 20 branches audited by us, 2081 branches audited by branch auditors and 4 foreign branches audited by local auditors. 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 Balance Sheet and the Profit and Loss Account are the returns from 2649 branches which have not been subjected to audit. These unaudited branches account for 5.76 per cent of advances, 17.30 per cent of deposits, 3.53 per cent of interest income and 14.75 per cent of interest expenses.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements in accordance with the requirements of Reserve Bank of India, Banking Regulation Act, 1949 and applicable Accounting Standards. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.



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 presentation of the 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 opinion on the effectiveness on the Bank'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.

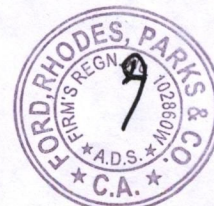
Opinion

6. In our opinion, as shown by books of Bank, and to the best of our information and according to the explanations given to us:
- (i) the Balance Sheet, read with the Notes to Accounts 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 March 31, 2014 in conformity with accounting principles generally accepted in India;
 - (ii) the Profit and Loss Account, read with the Notes to Accounts thereon shows a true balance of profit, in conformity with accounting principles generally accepted in India, for the year covered by the account; and
 - (iii) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:

- a. Note 6.4 to the financial statements, which describes the accounting treatment of the expenditure on creation of Deferred Tax Liability on Special Reserve under Section 36(1)(viii) of the Income-tax Act, 1961 as at March 31, 2013, pursuant to RBI's Circular No. DBOD. No. BP. BC. 77 / 21.04.018 / 2013-14 dated December 20, 2013.
- b. Note 6.15 to the financial statements, which provides details with regard to the identification and adjustment during the year of amortization of pension and gratuity liability as permitted by Reserve Bank of India vide their circular dated February 9, 2011.



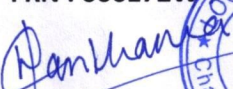
- c. Note 6.19 to the financial statements, which provides details with regard to the spreading the creation of Sundry Liability (Interest Capitalisation) on account of past period FITL as permitted by Reserve Bank of India vide their letter dated January 3, 2014.

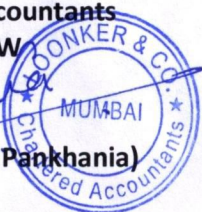
Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

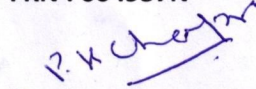
7. The Balance Sheet and the Profit and Loss Account have been drawn up in Forms "A" and "B" respectively of the Third Schedule to the Banking Regulation Act, 1949.
8. Subject to the limitations of the audit indicated in paragraph 1 to 5 above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and subject also 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. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement comply with the applicable Accounting Standards.

For Loonker & Co.
Chartered Accountants
FRN : 000172W


(Hrudyes N. Pankhania)
Partner
M. No. 138932

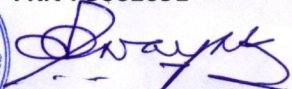


For P. Chopra & Co.
Chartered Accountants
FRN : 004957N


(Pradeep Kumar Chopra)
Partner
M. No. 082598

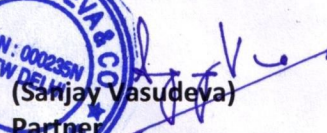


For A.R. Das & Associates
Chartered Accountants
FRN : 306109E


(Syamal Kumar Nayak)
Partner
M. No. 051353

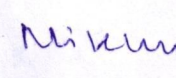


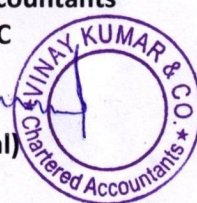
For S. C. Vasudeva & Co.
Chartered Accountants
FRN : 000235N


(Sanjay Vasudeva)
Partner
M. No. 090989

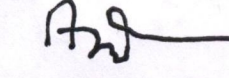


For Vinay Kumar & Co.
Chartered Accountants
FRN : 000719C


(Nikhil Singhal)
Partner
M. No. 079557



For Ford Rhodes Parks & Co.
Chartered Accountants
FRN : 102860W


(A.D. Shenoy)
Partner
M. No. 011549



Place: Bangalore
Date: May 5, 2014