

Consolidated Results

Particulars	(Rs. in crore)					
	Qtr. Ending Dec'07	Qtr. Ending Dec'06	Var. (%)	9 months Ended Dec'07	9 months Ended Dec'06	Var. (%)
Interest Earned	3550.16	2961.36	20	10412.73	8154.07	28
Interest Expended	2615.80	1922.78	36	7797.42	5186.55	50
Net Interest Income	934.36	1038.58	-10	2615.31	2967.52	-12
Other Income	546.44	284.03	92	1498.60	824.73	82
Net Total Income	1480.80	1322.61	12	4113.91	3792.25	8
Operating Expenses	722.97	636.87	14	2093.70	1931.90	8
Operating Profits	757.83	685.74	11	2020.21	1860.35	9
Provisions & Contingencies	199.00	247.72	-20	679.26	744.63	-9
Profit Before Tax	558.83	438.02	28	1340.95	1115.72	20
Provision for tax	100.00	75.00	33	240.00	200.00	20
Net Profit	458.83	363.02	26	1100.95	915.72	20
EPS	11.19	8.85		26.85		22.33

QUARTERLY PERFORMANCE

- Canara Bank for Q3FY08 reported 10% fall in NII at Rs 934.36 crore. The interest earned increased by 20% to Rs 3550.16 crore backed by 30% increase in interest on advances at Rs 2468.01 crore. However interest expended increased by 36% to Rs 2615.80 crore pulling down the NII by 10% on y-o-y basis. Other income that includes gains from securities' transactions, commission earned from guarantees/letters of credit, fees earned from providing services to customers and selling of third party products zoomed by 92% to Rs 546.44 crore.
- The operating expenses increased by 14% to Rs 722.97 crore with the staff expenses increasing by 11% to Rs 444.70 crore. This further restricted the growth of operating profit by 11% to Rs 757.83 crore. With provisions and contingencies declining by 20% to Rs 199.00 crore the PBT stood high by 28% to Rs 558.83 crore. Nevertheless with 33% increase in tax provision at Rs 100 crore, the net profit increased by 26% to Rs 458.83 crore on y-o-y.

PERFORMANCE FOR THE NINE MONTHS ENDED DEC'07

For the nine months ended Dec'07, Canara bank recorded 12% fall in NII at Rs 2615.31 crore. With the other income for the period spurting by 82% to Rs 1498.60 crore the operating profit lifted by 9% to Rs 2020.21 crore. With Provisions declining marginally by 9% to Rs 679.26 crore and tax provision increasing by 20% to Rs 240 crore the Net profit rose by 20% to Rs 110.95 crore.

OTHER HIGHLIGHTS

- **Aggregate business** of the Bank rose to Rs.242733 crore as at December 2007. The Bank's core deposits, comprising of CASA and retail term deposits, registered a robust growth of over 27% y-o-y.
- **Book value** rose to Rs.224.51 as at December 2007 from Rs.193.79 for the corresponding period last year. Return on Average Assets for the Q3 improved to 1.08% compared to 0.95% for the same quarter a year ago.
- **Capital to Risk Weighted Assets Ratio** as at December 2007 worked out to 13.66% *vis-à-vis* the regulatory minimum of 9%.
- **Productivity**, as at December 2007, measured by Business per Employee rose to Rs.5.62 crore from Rs.5.04 crore a year ago. Business per Branch increased to Rs.91.81 crore from Rs.87.19 crore as at December 2006.
- The Bank's **asset quality** recorded further improvement both in terms of gross and net NPA ratios. The Bank's gross NPA ratio continued to be the lowest amongst its peers. Gross NPA ratio declined to 1.54% as at December 2007 compared to 2.06% a year ago. As at December 2007, the Bank's net NPA ratio came down further to 0.89% as against 0.96% at December 2006. Cash recovery during the nine months stood at Rs.670 crore.
- Bank's **investment portfolio** (net) aggregated to Rs.50443 crore as at December 2007. Modified duration of the investment portfolio in the Available for Sale (AFS) category has been brought down to 1.50 as a strategic management decision.
- The Bank has a robust **branch network** of 2644 branches as at December 2007. Towards further expanding its reach, the Bank added 66 branches during April - December 2007. During the same period, 535 ATMs have been added, taking the tally of ATMs to 1667 as at December 2007, covering 616 centers across the country.

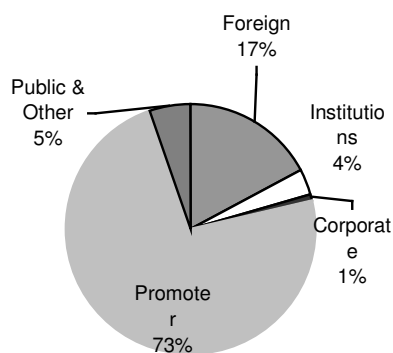
Management Guidance for FY08

- The Bank is assiduously focusing on consolidating its position by building profitable core business.
- The Bank is well prepared to switchover to new capital adequacy framework (Basel II norms) from March 2008.
- Under '**Financial Inclusion**', the Bank has set a target for mobilizing one million no-frill accounts during FY08 and bring all 24 lead districts of the Bank under total financial inclusion.
- The Bank envisages a training/re-skilling target of 1,00,000 during the current year.

Value Parameters

Latest Equity (Subscribed)	410.00
Latest Reserve	7701.12
Latest Book value	197.83
Latest P/E Ratio	7.03
52 Week High (Rs.)	421.45
52 Week Low (Rs.)	174.00
Market Capitalisation	11285.25
Dividend Yield -%	2.54
Stock Exchange	BSE

Shareholding Pattern (31/12/2007)



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