

A Government of India Undertaking
Constituted under the Banking Companies (Acquisition and Transfer of Undertakings)
Act, 1970

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DISCLOSURE DOCUMENT | Date: 25.09.2020

PRIVATE PLACEMENT OF NON CONVERTIBLE, TAXABLE, PERPETUAL, SUBORDINATED, FULLY PAID UP, UNSECURED BASEL III COMPLIANT ADDITIONAL TIER 1 BONDS (HEREINAFTER REFERRED TO AS THE “SERIES II BONDS”) FOR INCLUSION IN TIER 1 CAPITAL OF THE BANK, IN THE NATURE OF DEBENTURES OF FACE VALUE OF RS. 10,00,000 (RUPEES TEN LAKHS ONLY) EACH (“BONDS”) AT PAR AGGREGATING UP TO Rs. 488,00,00,000 (RUPEES FOUR HUNDRED EIGHTY EIGHT CRORES ONLY) WITH A BASE ISSUE SIZE OF RS.100,00,00,000 (RUPEES ONE HUNDERED CRORES ONLY) AND A GREEN SHOE OPTION TO RETAIN OVERSUBSCRIPTION UPTO RS.388,00,00,000 (RUPEES THREE HUNDRED EIGHTY EIGHT CRORES ONLY) BY CANARA BANK(“ISSUER” OR “BANK”)

BACKGROUND

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus. This Disclosure Document has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127/878 dated June 06, 2008, as amended pursuant to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012 and CIR/IMD/DF/18/2013 dated October 29, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014 as amended Securities and Exchange Board of India issue and listing of Debt Securities (Amendment) Regulations, 2015 issued vide circular no. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015, as amended from time to time and the Reserve Bank of India (“RBI”) Master circular on ‘Basel III Capital Regulations’ issued vide circular no. RBI/2015-16/58 DBR.NO.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 and Clarification issued by RBI vide Master Circular RBI/2015-16/285 DBR No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016, RBI Circular RBI/2016-17/222 DBR.BP.BC.No.50/21.06.201/2016-17 Dated February 02, 2017, as amended from time to time (BASEL III Guidelines). This Disclosure Document is related to the Bonds to be issued by the Issuer on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Bonds. The Issue has been authorized through a resolution passed by the Board of Directors of the Issuer on July 10, 2020.

GENERAL RISK

For taking an investment decision, investors must rely on their examination of the Issue including the risks involved in it. The Bonds are capital instruments and not deposits of the Bank and they cannot be used as collateral for any loan made by the Bank or any of its Subsidiaries or Affiliates. The Bonds are different from fixed deposits and are not covered



by deposit insurance. Unlike fixed deposits where deposits are repaid at the option of deposit holder, the Bonds are not redeemable at the option of the Bondholders or without the prior consent of RBI. The Bonds are subject to features (including Coupon Discretion, write-off at Pre-specified Trigger level or the Bank's PONV, as determined by RBI), which may impact the payment of interest and principal.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Disclosure Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this Disclosure Document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Disclosure Document as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The Bonds proposed to be issued by the Bank have been assigned the following rating:

- (i) India Ratings & Research assigned 'IND AA/RWN' vide its letter dated September 17, 2020
- (ii) "CRISIL AA/Negative" by CRISIL Limited vide its letter dated September 17, 2020

Instruments with this rating are considered to have the high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. The rating(s) are not a recommendation to buy, sell or hold securities and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning Rating Agency on the basis of new information. Each rating should be evaluated independent of any other rating. Please refer to the annexures with this disclosure document for the above ratings.

LISTING

The Bonds are proposed to be listed on the Wholesale Debt Market ("WDM") segment of the National Stock Exchange of India Limited ("NSE"). The issuer shall make listing application to NSE within 15 days from the Deemed date of allotment of bonds and shall seek listing permission within 20 days from the deemed date of allotment of bonds.

Registrars to the Issue

Canbank Computer Services Limited
R & T Centre
218, J.P. Royale, 1st Floor, 2nd Main,
Sampige Road (Near 14th Cross)
Malleswaram,
Bengaluru - 560 003
Tel. No: 080 2346 9661
E mail: canbankrta@csl.co.in

Trustees to the Bondholders

SBICAP Trustee Company Ltd
Corporate Office,
Apeejay House
6th Floor, 3 Dinshaw Wachha Road,
Churchgate,
Mumbai - 400 020,
Tel No: 022-43025555 ,5566
Fax : 022-22040465
Email: helpdesk@sbicaptrustee.com

This Disclosure Document, prepared pursuant to the SEBI Debt Regulations for the private placement of Bonds, is neither a prospectus nor a statement in lieu of prospectus and



does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by the Issuer. This is only an information brochure intended for private use.

ISSUE SCHEDULE

| | | |
|---|---|---|
| Issue Opening Date: 25 TH September 2020 | Issue Closing Date: 25 TH September 2020 | Deemed Date of Allotment: 29 th September 2020 |
|---|---|---|

The Issuer reserves the right to change the Issue Schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue shall be open for subscription during the banking hours on each day during the period covered by the Issue Schedule.

DISCLAIMERS

GENERAL DISCLAIMER

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FORWARD LOOKING STATEMENTS

The Bank has included statements in this Disclosure Document which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”, “will pursue”, “our judgment” and similar expressions or variations of such expressions, that are “forward-looking statements”. Actual results may differ materially from those suggested by the forward looking statements due to certain risks or uncertainties associated with the Bank’s expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, its ability to successfully implement its strategy, including its use of the Internet and other technology and its rural expansion, its ability to integrate future mergers or acquisitions into its operations, its ability to manage the increased complexity of the risks the Bank faces following its rapid international growth, future levels of impaired loans, its growth and expansion in domestic and overseas markets, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to

market new products, cash flow projections, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions the Bank is or will become a party to, the future impact or new accounting standards, its ability to implement its dividend policy, the impact of changes in banking regulations and other regulatory changes in India and other jurisdictions on the Bank, including on the assets and liabilities of Bank, a former financial institution not subject to Indian Banking regulations, its ability to roll over its short term funding sources and its exposure to credit, market and liquidity risks. By their nature certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward looking statements contained in this Disclosure Document include, but are not limited to, the monetary and interest rate policies of India and the other markets in which the Bank operates, natural calamities, general economic, financial or political conditions, instability or uncertainty in India, southeast Asia or any other country, caused by any factor including terrorist attacks in India or elsewhere, military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, changes or volatility in the value of the rupee, instability in the subprime credit market and liquidity levels in the foreign exchange rates, equity prices or other market rates or prices, the performance of the financial markets in general, changes in domestic and foreign laws, regulations and taxes, changes in the competitive and pricing environment in India, and general or regional changes in asset valuations.

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I. DEFINITIONS AND ABBREVIATIONS

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| Allotment | The issue and allotment of the Bonds to the successful Applicants in the Issue. |
| Allottee | A successful Applicant to whom the Bonds are allotted pursuant to the Issue, either in full or in part. |
| Applicant/ Investor | A person who makes an offer to subscribe the Bonds pursuant to the terms of this Disclosure Document and the Application Form. |
| Application Form | The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for allotment of Bonds in the Issue. |
| Tier I Instrument | The Capital Instruments issued by the Bank forming part of its Additional Tier I Capital (as stipulated in the Basel III Regulations). |
| Basel III Regulations or RBI Guidelines | The term Basel III Regulations or RBI Guidelines in the Disclosure Document, the Term Sheet and the notes to the Term Sheet refers to the RBI Master Circular on 'Basel III Capital Regulations' issued vide circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 and clarification issued by RBI vide Master Circular RBI/2015-16/285 DBR. No. DP.BC.71/21.06.201/2015-16 dated January 14, 2016, RBI Circular no.DBR.No.BP.BC.83/21.06.201/2015-16 dated March 01, 2016 and RBI Circular RBI/2016-17/222 DBR.BP.BC.No.50/21.06.201/2016-17 Dated February 02, 2017, as amended from time to time (BASEL III Guidelines). |
| Bondholder(s) | Any person or entity holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories. |
| Beneficial Owner(s) | Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996). |
| Board/ Board of Directors | The Board of Directors of Canara Bank or a committee constituted thereof, unless otherwise specified. |
| Bond(s) | Unsecured, Subordinated, Perpetual, Non-convertible, Fully Paid up, Taxable, Basel III compliant Additional Tier I Bonds - Series II capital of the Bank, in the nature of debentures of face value of Rs 10,00,000 (Rupees Ten Lakhs only) each to be issued at par aggregating up to Rs 488,00,00,000 with a base issue size of Rs 100,00,00,000 and a green shoe option to retain oversubscription up to Rs 388,00,00,000 by the Issuer through private placement route under the terms of this Disclosure Document. |
| CAR | Capital Adequacy Ratio. |
| CAGR | Compounded Annual Growth Rate |
| CBSL | Canara Bank Securities Limited |
| CCSL | Canbank Computer Services Limited. |
| CDSL | Central Depository Services (India) Limited. |
| CFL | Canbank Factors Limited. |

| | |
|--|--|
| CFHL | Can Fin Homes Limited. |
| CIBL | Commercial Indo Bank LLC. |
| CRAMC | Canara Robeco Asset Management Company Limited. |
| CRAR | Capital to Risk weighted Assets Ratio. |
| CSR | Corporate Social Responsibility. |
| CVCFL | Canbank Venture Capital Fund Limited. |
| Canfina | Canbank Financial Services Limited. |
| Companies Act | The Companies Act, 1956 as amended (without reference to the sections thereof that have ceased to have effect upon notification of sections of the Companies Act, 2013) read with applicable provisions of the Companies Act, 2013, to the extent notified and in effect. |
| Debenture Trustee Regulations | Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time. |
| Deemed Date of Allotment | The cut-off date declared by the Bank from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholder(s). The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment. |
| Depository | A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Depository Participant | A depository participant as defined under Depositories Act. |
| Disclosure Document or Information Memorandum | Disclosure document dated 25.09.2020 in relation to the private placement of unsecured, subordinated, non-convertible, Perpetual, Fully Paid up, Taxable, Basel III compliant Additional Tier I Bonds-Series II, in the nature of debentures of face value Rs.10,00,000 each at par aggregating up to Rs 488,00,00,000 (Rupees Four hundred Eighty Eight Crores Only), with a base issue size of Rs 100,00,00,000 (Rupees One Hundred Crores Only) and a green shoe option to retain oversubscription up to Rs 388,00,00,000 (Rupees Three hundred eighty eight Crores Only) |
| DP | Depository Participant as defined under the Depositories Act. |
| DRR | Bond/ Debenture Redemption Reserve. |
| ECGC | Export Credit & Guarantee Corporation of India. |
| ECS | Electronic Clearing Service |
| EGM | Extraordinary General Meeting |
| EPS | Earnings Per Share. |
| FIs | Financial Institutions. |
| Financial Year/ FY | Period of twelve months ending March 31, of that particular year. |

| | |
|--------------------------|---|
| GIR | General Index Registration Number |
| GOI | Government of India/ Central Government. |
| IPO | Initial Public Offering. |
| Issue | Private placement of Unsecured, Subordinated, non-convertible, Perpetual, Fully Paid up, Taxable, Basel III compliant Additional Tier I Capital-Series II of the Bank, in the nature of debentures of face value Rs.10,00,000 each at par aggregating up to Rs 488,00,00,000 (Rupees Four hundred Eighty Eight Crores Only), with a base issue size of Rs 100,00,00,000 (Rupees One Hundred Crores Only) and a green shoe option to retain oversubscription up to Rs 388,00,00,000 (Rupees Three hundred eighty eight Crores Only) |
| Issuer/ Bank | Canara Bank, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969 and having its Head Office at 112, J. C. Road, Bengaluru - 560 002. |
| IT Act | The Income Tax Act, 1961, as amended from time to time. |
| Listing Agreement | Listing Agreement entered into/to be entered into by the Issuer with the NSE, in relation to the listing of the Bonds, as per the format issued by Securities and Exchange Board of India in its circular dated October 13, 2015 (bearing reference CIR/CFD/CMD/6/2015) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (Listing Regulations), as amended from time to time. |
| MD & CEO | Managing Director and Chief Executive Officer of the Issuer. |
| MSME | Micro Small and Medium Enterprises |
| NECS | National Electronic Clearing Service. |
| NEFT | National Electronic Funds Transfer. |
| NRI | Non-Resident Indian. |
| NPA | Non-performing asset. |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited, being the stock exchange on which the Bonds are proposed to be listed. |
| PAN | Permanent Account Number. |
| PONV | Point of Non-Viability. |
| PONV Trigger | <p>The PONV Trigger event shall be as defined in Basel III Regulations and the PONV Trigger event shall be the earlier of:</p> <ul style="list-style-type: none"> (a) a decision that a full and permanent write off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and (b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. <p>The write-off of any common equity Tier 1 capital shall not be</p> |

| | |
|------------------------------|--|
| | <p>required before the write-off of any Non-equity (Additional Tier 1 and Tier 2) regulatory capital instrument (including these Bonds). Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</p> <p>For this purpose, the Bank will be considered non-viable if:</p> <p>The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank of India unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 Capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include permanent write-off in combination with or without other measures as considered appropriate by the Reserve Bank of India (RBI).</p> <p>The Bank facing financial difficulties and approaching a PONV shall be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including write-off/public sector injection of funds are likely to:</p> <ul style="list-style-type: none"> a) Restore confidence of the depositors/ investors; b) Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. <p>The amount to be written-off will be determined by RBI. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level may trigger write-off.</p> |
| Record Date | Reference date for payment of interest/ repayment of principal. |
| Rs./INR/ ₹ | Indian National Rupee |
| RBI | Reserve Bank of India |
| RRB | Regional Rural Bank |
| RTGS | Real Time Gross Settlement |
| Registrar | Registrar to the Issue, in this case being Canbank Computer Services Limited. |
| SEBI | The Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992. |
| SEBI Debt Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as |

| | |
|---|--|
| | amended and Securities and Exchange Board of India (issue and listing of debt securities) (amendment) regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended and Securities and Exchange Board of India (issue and listing of debt securities) (amendment) regulations, 2015 issued vide circular no. LAD-NRO/GN/2014-15/25/539 dated March 24, 2015 as may be amended from time to time. |
| TDS | Tax Deducted at Source. |
| Trustee/ Bond Trustee/ Debenture Trustee | Trustee for the Bondholders in this case being SBICAP Trustee Company Ltd |
| USD/ US\$/ \$ | United States Dollar |
| WDM | Wholesale Debt Market |
| y-o-y | Year over year |

I. ISSUER INFORMATION

A. Name and Address of the Issuer

| | |
|--|---|
| Name of the Issuer | Canara Bank |
| Head Office | No. 112, J C Road, Bengaluru - 560002 Tel No.: 080 2210 0250 Fax No.: 080 2224 8831 Website: www.canarabank.com <u>Treasury & Investments Division</u> Integrated Treasury Wing, Canara Bank Building, 6th Floor, Plot No. C-14, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. Tel No.: 022 2672 5038 Fax No.: 022 2672 5250 E-mail: tidmum@canarabank.com |
| Compliance Officer for the Issue | Shri Vinay Mohta Company Secretary, Secretarial Department, MD & CEO's Secretariat Head Office, 112, J.C. Road, Bengaluru - 560 002 Phone : 080- 2210 0250 Fax 080- 2224 8831 E.Mail: hosecretarial@canarabank.com |
| Chief Financial Officer of the Issuer | Shri Ramachandra V Chief General Manager & Chief Financial Officer Canara Bank Head Office, Bengaluru - 560 002 Tel: 080- 2224 9989 E Mail: fmwing@canarabank.com |
| Trustees to the Bondholders | SBICAP Trustee Company Ltd Corporate Office: Apeejay House, 6 th Floor 3 Dinshaw Wachha Road, Churchgate, Mumbai- 400 020 |

| | | |
|--|---|--|
| | <p>Tel: 022-43025555,5566 Fax: 022-22+0465 Email: helpdesk@sbicaptrustee.com</p> | |
| Registrar to the Issue | <p>Canbank Computer Services Limited R&T Centre, #218, JP Royale, 1st Floor, 2nd Main, Sampige Road, (Near 14th Cross), Malleswaram, Bengaluru - 560 003 Tel: (080) 23469661,62 & 23469664/65 Fax:(080) 23469667 E mail: canbankrta@ccsl.co.in</p> | |
| Credit Rating Agencies | <p>CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai -400076 Tel No: 022 33423000 Fax No: 022 40405800</p> | <p>India Rating & Research Private Limited Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400051 Tel No. 022 40001700 Fax No.022 40001701</p> |
| Legal Counsel for the present issue of AT 1 Bonds | <p>ALMT Legal 2 Lavelle Road Bengaluru - 560 001</p> | |
| Auditor for the Issue | <p>1) Niraj Kumar Jhunjunwala Mob:-9433002481 nirajjhunjunwala@gmail.com 2) Jagannath Prasad Mohapatra Mob:-9008002462 jagannath@dkcindia.com Address: D K Chhajer & Co., Chartered Accountants #21 K H (Double) Road, Next to Karnataka Emporium Bangalore - 560 027</p> | |
| Name of Arranger | <p>Trust Investment Advisors Pvt Ltd</p> | |

B. BRIEF SUMMARY OF THE BUSINESS ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

i. **Overview and History:**

We are one of the leading public sector commercial banks in India, offering banking products and services to corporate, small and medium-sized enterprises, retail and agricultural customers. The Bank was founded in July 1906 as a private entity and was nationalized in July 1969. According to data published by the Indian Banks' Association, we were among the top five Public Sector Banks in terms of assets as of March 31, 2020. Canara Bank is the 3rd largest nationalized banks in India in terms of total advances and deposits, which amounted to ₹10.77 lakh crore and we have over 7.44 crore customers, as on March 2020. The Government of India owns 78.5% of shareholding of the Bank, as on March, 2020, and accordingly, exercises control over our management and operations.

We have been conferred with several awards and accolades in recognition of our various initiatives. Our recent awards and accolades for FY 20include

- Canara Bank received 'India's Most Trusted Public Sector Banking Services Company 2019' award by International Brand Consulting Corporation, USA.
- IBA's 15th Annual Banking Technology Award 2020 received for Most Customer-Centric Bank using Technology.
- Best innovation in Banking technology award for CANDI Branch received in IDRBT banking technology innovation contest.
- Canara DiYAwon Silver in SKOCH Awards 2019.
- FINNOVITI 2020 award received for CANDLE for one of the best innovation in financial sectors' technology.
- Canara Bank won Tax Deductor of the Year Award for recognition of timely compliance to the TDS/TCS provisions of Income Tax Act.
- SIDBI-ET INDIA MSE AWARD-2019' for noteworthy Lender to MSE -(Public Sector Bank) Award Category.

We are engaged in a wide variety of banking activities, such as **Corporate, Small and Medium-Sized Enterprises and Retail Banking**, and offer a wide range of financial products and services to **Corporate, SME and Retail Customers**, including both **Resident and Non-Resident Indians**. We also provide funding to sectors identified by the Government as Priority Sectors, such as **Agricultural and Small Scale Industries**. Our **Corporate Banking Services** cater to the banking needs of **Large and Medium-Sized Corporations**. We offer a variety of corporate banking services including medium to long term project financing, working capital financing, syndicated loans, short-term credit products linked to market benchmarks and others. Our SME banking services include providing project and corporate finance, working capital, short term credit, cash management and treasury products. Our retail banking services include consumer lending and deposit services. We offer a wide range of consumer credit products, including personal loans, home loans, vehicle loans, education loans, mortgage loans and credit card services. Our deposit products include savings accounts, time deposits and tailored deposit products for customers in various sectors, such as accounts for high net worth individuals, non-resident Rupee accounts, Recurring Deposits schemes and tax-saving deposit products.

The Bank's other businesses include bancassurance (marketing and distribution of life, non-life and health insurance products), marketing and distribution of mutual fund products, executor, trustee and taxation services, depository services, safe deposit box services, Government business, agricultural consultancy services and merchant banking.



We also undertake business in the areas of housing finance, priority sector lending in rural areas through our RRBs. Other activities like asset management, factoring, stock broking and equity trading, software development and consultancy, venture capital and life insurance are done through our Subsidiaries and Associates.

Our total assets have increased from Rs. 552961 crore as of March 31, 2016 to Rs. 723875 crore as of March 31, 2020 at a CAGR of 6.97%. Our total deposits have grown from Rs. 479792 crore as of March 31, 2016 to Rs. 625351 crore as of March 31, 2020 at a CAGR of 6.85%. Our total advances have increased from Rs. 336548 crore as of March 31, 2016 to Rs. 451223 crore as of March 31, 2020 at a CAGR of 7.61%. Our total income has increased from Rs. 48897 crore as of March 31, 2016 to Rs. 56748 crore as of March 31, 2020 at a CAGR of 3.79%. Our net loss stood at Rs. 2236 crore for the year ended March 31, 2020. Our total number of branches has increased from 5849 as of March 31, 2016 to 6334 as of March 31, 2020 with net addition of 485 branches, including 5 overseas branches (London, Johannesburg, New York, Hong Kong and Dubai).

ii. Main Objects

Founded as “Canara Bank Hindu Permanent Fund” in 1906, by late Shri Ammembal Subba Rao Pai, a philanthropist, this small seed blossomed into a limited company as “Canara Bank Ltd.” in 1910 and became Canara Bank in July 1969 after nationalization. The main objects of the Bank at the time of the nationalization, as laid down in the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, are as under:

“To control the heights of economy and to meet progressively, and serve better, the needs of development of the economy in conformity with national policies and objectives and for matters connected with or incidental thereto.”

The Bank carries on and transacts the business of banking i.e. “accepting for the purpose of lending or investment, of deposits of money from public, repayable on demand or otherwise, and withdrawal by cheque, draft, order or otherwise” as defined under Clause 1(b) of Section 5 of the Banking Regulation Act, 1949. The banking business is governed by Section 3 (7) and Section 3 (5) of Chapter II of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970.

Canara Bank, in the course of its business as a commercial bank, accepts funds at the primary level, to be placed into various kinds of deposit accounts and to be lent to various categories of borrowers. It also extends banking services under various market segments, namely, personal banking, corporate banking, agricultural banking, international banking, merchant banking, depository participant services, investment banking, credit card business, bancassurance, leasing & hire purchase etc.

BUSINESS PERFORMANCE

During FY2020, the global business of the Bank increased to Rs.1076574 crore, up by 3.19% y.o.y with global deposits growing at a pace of 4.39% y.o.y at Rs. 625351 crore and global advances growing 1.58% y.o.y at Rs. 451223 crore.

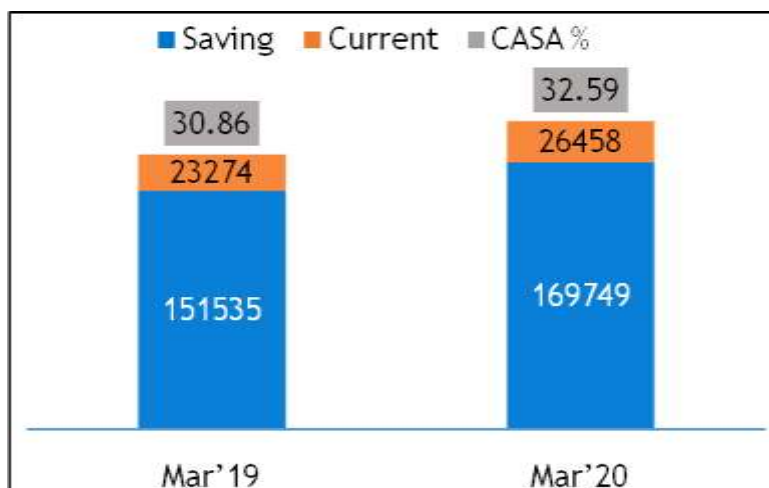
A snapshot of business growth in FY2020

| Particulars | Mar-19 | Mar-20* | Growth y.o.y (%) |
|---|---------------|---------------|------------------|
| Global Deposits | 599033 | 625351 | 4.39% |
| <i>of which- Domestic Deposits</i> | 565917 | 601664 | 6.32% |
| Overseas Deposits | 33116 | 23687 | (28.47%) |
| Domestic Deposits | 565917 | 601664 | 6.32% |
| Current Account Deposits | 23274 | 26458 | 13.68% |
| Savings Bank Deposits | 151535 | 169749 | 12.02% |
| CASA Deposits | 174809 | 196207 | 12.24% |
| Domestic CASA to Domestic Deposits (%) | 30.86 | 32.59 | |
| Advances | 444216 | 451223 | 1.58% |
| <i>of which- Domestic Advances</i> | 419005 | 426684 | 1.83% |
| Overseas Advances | 25211 | 24539 | (2.67%) |
| Total Assets | 694767 | 723875 | 4.19% |

Deposits:

Total Deposits increased to Rs.625351 crore as at March 2020 compared to Rs.599033 crore a year ago, with a y-o-y growth of 4.39%. Current and Saving (CASA) deposits of the Bank increased by 12.24% y-o-y to Rs.196207 crore on March 2020. The Bank's CASA deposits share to domestic deposits stood at 32.59% from the last year's 30.86%. Savings deposits grew by 12.02% to Rs.169749 crore. Current deposits grew by 13.68% to Rs.26458 crore.

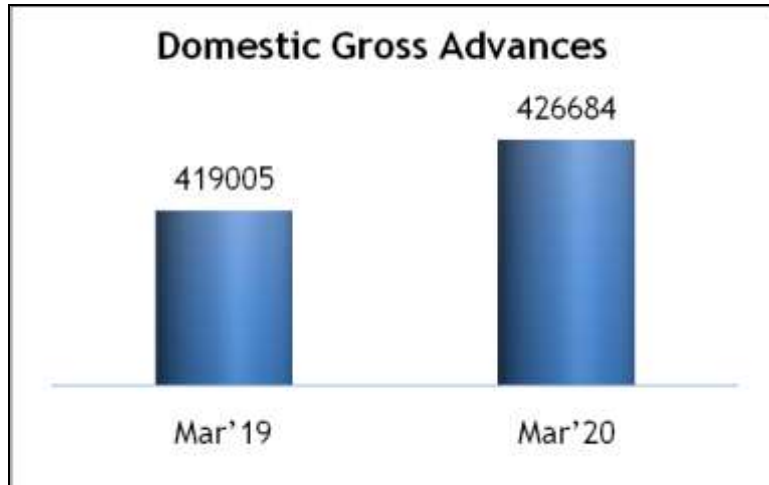
The focus on premier CASA products, like, Canara Galaxy, Canara Privilege, SB Powerplus and NRI accounts were given to improve the average balances under CASA. Pursuing a strategy of expanding deposit clientele, the Bank added 39lakhs deposit clientele during the year, taking the total number of deposit clientele to 7.37 crore.



Advances:

The Bank expanded its asset base in a well-diversified manner comprising of the productive segments of the economy, like, Agriculture and Micro, Small and Medium Enterprises (MSMEs) and other productive sectors in addition to Retail assets, including Housing, Education, and Vehicle loan segments.

Advances (Gross) of the Bank grew by 1.58 % to reach Rs.451223 crore as at March 2020 compared to Rs.444216 crore a year ago. The number of borrowal clientele increased to 82.75 lakhs as at March 2020.



Total business of the Bank increased to Rs.1076574 crore, with a y-o-y growth of 3.19% compared to Rs.1043249 crore in the previous year.

FINANCIAL PERFORMANCE

The operating profit of the Bank as on Jun 2020 stood at **Rs. 4285** crore. The provisions and contingencies as on 30.06.2020 was **Rs. 3879** crore. Return on average assets (RoAA) for the quarter (Jun 20) stood at **(0.16)**.

| Key Financial Ratios (%) | March 2017 | March 2018 | March 2019 | March 2020* | June 2020 (Amalgamated) |
|---|------------|------------|------------|-------------|-------------------------|
| Cost of Funds | 5.59% | 5.17% | 5.24% | 5.12% | 4.56% |
| Yield on Funds | 7.35% | 7.34% | 7.59% | 6.99% | 6.89% |
| Cost of Deposits | 6.25% | 5.60% | 5.66% | 5.57% | 4.95% |
| Yield on Advances | 8.99% | 8.12% | 8.39% | 8.18% | 8.09% |
| Yield on Investments | 7.75% | 7.63% | 7.62% | 7.33% | 7.10% |
| Interest Spread | 1.76% | 2.17% | 2.35% | 1.87% | 2.33% |
| Net Interest Margin (NIM) | 2.23% | 2.42% | 2.63% | 2.29% | 2.84% |
| Operating Expenses to Average Working Funds | 1.53% | 1.70% | 1.69% | 1.65% | 1.70% |
| Return on Avg. Assets (RoAA) | 0.20 | (0.75) | 0.06 | (0.32) | 0.16 |
| Return on Equity | 4.21 | (16.74) | 1.40 | (8.05) | 4.51 |
| Business per Employee (₹ in Crore) | 14.43 | 14.81 | 17.07 | 17.63 | 16.52 |
| Book Value (₹) | 451 | 315 | 348 | 281 | 246 |
| Earnings per Share (₹) | 20.63 | (70.47) | 4.71 | (26.50) | 11.21 |

Income and Expenditure Analysis:

During the year, total income increased by 6.30% y.o.y to Rs. 56748 crore, comprising Rs.36076 crore interest from advances, Rs.11336 crore interest from investments, Rs.7813 crore from non-interest income and Rs.1523 crore from other interest income.

Operating performance of the Bank (In. Rs. Crore)

| Particulars | Mar-19 | Mar-20* | Growth (%) |
|--|---------------|---------------|-----------------|
| Interest Earned | 46810 | 48935 | 4.54% |
| Interest Expended | 32332 | 35811 | 10.76% |
| Net Interest Income (NII) | 14478 | 13124 | (9.35%) |
| Other Income | 6575 | 7813 | 18.83% |
| <i>of which- Fee Income</i> | <i>2442</i> | <i>2685</i> | <i>9.95%</i> |
| <i>Forex Income</i> | <i>633</i> | <i>1115</i> | <i>76.23%</i> |
| <i>Trading Gains</i> | <i>402</i> | <i>758</i> | <i>88.70%</i> |
| <i>Recovery from TWO</i> | <i>1304</i> | <i>1470</i> | <i>12.69%</i> |
| Operating Income (NII + Other Income) | 21053 | 20937 | (0.55%) |
| Operating Expenses | 10462 | 11577 | 10.66% |
| <i>Employee Expenses</i> | <i>6040</i> | <i>7134</i> | <i>18.11%</i> |
| <i>Other Operating Expenses</i> | <i>4422</i> | <i>4443</i> | <i>0.47%</i> |
| Operating Profit | 10591 | 9360 | (11.62%) |
| Provisions | 10244 | 11596 | 13.20% |
| <i>of which- Provisions for NPAs & Bad debts written off</i> | <i>12723</i> | <i>10655</i> | <i>(16.25%)</i> |
| <i>Provision for Standard Advances</i> | <i>406</i> | <i>379</i> | <i>(6.65%)</i> |
| <i>Provision for Depreciation on Investment</i> | <i>370</i> | <i>(278)</i> | <i>--</i> |
| <i>Provision for Income Tax</i> | <i>(2674)</i> | <i>480</i> | <i>--</i> |
| <i>Other Provisions</i> | <i>(580)</i> | <i>359</i> | <i>--</i> |
| Profit Before Tax | (2327) | (1756) | -- |
| Provision for Tax | (2674) | 480 | -- |
| Net Profit | 347 | (2236) | -- |

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

In line with the thrust areas for the Bank, non-interest income (Excl. Trading profit) registered a growth of 14.27% to Rs.7054 Cr compared to Rs. 6173 crore during last year. Apart from trading profit, other major sources of non-interest income, like, service charges (Rs.1319crore), commission and exchange (Rs.824 crore), recovery from written

off accounts (Rs.1470 crore) and Profit from exchange transaction (Rs.1115 Crore) contributed to the non-interest income of the Bank. The share of non-interest income to total income stood at 13.77%.

Total expenditure of the Bank increased by 10.73% y.o.y to Rs.47388 crore from Rs. 42794 crore incurred during last year. Interest expenses of the Bank increased by 10.76% to Rs.35811 crore. Operating expenses increased by 10.66% to Rs.11577 crore, comprising staff cost of Rs.7134 crore and other operating expenses of Rs.4443 crore. Staff cost increased in FY 20, mainly on account of the increased provision towards Superannuation benefits and additional provision for wage revision. Other operating expenses, increased mainly on Bank's property, insurance expenses, AMC expenses, maintenance of software/hardware and increase in GST expenses.

Due to the decrease in interest rates, the Bank's cost of deposits decreased by 9 bps to 5.57% from the last year's 5.66%. The net interest income, the difference between interest paid and interest earned by the Bank, declined by 9.35% to Rs.13124 crore compared to the last years Rs.14478 crore.

Capital and Reserves:

Net worth of the Bank, as at March 2020 stood at Rs. 28969 crore compared to Rs. 26180 crore as at March 2019.

While the total paid-up capital of the Bank stood at Rs. 1030.23 Crore, the reserves and surplus increased to Rs.38262.73 crore.

| Composition of Capital (Rs Cr) | March 2019 Basel III | March 2020* Basel III |
|--------------------------------|----------------------|-----------------------|
| Risk Weighted Asset | 352456 | 360906 |
| CET I | 29300 | 33881 |
| CET I (%) | 8.31% | 9.39% |
| AT I | 2551 | 2648 |
| AT I (%) | 0.72% | 0.73% |
| Tier I Capital | 31851 | 36529 |
| CRAR (%) (Tier I) | 9.04% | 10.12% |
| Tier II Capital | 10082 | 12727 |
| CRAR (%) (Tier II) | 2.86% | 3.53% |
| Total Capital | 41933 | 49256 |
| CRAR (%) | 11.90% | 13.65% |

(*Figures related to standalone Canara Bank financials for pre-amalgamation, hence not comparable with post amalgamation financials for the period ended 31.03.2020)

Capital Adequacy Ratio, under Basel III was 13.65% as at March 2020 against the regulatory requirement of 10.875%, including capital conservation buffer of 1.875%. Within the capital adequacy ratio, CET I ratio was at 9.39% and Tier I capital ratio was at 10.12%.

Ministry of Finance, Government of India has infused Capital of Rs.6571 Crore in the Bank during the current financial year by way of preferential allotment of equity shares. The Bank issued 27, 69, 88,576 fully paid-up equity shares of Rs.10/- each at an issue price of Rs.237.23 per equity share including premium of Rs.227.23 aggregating Rs.6571 crore, on preferential basis to the Government of India and there by Government of India holding in the bank increased to 78.52%.

RETAIL LENDING OPERATIONS:

In line with the thrust areas set for the year, the Bank's retail lending operations recorded good y.o.y growth.

(Amt. ₹ Crore)

| Retail Segments | As at March | | Y.O.Y Growth | |
|-------------------------------------|-------------|--------|--------------|--------|
| | 2019 | 2020* | Quantum | (%) |
| 1. Housing | 33581 | 39611 | 6030 | 17.96 |
| 2. Vehicle | 9446 | 10446 | 1000 | 10.59 |
| 3. Other Personal | 19299 | 20320 | 1021 | 5.29 |
| 4. Education | 8859 | 9423 | 564 | 6.37 |
| Core Retail Loans (1+2+3+4) | 71185 | 79800 | 8615 | 12.10 |
| 5. Indirect HL | 17854 | 16172 | (1682) | (9.42) |
| 6. Indirect+ Buyout | 8346 | 9075 | 729 | 8.73 |
| Total Retail Loans (1+2+3+4+5+6) | 97385 | 105047 | 7662 | 7.87 |

The outstanding Core Retail loans portfolio grew by 12.10 % y.o.y to ₹79800 crore as at March 2020. The outstanding housing loan portfolio rose to ₹39611 crore, with a y.o.y growth of 17.96 % and accounted for 49.63 % of the Core retail lending portfolio. Vehicle loans and other personal loans increased by 10.59% and 5.29% y.o.y respectively. During 2019-20, Bank has sanctioned 250527 retail loans amounting to Rs 24748 Crs .

The reason for decline in indirect Housing Loan is decrease in our exposure towards HFCs/ NBFCs during the FY 2019-2020. Our exposure towards HFCs/ NBFCs during FY 2018-2019 was Rs 16268 crs which declined to Rs 13290 crs during FY 2019-2020.

Education Loans:

Over the years, the Bank has assisted substantial number of promising students to pursue higher education in India and abroad. The Bank's education loan portfolio increased to ₹9423 crore as at March 2020. The Bank has financed around 2.80 lakh students as at March 2020. During 2019-20, the Bank has disbursed education loans worth ₹1604 crores.

Among all Nationalized Banks, our Bank is in the forefront in extending education loans. Further, considering the huge thrust on skill development in recent years, "IBA Skill Loan Scheme" has been implemented to support skill development initiatives of Department of Financial Services (DFS). The Bank has special education loan schemes namely "**Vidya Turant**", Collateral free Education loans for the meritorious students who are admitted to premier institutes such as IITs, IIMs, ISB etc up to a limit of Rs.36 Lacs with concessional rate of Interest, Bridge Loan Scheme namely "**Vidya Sahay**" to assist the needy and meritorious students who are in need of the down payment to be made to the CET/Counseling Authorities at the time of selection/counseling and "**Vidya Shakthi**", education loan scheme for the PWD category of students including expenses for specially designed equipments for differently abled persons with concessional interest rate.

PRIORITY SECTOR ADVANCES

The Bank continues to accord importance to varied goals under national priorities, including agriculture, micro, small and medium enterprises, education, housing, social infrastructure, renewable energy, microcredit, credit to weaker sections and specified minority communities.

Priority Sector Advances of the Bank as at March 2020 reached ₹203029 crore, recording a y.o.y growth of 3.05% and achieved 44.66% to Adjusted Net Bank Credit (ANBC) against 40% mandated norm.

Priority Sector

(Amt. ₹Crore)

| Priority Sector Advances | As at March | | Y.O.Y Growth | |
|--------------------------|-------------|--------|--------------|------|
| | 2019 | 2020* | Quantum | (%) |
| Total Priority Sector | 197013 | 203029 | 6016 | 3.05 |
| Agriculture | 91843 | 97043 | 5200 | 5.66 |

With a focus on credit delivery to **Agriculture**, the Bank's advances under agriculture portfolio increased by 5.66% to ₹97043 crore, covering over 72 lakh farmers. Under agriculture lending, the Bank achieved 18.58% to ANBC against 18% mandated norm. During 2019-20, the Bank's agriculture credit disbursal increased to ₹84891 crore compared to ₹76384 crore in the previous year. Advances to Small & Marginal Farmers achieved 13.01% to ANBC as against the mandatory Target of 8% (Net of PSLC-SF/MF sale) as at March 2020.

During the year, the Bank issued 8.48 lakh Kisan Credit Cards (KCCs), amounting to ₹13872 crore. The credit outstanding under KCCs was at ₹20263 crore as at March 2020. 7.69 lakh Kisan RuPay Cards were issued against eligible accounts of 7.87 lakh, with an achievement of 97.71%.

Advances to Micro Enterprises (Priority) stood at Rs. 33485 crores achieving 8.24% to ANBC as against the mandatory Target of 7.5%.

The Bank actively participated in various **Government Sponsored Schemes**, such as, Prime Minister's Employment Generation Programme (PMEGP), National Rural Livelihood Mission (NRLM), National Urban Livelihood Mission (NULM), Differential Rate of Interest (DRI) Scheme, Stand Up India, Pradhan Mantri Mudra Yojana (PMMY).

As at March 2020, the outstanding advances under the following Government Schemes, aggregated to ₹13505 crore, involving around 15.97 lakh beneficiaries.

Performance under various Government Sponsored Schemes:

(Amt. ₹Crore)

| Scheme | Mar-20* | |
|--|----------|--------|
| | Accounts | Amount |
| Prime Minister Employment Generation Programme (PMEGP) | 21548 | 920 |
| Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) | 79672 | 1824 |
| Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) | 7594 | 73 |
| Differential Rate of Interest | 112951 | 101 |
| Stand Up India | 3835 | 600 |
| Pradhan Mantri Mudra Yojana (PMMY) | 1371603 | 9987 |
| Total | 1597203 | 13505 |

Advances to DRI stood at ₹101 crore, consisting of 1.13 lakh beneficiaries, of which, advances by rural and semi-urban branches amounted to ₹78 crore. In support of the underprivileged sections of the society, the Bank's advances to SCs/STs beneficiaries amounted to ₹8284 crore as at March 2020, covering 5.03 lakh borrowers. The advances to SCs/STs comprised 4.08% of total priority sector advances. **Advances to weaker** sections reached ₹94619 crore, constituting 18.48% to ANBC against mandated norm of 10%.

Various components of advances to Weaker Sections as at March 2020:

(Amt. ₹Crore)

| Sector | Outstanding | |
|---|-------------|--------|
| | Accounts | Amount |
| Small & Marginal Farmers, Landless Labourers, Tenant Farmers and Share Croppers | 6585686 | 72403 |
| Artisans, Village and Cottage Industries | 32247 | 670 |
| SC/ST Beneficiaries | 503377 | 8284 |
| DRI Loan | 112951 | 101 |
| Self Help Group | 165642 | 4079 |
| Joint Liability Group | 49727 | 990 |

As at March 2020, advances to **specified minority communities** aggregated to ₹35977 crore, accounting for 17.85% of the actual priority sector advances against the stipulated 15% norm.

MICRO SMALL & MEDIUM ENTERPRISES (MSMEs):

Advances to MSME stood at Rs.78773 Crore reaching out to around 10.50 Lakh Borrowers. Meanwhile MSE advances stood at Rs. 63666 Crores as at March 2020. In order to increase credit flow to this segment, in FY20 the Bank has launched various need based Schemes and products catering to the needs of specific segments.

- ✓ Canara GST-For Working Capital needs of GST Registered MSMEs
- ✓ Canara Sahyog- Stand By Line of Credit for MSME borrowers to meet the temporary liquidity mismatch
- ✓ CANARA CREDIT SUPPORT to COVID- 19 affected Customers (CCS)-Fund based Working Capital Demand Loan to meet liquidity mismatches arising out of COVID-19 Outbreak
- ✓ MSME SUGAM for the purpose of Working Capital requirements/asset creation to Micro Small and Medium Enterprises by way of Short term Loan under Co-origination/Origination with NBFCs/Fin-Techs with validity up to 31.03.2021 on a PAN India basis.

With 52 SME Sulabhs, set up across the country, 167 SME Specialised Branches, 500 SME Focus Branches and SME Clusters, Bank has Branches in all 388 UNIDO identified clusters. Specialised SME Marketing Officers have also been employed by the bank to proactively disburse credit to this segment.

Sanctions under MUDRA loans in FY20 stood at Rs. 15362.55 crore with 102% achievement (Including RRBs) as against the target of Rs.15000 crore in March 2020.

Sanctions and disbursements under different categories of Pradhan Manthri Mudra Yojana (PMMY) are as under:

| Category | FY 2019-20 (Amt. in Rs. Crore) | | | |
|---|---------------------------------|-----------------|---------------------|--------------------|
| | No. of Accounts | Sanction Amount | Disbursement Amount | Outstanding Amount |
| Shishu (<Rs 50,000) | 446327 | 676 | 673 | 666 |
| Kishore (Above Rs 50,000- Rs 5 Lakhs) | 150994 | 3910 | 3722 | 3565 |
| Tarun (Above Rs 5 Lakh to Rs 10 Lakhs) | 58628 | 4904 | 4604 | 4557 |
| Total | 655949 | 9490 | 8999 | 8788 |

Major highlights

- ✓ Under Stand Up India, the Bank sanctioned 3998 accounts to the tune of Rs.989 crore with a growth of 111% y.o.y were made during the year.
- ✓ During FY20, under PMEGP the Bank sanctioned 4810 proposals amounting to Rs.150 crore, with total margin money claimed stood at Rs. 144 crore, which is 30% more than last fiscal.
- ✓ With respect to PSB Loans in 59 minutes, the Bank is one of the top performers on this portal with **7002 In - principle sanctions since the inception till 31.03.2020 on this platform.**
- ✓ On TReDS, the Bank has discounted **1703 bills** to the tune of Rs **333.79** Crores.
- ✓ Post outbreak of COVID-19, Bank has introduced CANARA CREDIT SUPPORT to COVID- 19 affected Customers (CCS)-Fund based Working Capital Demand Loan to

meet liquidity mismatches arising out of COVID-19 Outbreak. Bank has also launched Guaranteed Emergency Credit Line (GECL for MSMEs, as a special scheme under Emergency Credit Line Guarantee Scheme (ECLGS).

DIGITAL BANKING & ALTERNATE DELIVERY CHANNELS

The bank has 8850 number of ATMs as on March 2020. The Bank's EMV debit card base is at 2.44 crore. Besides the above, 177 hi-tech E-lounges were operational in select branches, with facilities like ATM, Cash Deposit Kiosk with voice guided system, Cheque Deposit Kiosk, Self Printing Passbook Kiosk, Internet Banking Terminal, Online Trading Terminal and Corporate Website Access. Interactive Video Conference System was also configured at select e-Lounges.

As a result of such alternate delivery channels adopted by the Bank, the e-transaction ratio stood at 73.92% as at March 2020. The number of registered users under Mobile Banking is at 42.24 lakhs (up by 93.21% y.o.y) and Net Banking users increased to 109.35 lakhs (up by 76.76% y.o.y) as at March 2020. Digital Branch -CANDI, was opened at Chandigarh, Indore & Pune during the year along with existing branches at Bangalore, Chennai, Delhi and Mumbai, with fully automated facilities and robotic assistance for customers to open accounts and do transactions themselves.

❖ New functionalities introduced in Mobile Banking during 2019-20:

"CANDI"- Canara Bank Mobile Banking App. It is made available in 11 languages i.e English, Hindi, Kannada, Telugu, Punjabi, Marathi, Bengali, Tamil, Malayalam, Gujarati and Oriya. CANDI is flavored with latest features like:

- Biometric Authentication.
- Cardless Cash withdrawal.
- Lifestyle services (Mobile Recharge, DTH, Flight Booking, Bus Booking, Hotel Booking etc.)
- Omni Channel Consumer Internet Banking application is a device and platform compatible mode of digital banking channel, which works seamlessly on tabs, Mobile browser, Mobile App, PCs, and Laptops etc.

❖ New functionalities introduced in Internet Banking during 2019-20:

Following features were introduced:

- Loan against Deposit
- Green Pin option.
- Card Security Management.
- 'Generation of Interest Certificates'

- Part redemption of FD
- Nomination Facility

❖ **New functionalities introduced in ATM during 2019-20:**

- All safety measures mandated by RBI (i.e. Terminal Security Solution, Anti-skimming Devices, EMV compliance) have been successfully implemented in all our operational ATM's within the timelines.
- All ATMs are migrated for centralised reconciliation.
- Implemented OTP for cash withdrawal above 10,000.

Important initiatives taken by the Bank to improve customer service at various levels

Digital Channels

- **Canara DiYA-** Canara DiYA (Digitally Your Account) is an instant online account opening application (App/Browser) without visiting branch. This App is hassle-free and comes with a host of added features.
- **CANDI:** It is a paperless, digital branch, without human intervention. Customer can open Account through Kiosk & get Instant Personalized debit card, Digital Challan & Token management, Humanoid Robot and Video Banking.
- **Canara Recovery mobile app** - for employees to recover Special Mention Accounts, NPA and Overdue accounts. Option enabled for Users to send notifications to customers via SMS/WhatsApp to remit the over dues. It is very useful to employees to know the status of SWL and NPA accounts anywhere any time.
- **New Packages for handling Government Business** - Pension, Kisan Vikas Patra, Senior Citizen Savings Scheme, Gold Monetization Scheme, OLTAS (Online Tax Accounting System), PPF & RBI - Relief Bond modules are released for branches/offices.
- **Canara OTP (Off-line):** App based self-generation of OTP by customers themselves for doing financial transactions through internet banking. This will be mainly helpful for NRI customers and customers on travel facing mobile network issues.
- **Canara Saathi app** - (Credit Card Services) Toggle ON/OFF, Hotlist, Payment, Generate Statement, View Card Summary & Un-billed transactions, option to convert unbilled transactions to EMI.

Business Correspondent (BC) network.

Bank has migrated from traditional HHM (Hand Held Machines) model to BC Hybrid model (TAB based solution), which is easily accessible, fast, convenient and secure. Services under BC channels are as follows:

1. Aadhaar Enabled Payment System (AEPS) ONUS - Cash Deposit / Cash Withdrawal / Balance Enquiry / Funds Transfer / Mini Statement
2. AEPS OFFUS - Cash Withdrawal/ Balance Enquiry / Funds Transfer /Mini statement
3. Rupay ONUS - Cash Withdrawal /Balance Enquiry/ Mini Statement
4. Third Party Deposit
5. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) enrollment
6. Pradhan Mantri Suraksha Bima Yojana (PMSBY) enrollment
7. Atal Pension Yojana (APY) enrollment
8. Bharat Bill Payment System
9. EKYC Based Account opening (Account can be opened under 3 minutes by just giving AADHAAR number and Biometric details)
10. AADHAAR Seeding / status of linking
11. Lodge & Track Complaints
12. Pension Life Certificate updation (Jeevan Praman)

With the implementation of TAB based solution, number of transactions has increased by 40% and transaction charges has decreased by 60%.

Other channels

- **NPS All Citizen Model-** National Pension System in All Citizen portal for public to apply for PRAN under New Pension Scheme.
- **i-Lead** - Inspiring lead system to inculcating marketing culture among staff and to augment Bank business.

FINANCIAL INCLUSION

In a bid to cover considerable unbanked population under the mainstream banking channel, the Bank undertakes an inclusive approach. As a part of financial inclusion drive, the bank makes its products and services available to financially excluded and marginalized sections of the society. As per the Government of India and the Reserve Bank of India directions, the Bank has been proactive in financial inclusion efforts, with key interventions, viz., expanding banking infrastructure, offering appropriate financial products, making extensive & intensive use of technology and advocacy of financial literacy.

- ✓ The Bank has 903 Financial Inclusion (FI) Branches under branch model and also engaged 2652 Business Correspondent Agents (BCAs) under Business Correspondents (BC) model.
- ✓ Bank formed 'Canara Financial Advisory Trust' to take care of the affairs of the Financial Literacy Centres (FLCs) of the Bank as well as the FLCs promoted by the

Regional Rural Banks (RRBs) sponsored by the Bank. The Bank has 82 FLCs in districts & blocks level across the country, managed by the Counsellors (retired bankers).

- ✓ Bank opened 76.38 lakh accounts under PMJDY.
- ✓ Covered all allotted 10049 villages comprising of 3962 allotted SSAs and 3371 Urban wards by opening of 903 brick & mortar branches and engaging 2652 Business Correspondent Agents (Bank Mitras) at remaining locations.
- ✓ Under social security schemes launched by the Government of India during the year, following enrolments have been made under PMJJBY & PMSBY.

Scheme Enrolments including Renewals As at March 2020

| (In Lakhs) | |
|--|------------------|
| Scheme Enrolments including Renewal | As at March 2020 |
| Pradhan Mantri Jeevan Jyoti Bima Yojana(PMJBY) | 107.12 |
| Pradhan Mantri Suraksha Bima Yojana(PMSBY) | 37.24 |
| Atal Pension Yojana (APY) | 3.86 lakh |

- ✓ Under Sukanya Samriddhi Yojana, the Bank has mobilized 15211 accounts

AADHAAR Enrolments Updation Centres:

The Bank is a Registrar and Enrolment Agency for Aadhaar Enrolment. As per UIDAI guidelines, the Bank have to establish ASKS at 10% of the bank branch premises. Accordingly, bank has established 791 ASKs, comprising of 613 centers for the bank and 178 centers for the 2 sponsored RRBs (KAGB 116 & KGB 62).

Empowering Women:

Women Empowerment Section at Head office and Centre for Entrepreneurship Development for Women (CEDW) at 21 Circle Offices and 118 Regional offices across the country are working relentlessly towards economic empowerment of women. These CEDWs have reached potential entrepreneurs, undertaken counseling, supported their training needs, provided finance and arranged marketing facilities. A total of 360 Programmes were organized by the CEDWs during 2019-20.

Lead Bank Responsibility:

The Bank has Lead Bank Responsibility in 31 Districts in the country, viz., 8 in Karnataka, 7 in Tamil Nadu, 5 in Kerala, 5 in Uttar Pradesh, 3 in Delhi, 2 in Telangana and 1 in Bihar. The Bank is the Convener of the State Level Bankers' Committee (SLBC) in Kerala.

INTERNATIONAL OPERATIONS AND BUSINESS

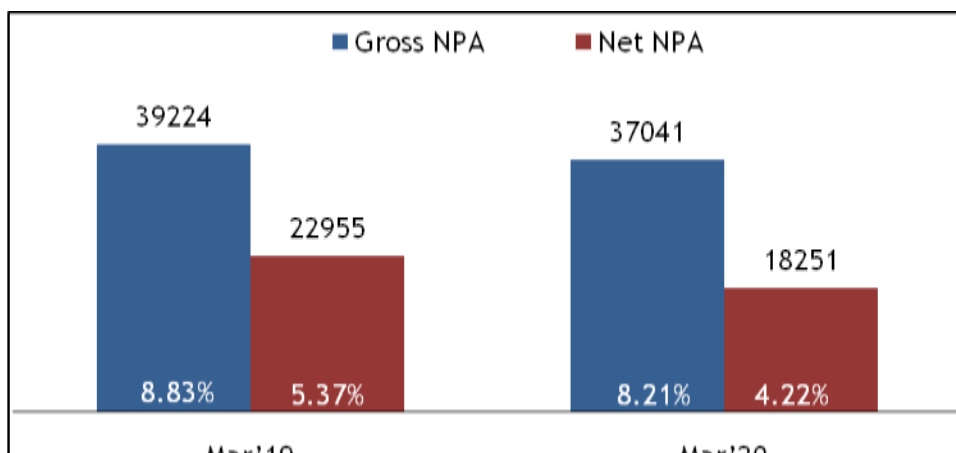
The Bank has 5 overseas branches, viz., London (U.K), Hong Kong, Johannesburg (South Africa), New York (U.S.A) and Dubai International Financial Centre (DIFC), Dubai (UAE).

Besides the above 5 overseas branches, the Bank has a Representative Office at Sharjah (UAE), Canara Bank (Tanzania) Ltd., a wholly owned subsidiary at Dar-es Salaam in Tanzania and Commercial Indo Bank LLC, a Joint Venture with State Bank of India in Moscow, Russia.

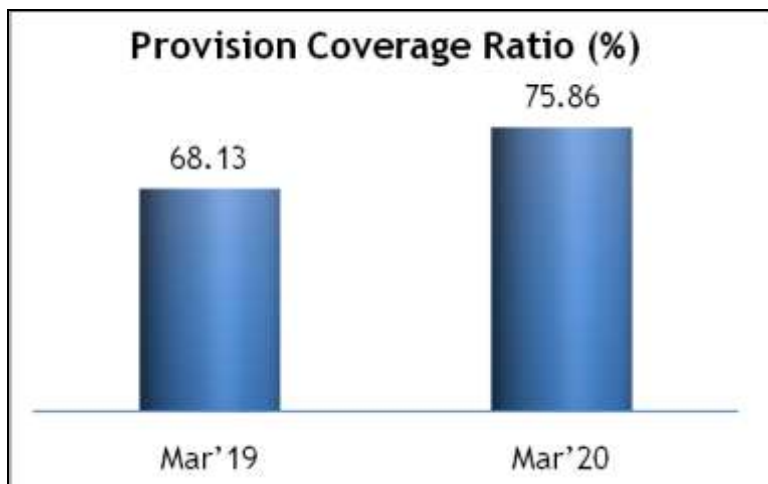
Total business of the overseas branches aggregated to ₹48226crore comprising of deposits of ₹23,687 crore and advances of ₹24,539crore as at the end of the financial year. Overseas Business constituted 4.50% of the Bank's global business. As per the rationalization plan for overseas branches, bank has closed Shanghai (China), Manama (Bahrain) branches during the financial year and Johannesburg branch has stopped accepting deposits.

ASSET QUALITY

The consistent efforts of the bank for improving the asset quality have yielded results with Gross NPA decreasing from 8.83% (Rs.39224 Crore) as at March, 2019 to 8.21% (Rs.37041 Crore) as at March 2020. Net NPA reduced from 5.37% (Rs.22955 crore) as at March 2019 to 4.22% (Rs.18251 crore) as at March 2020. This marked improvement in asset quality was on the back of significant recoveries.



The cumulative Cash Recovery during FY20 was at Rs.10886 crore as against Rs.10355 crore last year. Upgradation for FY20 was at Rs.1208 crore compared to Rs.3074 crore in FY19. Provision Coverage Ratio (PCR) improved considerably during the period from 68.13% to 75.86%. Recovery in written off accounts for FY20 was Rs.1470 crore as against Rs.1304 crore in FY19. Slippage has been contained during the year to Rs.15044 crore as against Rs.15480 crore last year.



During FY 20, recoveries amounting to Rs.1653.06 Crore were made on account of initiating actions under the SARFAESI Act. The Bank conducted 945 Recovery Meets during FY 2019-20 that has resulted in recovery of Rs.1700 crore. In FY20, 251146 cases were referred to Lok Adalat, out of which, 24014 cases were settled, covering an amount of Rs. 478 crore. Besides, the Bank took several initiatives to contain slippages and speed up recovery from overdue loan accounts. These include, conduct of Can Adalats at branch level, cluster adalats at Regional level and mega adalats at Circle level for one time settlements (OTS), Lok Adalats at district level, regular follow-up of overdue in loan accounts through Call Centre, conduct of e-auctions for sale of seized assets and initiation of stringent recovery measures against Wilful Defaulters. As on March 2020, there were 573 wilful defaulters with an outstanding amount of Rs.6065.94 crore.

The Bank has initiated resolution process in respect of 223 Cases by referring to NCLT / filing our claim as at 31.03.2020 and is expecting substantial recovery through resolution during 2020-21. In FY 20, recoveries amounting to Rs.3750.82 Cr were done in NCLT referred accounts. The Bank has also formulated various special OTS Schemes for settlement of small value NPAs in agriculture NPA, Education loans, tractor loans and other farm mechanisation, etc.

As on March 2020, the outstanding stressed assets portfolio (including restructured standard accounts) of the Bank stood at Rs.42223 Crore, accounting for 9.36% of gross advances.

RISK MANAGEMENT

BASEL III Capital Adequacy Framework and Future Strategies

An independent Risk Management Wing at the Head Office is functioning as a nodal centre for overall implementation of various risk management initiatives across the Bank. The

Bank has in place various policies on Credit Risk Management, Operational Risk Management, Market Risk Management, Asset Liability Management and Group Risk Management. The Bank has in place an Internal Capital Adequacy Assessment Process (ICAAP) under Pillar 2 of Basel III norms. The ICAAP exercise covers the domestic and overseas operations of the Bank, Subsidiaries, Joint Ventures, Sponsored Entities and Associates. Stress testing exercise is also performed by the Bank to ascertain the potential risks faced by the Bank. The ICAAP document is reviewed and approved by the Risk Management Committee of the Board and the Board of Directors. **Adoption of Advanced Approaches under Basel III**

In an endeavour to move towards Advanced Approaches under Basel III for computation of capital for Credit, Market and Operational Risks, the Bank has engaged the services of a Consultant for implementation of Enterprise-wide Integrated Risk Management solution for itself and the Group Entities, so as to build requisite risk management framework. As a pre-requisite for the implementation of Enterprise wide Integrated Risk Management architecture, the Bank has procured a Risk Solution that would enable it to meet requirements of Advanced Measurement Approaches.

Preparedness for Basel III

As per RBI guidelines, the transitional period for full implementation of Basel III Capital regulations are extended up to 30.09.2020. The banks in India need to maintain a minimum Common Equity Tier 1 (CET1) capital of 5.50%, Tier 1 capital of 7.00%, total capital of 9.00% and Capital Conservation Buffer (CCB) of 2.50% at the end of September 2020. The banks also have to maintain a minimum Tier 1 Leverage Ratio of 3.50% as a credible supplementary measure to the risk based capital requirements. The Bank endeavors to remain adequately capitalized and has drawn plans to meet the capital requirements stipulated by the RBI in transitory phase. The Bank has adequate headroom to raise capital from the market, including recapitalization support from the Government of India. Going forward, the Bank's capital requirement shall be met by injecting fresh equity capital, retention of profits, optimization of business levels, proactive capital planning and management.

Credit Risk Management

In order to comprehensively address the issues and concerns of the Credit Risk, the Bank has put in place a comprehensive Credit Risk Management Policy. A robust system for appraisal of loan/credit proposals, including seeking adequate information for appraising the viability of the proposal and creditworthiness of the applicant for sanctioning credit limits, well defined credit approval process and authorization matrix, standards for

collateral management, credit monitoring, restructuring of advances, MSME and Off Balance Sheet Exposures, is followed.

In order to address the credit risk at portfolio level and the issue of concentration risk, the Policy prescribes fixation of various exposure ceilings. Risk Based Pricing is in tune with the Risk profile of the borrower to generate returns to achieve targeted RoA and NIM

Market Risk Management

The Market Risk framework of the Bank aims at restricting loss from all types of market risk loss events and also to establish limit structure and triggers for various market risk factors. Exposure limits, such as, Stop Loss Limits on Trading Book, Intraday and Overnight Limit for various Currency Positions, Dealer-wise Limits, Aggregate Gap Limit, Limits on Money Market Operations, Modified Duration Limits for investment portfolio and VaR Limits are fixed to act as risk mitigants/triggers.

Operational Risk Management

The Bank has adopted policies for management of Operational Risk, which covers various aspects, such as, Operational Risk Management Structure, Outsourcing Activities and Business Continuity Plan. At present, the Bank is in the process of migration to Advanced Approach of Basel III framework from the Basic Indicator Approach (BIA). The Bank has already put in place Incident Management module for timely reporting of incidents, Review of Key Risk Indicators (KRI), Conducting of Risk Control & Self-Assessment (RCSA) workshops and Scenario Analysis workshops to compute capital charge for Operational Risk.

Asset Liability Management

Within the policy framework, the Board of the Bank has set up Asset Liability Management Committee (ALCO), which is entrusted, inter alia, with the role of management of assets and liabilities including the funding strategies and its composition, product pricing, stress test and contingency action plan among others.

The Bank has implemented the RBI guidelines with respect to Liquidity Coverage Ratio (LCR) with effect from 01.01.2015. Bank has been computing LCR on a daily basis w.e.f 01.01.2017. As on 31.03.2020, LCR of the Bank is above the stipulated regulatory minimum of 100%.

Group Risk

The Bank has various Subsidiaries, Joint Ventures and Sponsored Entities, which are engaged in diversified activities. As the Bank has considerable stake in these Group Entities, it has put in place a Group Risk Management Policy to identify and manage risk in intra Group transactions. It has also put in place policies for exposure to raise the standard of Corporate Governance by reducing and avoiding conflicts of interest between

the Group Entities and to ensure 'Arms Length Principle' among Entities, with regard to business parameters. The Group Chief Risk Officer (GCRO) of the Bank is supervising the risk management activities of the Group Entities.

Compliance to International Standards:

Bank has been certified with ISO: 27001:2013 for Data Centre, Disaster Recovery centre and Department of Information Technology Wing and the certification is valid from 11/04/2020 for a period of 3 years. It is certified that the Information Security management system of the organization has been assessed and found to be in accordance with the requirements of the ISO 27001:2013 standard.

INTEGRATED TREASURY

Aggregate investments (net) of the Bank stood at Rs.174311 crore as at March 2020. While modified duration of the investments portfolio stood at 4.46 as at March 2020, the modified duration of the Available for Sale (AFS) portfolio has decreased to 1.39 as at March 2020 from 3.01 as at March 2019. The yield on investments stood at 7.33% as at 31st March 2020 as compared to 7.62% as at 31st March 2019. The trading profit under domestic treasury operations during the year increased to Rs.758 crore from Rs.402 crore during FY 2018- 2019 on account of active churning of the trading portfolio and offloading of securities from the HTM portfolio under permissible limit. The Bank continues to be an active player in the Government Securities Market as a Primary Dealer (PD).

The total amount of bids submitted for underwriting was Rs. 86274 crore, of which, the underwriting commitment accepted by the RBI was Rs.46975 crore. With regard to Treasury Bills under PD business, as against the minimum success ratio of 40% to be achieved in each half year, the Bank has a success ratio of 42.36% for the first half year ended September 2019 and 72.34% for the second half year ended March 2020.

Foreign Business Turnover of the Bank aggregated to Rs.293425 crore, comprising of Rs.148204 crore under exports, Rs.86086 crore under imports and Rs.59135 crore under remittances during the year ended March 2020.

OTHER SERVICES**Merchant Banking**

During the year the Bank's Merchant Banking Division has handled, as arrangers for private placements of 54EC-Capital Gains Bond Issues of National Highways Authority of India (NHAI), Rural Electrification Corporation Ltd (REC), Indian Railway Finance Corporation Ltd

(IRFC) and Power Finance Corporation (PFC). The amount mobilized in respect of these issues during the year was ₹53.78 crore.

As a Collecting Banker, the Bank was involved in four Private Placement Issues, collecting an amount of ₹ 741.57 crore. Further, the bank has handled 74 Equity Issues and 32 Debt Issues under Application Supported by Blocked Amount (ASBA) and the amount blocked therein was ₹1301.55 crore. Two specialized assignments of 'Fair Market Valuation of Equity' were also handled by the Division during the year. The Merchant Banking Division of the Bank has finalised the Basel III Compliant Tier II Bond Offer Document and filed the same with NSE for listing of Bonds.

Bancassurance and Mutual Funds

The Bank has tie-up arrangements in both life and non-life insurance segments under its 'Bancassurance' arm. During the year 2019-20, the Bank earned a commission income of Rs. 114.89 crore from its joint venture, M/s Canara HSBC OBC Life Insurance Company Ltd. Under the Mutual Fund business, the Bank earned a commission of Rs. 24.43 crore from its joint venture, M/s Canara Robeco Asset Management Company Ltd. A commission income of Rs. 34.27 crore was earned under Non-Life (General) Insurance business from its tie-up arrangements with the three GI Partners M/s Bajaj Allianz General Insurance Co Ltd, M/s TATA AIG General Insurance Co. Ltd and M/s The New India Assurance Co. Ltd. The Bank also earned a commission income of Rs. 24.07 crore from its tie-up agreement with M/s HDFC Ergo Health Insurance Co. Ltd (Erstwhile AMHI) for marketing their health insurance products.

Government Business

The Bank undertakes Government Business, comprising Direct and Indirect Tax collections, payment of Central Government and State Government Pensions, Handling of Postal Transactions and State Government Treasury Transactions, Public Provident Fund Scheme and Senior Citizens' Saving Scheme, issuing Sovereign Gold Bonds and Sukanya Samridhi Scheme. These products contributed to improvement of CASA and earned a fee income of Rs 105.29 crores during FY20.

The Bank has been authorized as the accredited banker for Ministry of Human Resources Development (MHRD), Ministry of Culture, Ministry of Youth Affairs & Sports, Archaeological Survey of India and Unique Identification Authority of India (UIDAI), New Delhi. The Bank was implementing the National Pension System for Unorganised Sectors under Swavalamban Scheme since 2012-13. The Government of India has launched Atal

Pension Yojana (APY) in place of Swavalamban with a view to provide defined pension to unorganised sector. The Bank could mobilise 3,86,957 accounts under APY as at March 2020.

ORGANISATION AND SUPPORT SERVICES

Branch Network-Expanding Pan India Presence

In a bid to expand the reach, the bank added 45 domestic branches during the year. As at March 2020, the Bank had 6334 branches, including Specialized Branches and 5 overseas branches.

Composition of Branch Network

| Category | No. of Branches | | Opened during the year |
|-------------------------|-----------------|-------------|------------------------|
| | 31.03.2019 | 31.03.2020* | |
| Metropolitan | 1282 | 1273 | 10 |
| Urban | 1204 | 1226 | 25 |
| Semi-urban | 2003 | 2004 | 6 |
| Rural | 1821 | 1826 | 4 |
| Overseas | 6 | 5 | 0 |
| Total domestic Branches | 6310 | 6329 | 45 |

Note: 26 domestic branches were merged/closed during the year.

1 Overseas branch was merged/closed during the year.

The total Specialized Branches of the Bank stood at 291 as at March 2020.

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

Manpower Profile

As at March 2020, the Bank had 58632 employees on its roll. The cadre-wise break-up of manpower is as follows:

| Cadre | March 2019 | March 2020* |
|--------------------------------------|------------|-------------|
| Officer | 29882 | 32596 |
| Clerk | 19951 | 18353 |
| Sub Staff* | 8517 | 7683 |
| Total | 58350 | 58632 |
| *includes Part Time Employees (PTEs) | | |

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

Total staff strength of the Bank comprised of 56% Officers, 31% Clerks and 13% Sub Staff. The Women staff strength of the Bank was 18,167, constituting 31% of the employees. The total number of ex-service men staff as at March 2020 stood at 4,573. There were 1538

Physically Challenged Employees on the rolls of the Bank. During the year, the Bank recruited 3497 persons in various cadres, out of which 641 belonged to Scheduled Castes (SCs) and 256 to Scheduled Tribes (STs) categories. 197 ex-servicemen were recruited in various cadres during the year. 1129 women employees were recruited.

Reservation Policy in respect of Scheduled Castes and Scheduled Tribes, Other Backward Classes and Persons with Disabilities

The composition of SCs/STs/OBCs/DAPs employees as at March 2020 was as under:

| Grade | SCs | STs | OBCs | PWDs |
|-----------|-------|------|-------|------|
| Officer | 5941 | 2586 | 9242 | 810 |
| Clerk | 3354 | 1174 | 5169 | 630 |
| Sub Staff | 2324 | 443 | 2216 | 98 |
| Total | 11619 | 4203 | 16627 | 1538 |

The Bank has been strictly adhering to the Reservation Policy in respect of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Persons with Disabilities as per the Government of India guidelines.

HUMAN RESOURCE DEVELOPMENT (HRD) ACTIVITIES

- The HR policies of the Bank have been revised to suit the changing banking scenario.
- The e-Learning portal of our Bank, named “CanDLE” (Canara Digital Learning Experience) was launched. The objective of the project has been to provide an effective online learning facility for our employees for enhancing their knowledge and skills. The portal brings the ease and convenience of online learning and also supplements traditional training in terms of delivery of content. The portal is accessible to all the employees of the Bank, Right from Single Window Operators to Top Level Executives. They can self-register in the portal and refer all the resources, participate in various events and utilize the facilities available on the portal.
- HR initiatives like ‘Soft skill training program’ for bringing attitudinal change among frontline staff through reputed institutes have been introduced.
- The Bank has in place a robust Training Setup with the Apex Staff Training College at Bengaluru & 25 Regional Staff Training Colleges (RSTCs) across the country. In addition to this, around 3000 employees have been trained at external institutes of repute (domestic & international) like IIMs, XLRI-Jamshedpur, IDRBT-Hyderabad,

TISS-Mumbai, NIBM-Pune, SIBSTC-Bangalore, CRISIL-Mumbai, Franklin-Covey Noida and CAB (RBI)-Pune.

- Bank has focused on the Thrust areas, including Credit Management, Risk Management, Orientation/Induction Program for Probationary Officers, Agriculture Extension Officers and Specialist Officers.
- Executives, on promotion, are sent for 05 to 07 days Leadership Development Programs at institutes like IIMs, XLRI Jamshedpur, TISS Mumbai etc.
- A Governing Body for the training setup, headed by the Managing Director & CEO monitors and streamlines the training policies of the Bank. A scheme for Training as Incentive to Top Performers has been formulated. Under the scheme, around 320 top performing officers were sent for training at External institutes during the FY 2019-2020.

CUSTOMER ORIENTATION

Several initiatives were taken to remain customer focused through providing fast service, bringing in diversified products & services, responding to customers' queries and redressal of customer complaints.

- ✓ The 'Code of Commitment to Customers' issued by Banking Codes and Standards Board of India (BCSBI) and 'Revised Citizen's Charter' of Indian Banks Association (IBA) are made available in the Bank's homepage of the website <www.canarabank.com>.
- ✓ As per the instructions of IBA and RBI, the Bank has adopted Customer Rights Policy as advised by the RBI since July 2015, which spells out the Rights of the Customers and also responsibilities of the Banker. To assess the quality of customer service rendered by the branches and to get the feedback, "**Grievance Redressal - At Canara Bank we love to listen**" and a "Customer Satisfaction Survey Form" were made available in the Bank's website.
- ✓ As per the Damodaran Committee recommendations, the Bank has appointed a Chief Customer Service Officer (CCSO), who acts as an Internal Ombudsman of the Bank. Customers'
- ✓ In order to enhance customer focus, 'Project Shikhar - Branch Transformation' is being implemented since April 2014 where in various customer centric initiatives like Welcome Desk, Queue Management System (QMS), Single Window Operation and allocation of larger space for 'Customer Waiting Area' etc., along with self-service kiosks (Can express area) are put in place.

- ✓ In order to enhance customer convenience, Bank has popularized 24/7 Self Service Functions on IVRS (Missed Call facility) for various services like Balance enquiry, Mini Statement (last 5 transactions), Hot Listing of Cards etc.
- ✓ A Call Center with single point contact Toll free number 18004250018 is also functioning to cater to customers in 9 regional languages, viz., Kannada, Malayalam, Marathi, Tamil, Oriya, Telugu, Gujarati, Bengali and Panjabi besides Hindi and English for redressal of grievances.
- ✓ The Bank has implemented online grievance redressal facility of customers in the website for lodging grievances online under the portal Canara Public Grievance Redressal System (CPGRS). The complaints received at the Call Centre of the Bank were also integrated with the CPGRS package, established exclusively for handling pensions and resolving pension related grievances.
- ✓ There is a predefined Turn Around Time for resolution at Branch Level for 6 days and on 7th day grievances are auto escalated to next higher authority.
- ✓ On closure of grievance a SMS with web link is pushed to the customers to submit his/her feedback regarding resolution. 41 Central Processing Centers are established at selected places for account opening purposes. The Bank has framed a policy on Customer Protection for limiting liability of customers in unauthorized Electronic Banking Transactions (EBT) in tune with the RBI guidelines.
- ✓ Our Bank has brought out an SMS based Customer Service Feedback mechanism to measure customer satisfaction levels at branches. This feedback mechanism is used to gauge the customer service levels over the counters and helps in proving insights for rewarding our customer service champions and also taking remedial actions, wherever required.
- ✓ Bank has introduced 'Jeevan Praman' online portal for submitting Life certificate for pensioners. Facility for filing Form 15G/15H through Net banking is enabled for the convenience of customers. We are committed to increase our customer base by extending best possible customer service.

INTERNAL OMBUDSMAN

In terms of the Reserve Bank of India guidelines, the Bank has appointed an Internal Ombudsman (IO) as an independent authority to review complaints that are partly or wholly rejected by the Bank. The IO mechanism is set up with a view to strengthen the internal grievance redressal system of the Bank and to ensure that the complaints of the customers are redressed at the level of Bank itself. The Internal Ombudsman reports to the Managing Director/Executive Director of the Bank handling customer grievances. The IO submits periodical reports on his activities to the Customer Service Committee of the

Board analyzing the pattern of complaints, for taking action to address the root cause of complaints. Changes where necessitated on the procedures/guidelines have also been carried out based on the IO's recommendations. During the year, the Bank has conducted a number of Outreach Programmes under the auspices of Reserve Bank of India to create awareness on the Banking Ombudsman scheme at various locations.

INTERNAL CONTROL AND AUDIT

Risk based Internal Audits (RBIA) numbering 4605 were conducted along with Information System audit (IS Audit) across branches / service units as per the program for onsite RBIA for the FY 2019-20. Concurrent/continuous audits were conducted in 956 branches / service units, of which 440 branches / service units were subjected to concurrent/continuous audit by Internal Auditors and 516 branches / service units were subjected to concurrent audit by External Auditors, covering 70% of Advances and 50% of Deposits of the total business of the Bank. 410 branches were subjected to income/revenue audit on quarterly basis.

- ✓ As part of strengthening the audit process, policy has been revised to grade the branches/ service units under three scales - LOW/ MODERATE & HIGH in RBIA as against the existing four scale rating of LOW, NORMAL, MODERATE and HIGH.
- ✓ The Bank has been continuously going for upgradation of audit packages, duly revising the checklists to include latest developments and trends in the Bank. Further, the Concurrent Audit System version upgradation was effected duly revising the checklist in line with the RBI directions.
- ✓ Bank has shown NIL tolerance on frauds and in that process the Inspection / Audit policy of the bank has been revised and accordingly the branches where fraud has been detected or serious irregularities were observed the gradation was reassigned as “High Risk” to have more control on such branches / units.

RISK BASED SUPERVISION

The Bank is brought under Risk Based Supervision (RBS) regime by RBI, in lieu of Annual Financial Inspection (AFI) from FY 2014-15. Presently, the Bank has completed the 6th cycle of RBS. RBS framework is named as Supervisory Programme for Assessment of Risk and Capital (SPARC). Under SPARC, a detailed qualitative and quantitative assessment of the Bank's risks is made by the RBI on an on-going basis through a combination of offsite and onsite Risk Discovery Process (RDY).

Know Your Customers (KYC)/AML/CFT:

The bank is committed to implement the KYC/AML/CFT norms in its completeness and has zero tolerance towards non-compliance. To ensure this, the bank has put robust systems and processes in place. Advisories issued by the regulators with respect to designated individuals/entities are scrupulously followed. Regular training is provided to staff members to increase their awareness on matters regarding KYC/AML/CFT.

IMPLEMENTATION OF OFFICIAL LANGUAGE

The Bank made noteworthy progress under the implementation of official language and won many prizes at various levels during the year under review. As at March 2020, more than 88% of employees possess working knowledge in Hindi and the Bank has complied with the requirement of notification of branches under Rule 10(4) of OL Rules 1976. All these employees who possess working knowledge in Hindi have been trained in functional Hindi through Hindi workshops. During the year under review, Bank has conducted 336 such workshops. In the sphere of using Information Technology in the Official Language, the Bank has furthered the use of Unicode package for word processing by training the employees for use of more and more Hindi through Unicode standard and also made provision in ATM screens of the Bank for carrying transaction in 08 Regional languages. Apart from Hindi and English, transaction slips can be obtained in Malayalam, Tamil, Telugu, Kannada, Punjabi and Marathi from our ATMs (Transactions done in concerned language).

Official Language Implementation Committees have been constituted at all levels i.e., Head Office, Circle Offices, ROs and in all the branches of the Bank for reviewing progress made in use of Hindi by conducting quarterly meetings promptly. Our Bank is the convener for the Town Official Language Implementation Committee at Etah, Agra, Hatharas, Coimbatore, Dindigul and Thiruvananthapuram and the meetings are being conducted promptly.

Notable Initiatives in Regional Languages

Apart from Hindi and English, importance is being given to regional languages along with Hindi in B and C Regions. Letters are being replied in the regional language as and when received .

A few initiatives are as under :

- ✓ ATM Transactions are made available in 8 Indian Languages for the convenience of customers -Tamil, Telugu, Kannada, Marathi, Gujarati, Malayalam, Bengali, Punjabi.
- ✓ In 'B' Region and 'C' Region, as per the Official Language Rules all the name boards, informatory boards are made available in Regional Language also.
- ✓ Trilingual / Bilingual format in display of Banners and Publicity Material is ensured.

- ✓ Bank Advertisements and Notices in regional news papers are being published in concerned regional Languages.
- ✓ According to OL rules, importance is being given to Regional languages along with Hindi in B and C regions.
- ✓ Circle offices are sending letters, recovery notices and Gold loan notices in regional languages.

PROMOTION OF SPORTS

Canara Bank has always been encouraging & supporting sports and contributed generously to sporting activities all over the country by sponsoring tournaments, providing scholarships to talented sports personalities, etc. A Sports Council at Head Office was setup in the year 1982 to monitor and encourage sports activities in the Bank. Bank has put in place a comprehensive Board approved Sports Policy for the development of Sports and Sportspersons in the Bank. A separate and dedicated Sports Cell is also setup, headed by a Sportsperson and who acts as Convener of Head Office Sports Council. Every year, under the aegis of this Sports Council, Employees Sports Competitions are held to inculcate Sportsmen spirit, team work, etc., amongst employees. The Bank is presently having teams in 6 disciplines.

| Category | Gender | | Members |
|-------------------|--------|----|---------|
| | M | F | |
| Athletics | - | 5 | 5 |
| Ball badminton | 3 | - | 3 |
| Cricket | 14 | - | 14 |
| Hockey | 18 | - | 18 |
| Shuttle badminton | 1 | - | 1 |
| Table Tennis | 1 | 1 | 2 |
| TOTAL | 37 | 06 | 43 |

The Bank has several National & International Sportspersons on its roles. Prominent amongst them are Shri B K Venkatesh Prasad & Shri Sunil B Joshi (Cricket), Smt M K Asha, & Smt H M Jyothi(Athletics), Shri P Shanmugam, Shri Bharath Kumar Chetri (Captain Indian Hockey Team, London Olympics-2012) & Shri K M Somanna (Senior-Hockey), Shri Vineet Manual (Shuttle Badminton).

Canara Bank is one of the few Institutions in the country to get direct entry to the Senior National Inter State Hockey Championships and Senior National Inter State Ball Badminton Championships. Our All Women Athletic Team was adjudged the “BEST WOMEN TEAM” and

“BEST TRACK & FIELD WOMEN TEAM” at the All India Public Sector Athletic Championships held at Kolkata during Feb 2020.

Apart from the teams at Head Office, the Bank is also encouraging sports at Circle level by allotting Annual Budget for sports activities and also by organizing sports competitions for employees which are duly monitored by Circle level Sports Councils.

VIGILANCE SETUP

Vigilance Wing of the Bank is headed by the Chief Vigilance Officer (CVO). The CVO is assisted by the Vigilance Officers stationed at Circles, RRBs and the Bank’s Subsidiaries. Vigilance Management in the Bank includes preventive, surveillance and detection, punitive and proactive functions.

‘Vigilance Awareness Week’ was observed in our Bank from 28th October 2019 to 2nd November 2019, with the theme “Integrity - A way of Life (ईमानदारी - एकजीवनशैली)” and all the Branches/Offices have actively participated in conducting various activities such as Seminars, Workshops, Customer Grievance Redressal Meetings, Awareness Sabhas in Gram Panchayats, Panel Discussions, Competitions in Schools/Colleges (viz. Essay Writing, Debate & Quiz Competitions) & Walkathon/Marathons etc to bring awareness in the Society about the ill effects of Corruption.

Implementation of Indian Accounting Standards

As per RBI guidelines, the Bank is in the process of implementing the Indian Accounting Standards (Ind AS). A Project Steering Committee headed by Executive Director has been formed to take the required steps on a continuous basis for smooth convergence. RBI, vide its communication ref : DBR.BP.BC.No.29/21.07.001/2018-19 dated 22nd March, 2019 has deferred implementation of Ind AS for all Scheduled Commercial Banks till further notice. Bank is submitting Pro-Forma Financial Statements to RBI for every quarter as per the guidelines of RBI.

FINANCIAL SUPERMARKET

Canara Bank, with an objective of offering ‘One Stop Banking’ facilities for the customers, forayed into diversified business activities by opening subsidiaries during late 1980s. Today, the Bank functions as a ‘Financial Supermarket’, with nine Domestic Subsidiaries/Associate/Joint Venture in diversified fields. All the Domestic Subsidiaries/Associate/ Joint Venture of the Bank recorded satisfactory performance during the year 2019-20.

CANFIN HOMES LIMITED (CFHL):

M/s Canfin Homes Limited, a sponsored entity of Canara Bank is one of the premier housing finance entities in the country. The bank holds 30% stake with the company.

The loans outstanding of the Company as at March 2020 were Rs. 20708 crore. The Company earned a profit after tax of Rs. 376.12 crore as against Rs.296.76 crore in the previous year, with y.o.y growth of 26.74%. Gross NPAs of the Company was Rs. 157.13 crore (0.76%) and Net NPA was Rs.111.82 crore (0.54%) as on 31.03.2020. The Company proposed 100% dividend for the year 2019-20.

CANARA BANK SECURITIES LIMITED (CBSL)

M/s Canara Bank Securities Limited is a wholly owned subsidiary of the Bank.

CBSL has taken over the Depository participant services from Canara Bank w.e.f. 01.04.2017. M/s Canara Bank Securities Ltd is extending Online Trading Facility to DP clients. The Company offers stock broking services to both institutional and retail clients. Company has launched INSTA DEMAT ACCOUNT opening, the First PSU Depository Participant having the facility of opening of instant Demat A/c through Internet and Mobile Banking. The Company has declared a profit after tax of Rs. 22.71 crore as against Rs. 9.71 Cr in the previous year and declared a dividend of 42.50% for the year 2019-20.

CANARA ROBECO ASSET MANAGEMENT CO LIMITED (CRAMC):

M/s Canara Robeco Asset Management Company Limited is a joint venture (JV) with M/s Robeco Groep N V with the Bank's holding of 51% Stake. This JV was formed in 2007 divesting 49% Stake held by the bank in M/s Can Bank Mutual Fund in favour of M/s Robeco Groep N V. Total Assets under Management (AUM) was at Rs. 15823 crore with investor base of 11.98 lakhs as at March 2020. The Company is currently managing 28 Mutual Fund Schemes, including Gold Exchange Traded Fund. The Company has declared a net profit of Rs. 23.24 crore and declared a dividend of 11% for the year 2019-20.

CANBANK FACTORS LIMITED (CFL):

M/s Canbank Factors Limited is a factoring Subsidiary of the Bank with 70% stake held by the Bank. During 2019-20, the Company had a total business turnover of Rs.1308 crore. The Company has made a profit of Rs. 4.44 crore as against Rs. 2.72 Cr in the previous year.

CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LIMITED :

M/s Canara HSBC Oriental Bank of Commerce Life Insurance Company Ltd (CHIOCE) is a Life Insurance Joint Venture floated by the Bank in association with HSBC Insurance (Asia Pacific) Holding Limited and Oriental Bank of Commerce in the year 2007. The JV commenced its business operations with effect from 16.06.2008, with majority shareholding of 51% by Canara Bank, followed by HSBC (26%) and Oriental Bank of

Commerce (23%). The Company recorded new business premium of Rs.1528crore and gross premium of Rs.3889crore during the year. The Company achieved a statutory profit of Rs.105 crore for 2019-20.

CANBANK VENTURE CAPITAL FUND LIMITED (CVCFL):

M/s Canbank Venture Capital Fund Limited is the Trustee and Manager of Canbank Venture Capital Fund and a wholly Owned Subsidiary of the Bank. The company has managed 5 funds so far with total Asset under Management of Rs.552.78 crore. CVCFL has been appointed by the Department of Electronics and Information Technology (DeitY) to manage the Electronic Development Fund (EDF) with a corpus of Rs.2206 crore, with Rs.2200 crore from Government of India, Rs. 5 crore from Canara Bank and Rs. 1 crore from CVCFL. Another new fund named as “Empower India Fund” is being setup with a target corpus of Rs. 650 crore. The Company recorded a profit after tax of Rs. 5.02 crore against the previous year Rs. 4.50 Cr for the year 2019-20.

CANBANK COMPUTER SERVICES LIMITED (CCSL):

M/s Canbank Computer Services Limited is the only Software Company promoted by a Public Sector Bank in the country, with a 69.14% shareholding by the Bank. CCSL is mainly engaged in IT and Software development services, BPO services, ATM / Any Time Payment services, Training, Consultancy and R&T agent. The Company has posted a profit after tax of Rs.3.94 crore for 2019-20 as against Rs.3.01 Cr in the previous year.

CANBANK FINANCIAL SERVICES LIMITED (CANFINA):

M/s Canbank Financial Services Limited is confining its activities to legal matter arising out of past transactions in securities and recovery of dues under decreed accounts. Company has posted a profit of Rs. 62.21 Cr for the year 2019-20 with recovery in pending cases

HIGHER EDUCATION FINANCING AGENCY [HEFA]:

Higher Education Financing Agency (HEFA), a not-for profit organization, is set up by the bank under a joint venture share holder agreement with the Ministry of Human Resource Development (MHRD), Government of India.

HEFA has been set up for developing the educational infrastructure, including R&D infrastructure thereby enabling the institutions to reach top rankings globally. MHRD extended the scope of existing mandate of HEFA equity base and range of institutions to be financed. The authorized capital has been increased to Rs.10,000 Cr wherein Govt. will provide an additional equity of Rs.5000 Cr. and Canara Bank will contribute Rs.500 Cr. As on 31.03.2020, MHRD has infused Capital of Rs.4612.50 Cr. and Canara Bank has contributed Rs.461.25 Cr respectively. The total loans sanctioned as on 31.03.2020 is Rs.

29233.84 Crs and disbursed is Rs. 7630.10 Cr. HEFA has disbursed Rs. 5095.09 Cr of loans to different institutions and bank is eligible to get Rs. 50.95 Cr of Management Fee.

Under **Rise by 2022** (Revitalizing Infrastructure & Systems in Education (RISE) sector by 2022), HEFA's role is hugely expanded to cover all centrally funded institutions. Under this model, HEFA would be funding larger basket of institutions by moving all infrastructure financing. The investment proposed over the next 4 years is Rs 1,00,000Cr. This would be financed through a mix of debt and equity. The equity contribution is estimated to be Rs. 10,000 Cr and the residual Rs. 90,000 Cr is to be raised from the market in the form of debt.

REGIONAL RURAL BANKS (RRBs)

As at March 2020, the Bank had two sponsored RRBs, viz., Kerala Gramin Bank (KGB) in Kerala and Karnataka Gramin Bank (KaGB) in Karnataka.

Kerala Gramin Bank (KeGB) operates in all the 14 districts of Kerala State with 634 branches and 320 ATMs. The total business of the KeGB was Rs. 37188 crores as at March 2020, comprising a total Deposits of Rs.19276 crore and Advances of Rs.17912 crores.

Karnataka Gramin Bank (KaGB) operates in 21 districts of Karnataka with 1142 branches & 236 ATMs. The total business of the KaGB was Rs.50236 crores as at March 2020 with total Deposits of Rs.28436 crores and Advances of Rs.21800 crores.

Aggregate business of both the RRBs increased to Rs.87,424 crores as at March 2020 with a y.o.y growth of 7.33 % comprising Deposits of Rs.47712 crores and Advances Rs.39712 crores. Through the Bank's infrastructure support, the RRBs are extending facilities, like, ATM cum Debit Card services and installed 556 ATMs/Cash Dispensers (320 by KeGB, 236 by KaGB) as at March 2020. The sponsored RRBs are 100% CBS compliant and are ahead of their peer RRBs under technology front by extending IT based products, like Internet Banking, Mobile Banking, RuPay Debit Card services and also Aadhaar enabled services and remittance facilities through NEFT/RTGS to their customers. The RRBs have put in place Cheque truncation system and e-KYC technology.

CORPORATE SOCIAL RESPONSIBILITY

Following the founding principles and century old tradition, the Bank is engaged in varied Corporate Social Responsibility (CSR) activities. CSR initiatives of the Bank are multifarious, covering activities like training unemployed rural youth, scholarship to meritorious SC/ST Girl students, repair of schools and providing of other infrastructural facilities to needy educational institutes, providing primary health care, drinking water, community development, empowerment of women, environment protection, swatch Bharat and other social initiatives. A few social initiatives are outlined below.

- ✓ Cumulatively, the Bank has sponsored/ co-sponsored 62 training institutes, which have trained more than 8.83 lakh unemployed youth so far, with a settlement rate of 74%.
- ✓ The Bank has donated 4 hi-tech, custom- built, solar powered 'Retail Mobile Marketing Van' to assist women entrepreneurs, SHGs and artisans to market their products.
- ✓ Canara Vidya Jyothi Scholarship scheme to meritorious SC/ST Girl Students. During FY 2019-20, 7392 students have been benefitted utilizing a total amount of Rs.3.34 Crores.
- ✓ Financial assistance for combating poverty & malnutrition to persons with disability (PWD), homeless and people effected by floods for supporting to lead a better life.

Visits by Parliamentary Committees

During the year 2019-20, Parliamentary Committees relating Subordinate Legislation, Standing Committee on Commerce, Social Justice and Empowerment conducted study visit and reviewed the Bank's performance.

AWARDS/ACCOLADES & ACHIEVEMENTS:

In recognition of the varied initiatives, the Bank was conferred with the following awards during the year 2019-20.

- ✓ Canara Bank received 'India's Most Trusted Public Sector Banking Services Company 2019' award by International Brand Consulting Corporation, USA.
- ✓ Best innovation in Banking technology award for CANDI Branch received in IDRBT banking technology innovation contest.
- ✓ Canara DiYA won Silver in SKOCH Awards 2019.
- ✓ IBA's 15th Annual Banking Technology Award 2020 received for Most Customer-Centric Bank using Technology
- ✓ FINNOVITI 2020 award received for CANDLE for one of the best innovation in financial sectors' technology.
- ✓ Canara Bank won Tax Deductor of the Year Award for recognition of timely compliance to the TDS/TCS provisions of Income Tax Act.
- ✓ 'SIDBI-ET INDIA MSE AWARD-2019' for noteworthy Lender to MSE - (Public Sector Bank) Award Category.
- ✓ The Bank received Rajbhasha Kaaraynvayan Ratna" Award by "Parivartan Jan Kalyan Samiti, Delhi.

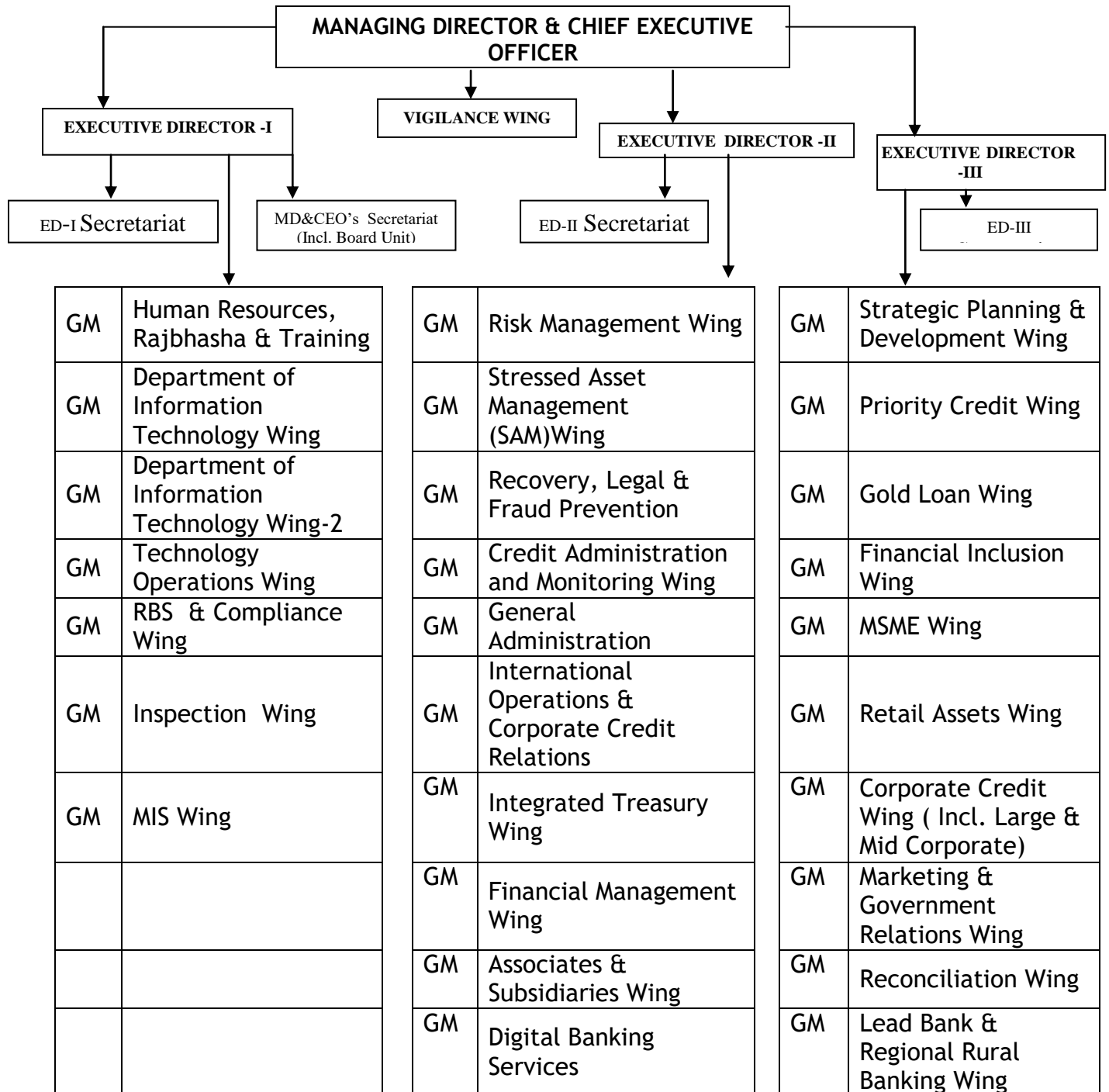
CHANGE IN DIRECTOR, INCLUDING MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR

| Sl No. | Name Designation | Designation | Date of Appointment | Date of Cessation |
|--------|-------------------------------------|---------------------------------|----------------------------|----------------------|
| 1 | Shri R A Sankara Narayanan | Managing Director & CEO | 15.04.2019 | 31.01.2020 |
| 2 | Shri L V Prabhakar | Managing Director & CEO | 01.02.2020 | 31.12.2022 |
| 3 | Shri R Kesavan | RBI Nominee Director | 26.04.2019 | Until further orders |
| 4 | Shri. S Raghunath | Part-Time Non-Official Director | 21.10.2019 | 31.03.2020 |
| 5 | Shri Venkatachalam Ramakrishna Iyer | Shareholder Director | 27.07.2019 (Re-elected) | 26.07.2022 |
| 6 | Shri Krishnamurthy H | Shareholder Director | 27.07.2016 | 26.07.2019 |
| 7 | Shri Bimal Prasad Sharma | Shareholder Director | 27.07.2019 | 26.07.2022 |
| 8 | Smt Uma Shankar | RBI Nominee Director | 23.02.2015 | 25.04.2019 |

i. Corporate Structure

Organizational chart

HEAD OFFICE ORGANISATIONAL STRUCTURE



ii. **Key Operational And Financial Parameters for the last three audited years**

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

a. Standalone

(Rs in crores)

| Parameters | FY 2018 | FY 2019 | FY 2020* | 30.06.2020 (Amalgamated) |
|--|-----------|-----------|-----------|-----------------------------|
| Networth | 23085.66 | 26179.66 | 28968.6 | 35720.74 |
| Total Debt : of which | 563580.37 | 640025.56 | 668112.94 | 965814.35 |
| Non-Current Maturities of Long Term Borrowings | 20484.06 | 19664.88 | 22716.06 | 30349.75 |
| Short Term Borrowing | 18324.45 | 21327.41 | 20045.71 | 25895.05 |
| Current Maturities of Long Term Borrowings | 325.00 | 240.30 | - | |
| Net Fixed Assets | 8318.64 | 8410.23 | 8276.29 | 10776.51 |
| Non Current Assets | 385859.52 | 405886.94 | 423814.92 | |
| Cash and Cash Equivalents | 49912.33 | 66152.69 | 68271.47 | 112102.26 |
| Current Investments | 11394.50 | 22113.60 | 36575.85 | |
| Current Assets | 231026.58 | 288879.75 | 300059.83 | |
| Current Liabilities | 283340.04 | 305877.27 | 299966.95 | |
| Assets Under Management | NA | NA | NA | NA |
| Off Balance Sheet Assets | NIL | NIL | NIL | NIL |
| Interest Income | 41252.09 | 46810.34 | 48934.99 | 18035.81 |
| Interest Expense | 29088.76 | 32332.22 | 35811.08 | 11940.26 |
| Provisioning & Write-offs | 13770.48 | 10243.85 | 11595.54 | 3879.21 |
| PAT | (4222.24) | 347.02 | (2235.72) | 406.24 |
| Gross NPA (%) | 11.84 | 8.83 | 8.21 | 8.84 |
| Net NPA (%) | 7.48 | 5.37 | 4.22 | 3.95 |
| Tier 1 Capital Adequacy Ratio (%) | 10.30 | 9.04 | 10.12% | 9.29% |
| Tier 2 Capital Adequacy Ratio (%) | 2.92 | 2.86 | 3.53% | 3.48% |

b. Consolidated

(Rs in crores)

| Parameters | FY 2018 | FY 2019 | FY 2020* |
|--|-----------|-----------|-----------|
| Net Worth | 24369.41 | 27686.52 | 30887.97 |
| Total Debt : of which | 563756.48 | 640165.66 | 668170.09 |
| Non-Current Maturities of Long Term Borrowings | 20484.06 | 19664.88 | 22716.06 |
| Short Term Borrowing | 18100.44 | 21377.76 | 20045.71 |
| Current Maturities of Long Term Borrowings | 325.00 | 240.30 | - |
| Net Fixed Assets | 8335.30 | 8432.78 | 8323.35 |
| Non Current Assets | 387533.27 | 422178.53 | 440904.64 |
| Cash and Cash Equivalents | 50224.60 | 66531.24 | 68589.82 |
| Current Investments | 11444.92 | 22113.60 | 36575.85 |
| Current Assets | 243902.20 | 289604.28 | 300535.63 |
| Current Liabilities | 283516.15 | 305988.07 | 300055.29 |
| Assets Under Management | NA | NA | NA |
| Off Balance Sheet Assets | NIL | NIL | NIL |
| Interest Income | 41345.32 | 46896.72 | 49758.75 |

| Parameters | FY 2018 | FY 2019 | FY 2020* |
|-----------------------------------|-----------|----------|-----------|
| Interest Expense | 29112.90 | 32338.69 | 35817.19 |
| Provisioning & Write-offs | 13879.93 | 10276.89 | 11696.51 |
| PAT | (3951.40) | 601.85 | (1986.43) |
| Gross NPA (%) | 11.88 | 8.87% | 8.24% |
| Net NPA (%) | 7.48 | 5.37% | 4.23% |
| Tier 1 Capital Adequacy Ratio (%) | 10.40 | 9.16% | 10.21% |
| Tier 2 Capital Adequacy Ratio (%) | 2.91 | 2.83% | 3.51% |

c. Gross Debt Equity Ratio of the Issuer

(Rs in crores)

| Particulars | Pre-Issue (as on June 30, 2020) | Post Issue of Bonds of Rs 1500.00 crore |
|---|---------------------------------------|---|
| TOTAL LONG TERM DEBT * | 30349.75 | 31849.75 |
| Total Long Term Debt | 30349.75 | 31849.75 |
| SHAREHOLDERS' FUNDS | 35720.74 | 35720.74 |
| Share Capital | 1453.50 | 1453.50 |
| Reserve & Surplus (excluding FCT Revaluation Reserve) | 43073.85 | 43073.85 |
| Net Worth | 35720.74 | 35720.74 |
| GROSS DEBT/ EQUITY RATIO | 0.85 | 0.89 |

**** Excludes Refinance (Domestic) and Borrowings from Banks (overseas)**

**** Includes Share Capital plus Reserve (Excluding Revaluation Reserve & FCT Reserve) Minus Intangible Assets i.e. Deferred Tax Assets.**

iii. Project Cost and Means of Financing, in case of funding of new projects

The funds being raised by the Bank through present issue of Bonds are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities and other associated business objectives such as discharging existing debt obligations which were generally undertaken for business operations. The Bank has to shore up its Capital base to match the growth in Assets and maintain level of CAR higher than the minimum level prescribed by RBI.

C. BRIEF HISTORY SINCE INCORPORATION WITH DETAILS OF ACTIVITIES INCLUDING REORGANISATION, RECONSTRUCTION OR AMALGAMATION, CHANGES IN CAPITAL STRUCTURE , (AUTHORIZED, ISSUED AND SUBSCRIBED) AND BORROWINGS ,IF ANY.

History of the Bank

Sri Ammembal Subba Rao Pai founded CANARA BANK (hereinafter referred to as "The Bank") in 1906 at Mangalore in the name of Canara Permanent Hindu Fund. It became a Public Ltd. Company in 1910 and the name was changed to Canara Bank Ltd.

In July 1969, Canara Bank Ltd, along with 13 other major banks, was nationalized and is now a Public Sector Bank constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970. Under the provisions of the Banking Regulations Act, 1949, in addition to the business of banking, the Bank can undertake the business as specified under Section 6 of the above Act.

Changes in the Organizational Setup

The Bank brought out further changes in its organizational/operational set-up to facilitate smooth functioning and effective results. The Organizational design and structure are continuously revisited and studied to make inroads for further functional excellence.

The Bank has completely moved towards a 4 tier structure comprising Head Office, Circle Offices, Regional Offices and Branches. The Organizational Structure has been reworked to enable better execution of strategy and ensure smooth functioning. Our Bank has a network of 21 circle Offices, 117 Regional Offices and more than 6329 branches as at 31.03.2020, spread over all States & 5 Union Territories of the country. Bank has also its presence overseas.

CAPITAL STRUCTURE OF THE BANK

i. Details of Share Capital as on June 30, 2020

(Rs. in crore)

| Particulars | | Amount |
|-------------|--|----------|
| 1. | SHARE CAPITAL | |
| a. | Authorized Equity Share Capital | |
| | 300,00,00,000 Equity Shares of Rs.10/- each | 3,000.00 |
| b. | Issued & Subscribed Equity Share Capital | |
| | 1,45,35,01,506 Equity Shares of Rs.10/- each fully paid up | 1453.50 |
| c. | Paid-up Equity Share Capital | |
| | 1,45,35,01,506 Equity Shares of Rs.10/- each fully paid up | 1453.50 |
| | Add: Amount of Equity Shares forfeited | -- |
| | Total Paid-up Equity Share Capital | 1453.50 |
| 2. | SHARE PREMIUM ACCOUNT | 28293.53 |

The Issue will not have any impact on the paid-up capital.

ii. Changes in the capital structure as on last quarter end, for the last five years:

| Particulars of change | Amount (Rs. in crore) | Date of change (AGM/ EGM) |
|---|---|--|
| Authorized Capital of the Bank increased from | 3,000.00 | By notification F. No. 11/4/2009- |
| Rs. 1,500 crore to Rs. 3,000 crore | | BOA dated November 27, 2009 of Government of India |
| QIP Mode - During the month of March, 2011 | 33.00 (Issued and allotted 3.30 Crore Equity Shares through QIP Mode at an Issue price of Rs. 604/-) | Date of AGM - 19.07.2010 Allotment was made on : 15.03.2011 |

| Particulars of change | Amount (Rs. in crore) | Date of change (AGM/ EGM) |
|---|--|--|
| Preferential Allotment to Government of India (Equity Shares) | 18.26 (allotment of 1,82,58,837 equity shares of Rs. 10/- each) | Date of EGM - 30.12.2013 Date of Allotment - 31.12.2013 |
| Preferential Allotment to Government of India (Equity Shares) | 13.94 (allotment of 1,39,38,134 equity shares of Rs. 10/- each) | Date of EGM - 27.03.2015 Date of Allotment - 31.03.2015 |
| Preferential Allotment to Life Insurance Corporation of India | 40.00 (allotment of 4,00,00,000 equity shares of Rs. 10/- each) | Date of EGM - 30.04.2015 Date of Allotment - 12.05.2015 |
| Preferential Allotment to Government of India (Equity Shares) | 27.79 (allotment of 2,77,94,083 equity shares of Rs. 10/- each) | Date of EGM - 29.09.2015 Date of Allotment - 30.09.2015 |
| Rights Issue | 54.29 (allotment of 5,42,99,105 equity shares of Rs.10/- each) | Date of AGM - 26.07.2016 Date of Allotment - 27.03.2017 |
| Preferential Allotment to Government of India | 135.95 (allotment of 13,59,54,616 equity shares of Rs. 10/- each) | Date of EGM - 01.03.2018 Date of Allotment - 27.03.2018 |
| Canara Bank - Employee Share Purchase Scheme | 20 (Allotment of 2 crore equity shares to eligible employees of Rs.10 each) | Date of AGM - 26.07.2018 Date of Allotment - 06.02.2019 |
| Preferential Allotment to Government of India | 276.98 (Allotment of 27,69,88,576 equity shares of Rs 10/- each) | Date of Allotment - 04.12.2019 |
| On account of amalgamation of Syndicate Bank into Canara Bank w.e.f. 01.04.2020 | Allotment of 42,32,68,155 equity shares of Rs 10/- each on account of amalgamation of Syndicate Bank into Canara Bank w.e.f 01.04.2020 | Date of Allotment - 01.04.2020 |

iii. Equity Share Capital History of the Company as on the last quarter end, for the last five years:

| Sl No | Date/Year of allotment | No of equity share | Face value (Rs) | Issue price (Rs) | Consideration (Cash, Other than cash etc) | Nature of Allotment | Cumulative share capital | | |
|-------|---|--------------------------|-----------------|------------------|---|-------------------------------|--------------------------|----------------------------------|----------------------------------|
| | | | | | | | No of equity share | Equity share capital (Rs. in cr) | Equity share premium (Rs. in cr) |
| 1 | 14.12.2002 along with IPO allotment in the year 2002-03 | 30,00,00,000 | 10.00 | -- | Held by Government of India | --- | 30,00,00,000 | 300.00 | ----- |
| 2 | 14.12.2002(IPO 2002-03) | 11,00,00,000 (to public) | 10.00 | 35.00 | Initial Public Officer (IPO) Placement of Equity Shares | IPO | 41,00,00,000 | 410.00 | 275.00 |
| 3 | 15.03.2011(2 010-11) | 3,30,00,000 | 10.00 | 604.00 | Qualified Institutional Placement (QIP) | Allotment to QIBs | 44,30,00,000 | 443.00 | 2235.20 |
| 4 | 2013-14 | 1,82,58,837 | 10.00 | 273.84 | Preferential Allotment to Government of India | Preferential Allotment to GOI | 46,12,58,837 | 461.26 | 2716.94 |
| 5 | 31.03.2015 (2014-15) | 1,39,38,134 | 10.00 | 408.95 | Preferential Allotment to Government of | Preferential Allotment to GOI | 47,51,96,971 | 475.20 | 3273.01 |



Disclosure Document

| Sl No | Date/Year of allotment | No of equity share | Face value (Rs) | Issue price (Rs) | Consideration (Cash, Other than cash etc) | Nature of Allotment | Cumulative share capital | | |
|-------|-------------------------|--------------------|-----------------|---|--|--|--------------------------|----------------------------------|----------------------------------|
| | | | | | | | No of equity share | Equity share capital (Rs. in cr) | Equity share premium (Rs. in cr) |
| | | | | | India | | | | |
| 6 | (June 2015) 2015-16 | 4,00,00,000 | 10.00 | 380.08 | Preferential Allotment to LIC of India / Schemes of LIC | Preferential Allotment to LIC of India / Schemes of LIC | 51,51,96,971 | 515.20 | 4753.33 |
| 7 | 30.09.2015 (2015-16) | 2,77,94,083 | 10.00 | 340.72 | Preferential Allotment to Government of India | Preferential Allotment to GOI | 54,29,91,054 | 542.99 | 5672.54 |
| 8 | 27.03.2017 (2016-17) | 5,42,99,105 | 10.00 | 207 | | Right Issue | 59,72,90,159 | 597.29 | 6742.22 |
| 9 | 27.03.2018 (2017-18) | 13,59,54,616 | 10.00 | 357.84 | Preferential Allotment to Government of India | Preferential Allotment to GOI | 73,32,44,775 | 733.24 | 11471.27 |
| 10 | 06.02.2019 (2018-19) | 2,00,00,000 | 10 | 186 (Issued at discount of 33.33% = | Canara Bank - Employee Share Purchase Scheme (Tranche-i) | Allotment to Eligible Employees under Canara Bank Employee Share | 75,32,44,775 | 753.24 | 12008.54 |



| Sl No | Date/Year of allotment | No of equity share | Face value (Rs) | Issue price (Rs) | Consideration (Cash, Other than cash etc) | Nature of Allotment | Cumulative share capital | | |
|-------|------------------------|--------------------|-----------------|------------------|---|--|--------------------------|----------------------------------|----------------------------------|
| | | | | | | | No of equity share | Equity share capital (Rs. in cr) | Equity share premium (Rs. in cr) |
| | | | | Rs.92.64/Share | | | | | |
| 11 | 04.12.2019 (2019-2020) | 27,69,88,576 | 10 | 237.23 | Preferential Allotment to Government of India | Preferential Allotment to GOI | 1,03,02,33,351 | 1030.23 | 18302.55 |
| 12 | 01.04.2020 (2020-2021) | 42,32,68,155 | 10 | NA | On account of amalgamation of Syndicate Bank into Canara Bank w.e.f. 01/04/2020 | Approved Swap Ratio - 158 shares each of Canara Bank for every 1000 shares of Syndicate Bank | 1,45,35,01,506 | 1453.50 | - |

iv. **Details of any acquisition or amalgamation in the last 1 year**

Syndicate Bank has been amalgamated with Canara Bank w.e.f. 01.04.2020 notified by Government of India on 04.03.2020

v. **Details of any Re Organization or Reconstruction in the last one year (01.04.2019 to 30.06.2020)**

| Type of Event | Date of Announcem ent | Date of Completion | Details |
|--|-----------------------|--------------------|--|
| Reorganization and updation in functions of Integrated Treasury Wing, HO | 04.04.2019 | 04.04.2019 | Reorganization (with 18 new Sections) and updation in functions of Integrated Treasury Wing, HO |
| Shifting of 'Doorstep Banking Scheme' function from GA Wing, HO (Cash Management Section) to SP&D Wing, HO | 08.05.2019 | 08.05.2019 | Shifting of 'Doorstep Banking Scheme' function from GA Wing, HO (Cash Management Section) to SP&D Wing, HO |
| Delinking Centralised NRI Hub from M&RR Wing, HO and realigning the same under IO&CCR Wing, HO | 18.05.2019 | 18.05.2019 | Delinking Centralised NRI Hub from M&RR Wing, HO and realigning the same under IO&CCR Wing, HO |
| Aligning Corporate Communications Department under SP & D Wing, H.O and renaming the sa Corporate Communications and Investors' Relations (CC & IR) Department me as | 21.05.2019 | 21.05.2019 | Aligning Corporate Communications Department (reporting directly to MDCEO) under SP&D Wing, HO and renaming the same as Corporate Communications and Investors' Relations (CC & IR) Department |
| Delinking Financial Inclusion set up from PC&FI Wing, HO and forming a separate Financial Inclusion Wing at HO | 22.05.2019 | 22.05.2019 | Delinking Financial Inclusion set up from PC&FI Wing, HO and forming a separate Financial Inclusion Wing at HO |
| Merger of Call Centre Monitoring Section with M&CRM Section under M&RR Wing, HO | 30.05.2019 | 30.05.2019 | Merger of Call Centre Monitoring Section with M&CRM Section under M&RR Wing, HO |
| Merger of M&RR Wing with SP&D Wing. Thereby M&RR Wing ceases to exist. Functions related to Capital Planning moved from SP&D Wing to FM&S Wing | 29.06.2019 | 29.06.2019 | Merger of M&RR Wing with SP&D Wing. Thereby M&RR Wing ceases to exist. Functions related to Capital Planning moved from SP&D Wing to FM&S Wing |
| Reorganisation/Renaming of Sections under DBS Wing, HO | 01.06.2019 | 01.06.2019 | Reorganisation/Renaming of Sections under DBS Wing, HO |
| Reorganisation of DIT Wing, HO DIT Wing bifurcated into DIT Wing and Technology Operations Wing Data Warehouse and MIS Groups delinked from DIT and | 07.06.2019 | 07.06.2019 | Reorganisation of DIT Wing, HO 1. DIT Wing bifurcated into a) DIT Wing b) Technology Operations Wing 2. Data Warehouse and MIS Groups delinked from DIT and realigned |

| realigned under RBS & MIS Wing. | | | under RBS & MIS Wing. |
|---|------------|------------|---|
| Reorganization of Prime Corporate Credit Wing and Corporate Credit Wing. PCCW renamed as Large Corporate Credit Wing - Processing and follow up of large corporate credit proposals of value Rs.100 crores & above CCW renamed as Mid Corporate Credit Wing - Processing and follow up of other corporate credit proposals with limits below Rs. 100 cr. | 10.06.2019 | 10.06.2019 | Reorganization of Prime Corporate Credit Wing and Corporate Credit Wing. PCCW renamed as Large Corporate Credit Wing - Processing and follow up of large corporate credit proposals of value Rs.100 crores & above CCW renamed as Mid Corporate Credit Wing - Processing and follow up of other corporate credit proposals with limits below Rs. 100 cr. |
| Updation in functions of FM&S Wing Functions related to Power of Attorney (ETT Sec) Service Tax matters replaced with GST (ETT Sec) | 22.07.2019 | 22.07.2019 | Updation in functions of FM&S Wing Functions related to Power of Attorney (ETT Sec) Service Tax matters replaced with GST (ETT Sec) |
| Rationalization of Sections within SP&D Wing, HO consequent upon merger of M&RR Wing Office Note of SP&D Wing (SPDW BPR ON 57 2019 dt. 05.09.2019) to MD&CEO | 09.09.2019 | 09.09.2019 | Rationalization of Sections within SP&D Wing, HO consequent upon merger of M&RR Wing Office Note of SP&D Wing (SPDW BPR ON 57 2019 dt. 05.09.2019) to MD&CEO |
| Updation of functions of CPC-FT under Integrated Treasury Wing Mumbai | 10.10.2019 | 10.10.2019 | Updation of functions of CPC-FT under Integrated Treasury Wing Mumbai |
| “SC/ST Cell” under PM Section renamed as “Reservation Cell” | 06.12.2019 | 06.12.2019 | “SC/ST Cell” under PM Section renamed as “Reservation Cell” |
| Formation of Stressed Assets Section at PCB, Secunderabad | 21.12.2019 | 21.12.2019 | Formation of Stressed Assets Section at PCB, Secunderabad |
| Synergy Cell SP & D Wing has communicated the formation of following new Wings post amalgamation vide HO Cir. 335/2020 dated 07.05.2020 | 07.05.2020 | 07.05.2020 | Synergy Cell SP & D Wing has communicated the formation of following new Wings post amalgamation vide HO Cir. 335/2020 dated 07.05.2020 1. Reconciliation Wing: To have a better control and monitoring on reconciliation related matters, Reconciliation Wing has been formed by carving out Reconciliation Department (IBAR & DDR section) from GA Wing, reconciliation work handled by Digital Banking Services Wing and oversight of all GLs in the Amalgamated Bank. 2. LB & RRB Wing : Carved out |

| | | | |
|--|--|--|--|
| | | | <p>from Priority Credit Wing to have focused attention on SLBC responsibilities in two states (Karnataka & Kerala), UTLBC responsibilities in Lakshadweep, Lead bank responsibilities in 60 districts and the four RRBs (Karnataka Gramin Bank, Karnataka VikasGramin Bank, Kerala Gramin Bank and AP VikasGramin Bank)</p> <p>3. Marketing and Government Relations Wing: As per the Board orders dated 31st Mar 2020, the existing SP&D Wing of standalone Canara Bank has been split into SP&D Wing and Marketing & Government Relations Wing. Accordingly, the related functions of eSyndicate Bank departments viz., Planning & Development Department and Marketing, Insurance & Transaction & Digital Banking realigned with the two wings.</p> <p>4. MIS Wing: To have focused attention on MIS and Automated Data Flow related functions we propose to form a new MIS Wing. The respective functions dealt with by the Department Of Information Technology (DIT Wing-II) of e Syndicate have been brought under the new MIS Wing.</p> <p>5. RBS & Compliance Wing: The amalgamated Bank needs to strengthen the compliance functions with responsibility for interfacing with all the regulators. For this the Compliance departments of both the banks have been unified. The existing RBS & MIS Wing is bifurcated into MIS wing and the RBS & Compliance Wing. Further, RBS & Compliance functions were brought under the RBS & Compliance Wing with the Group Chief Compliance Officer (GCCO) as head of the wing. Further to have a unified and comprehensive view on all</p> |
|--|--|--|--|

| | | | |
|--|------------|------------|--|
| | | | <p>types of compliance related matters, the Company Secretary, now located with the MD & CEO Secretariat, is brought under the Group Chief Compliance Officer.</p> <p>6. Associates and Subsidiaries Wing: carved out from FM& S Wing to have a focused attention and monitoring the performance of Associates and Subsidiaries</p> <p>7. FM& S Wing has been renamed as Financial Management Wing. Further, to have overall control on Profitability, the Profit planning section is delinked from SP&D wing and merged with FM Wing.</p> <p>8. The Organization & Methods Cell under the Operations Department of eSyndicate is unified with the Organization & Methods Section of the SP&D Wing of standalone Canara and the functions of preparation of Manuals of Instructions and Desk Cards have been mapped to the Staff Training College as decided earlier by the Training Advisory Committee of standalone Canara Bank.</p> |
| MD&CEO, vide orders dated 6.6.2020, had permitted enhancement in Credit exposure limit for handling credit proposals by the LCC & MCC Wings. | 06.06.2020 | 06.06.2020 | <p>The existing limit and revised limit as permitted by MD&CEO are furnished hereunder:</p> <p>1) Large Corporate Credit Wing: Exisitng: Processing and follow up of large corporate credit proposals (Credit Proposals of Rs. 100 crore and above), inclusive of Agriculture Credit, MSME and Retail received from Circles/Prime Corporate Branches [PCBs]. Revised: Processing and follow up of large corporate credit proposals with individual/group exposure of Rs.250 crores & above including Agriculture Credit, MSME and Retail received from Circles/ Large Corporate Branches.</p> <p>2) Mid Corporate Credit Wing: Exisitng: Processing and follow up of HO Level credit proposals below Rs. 100 crore (other than Agriculture Credit, MSME and Retail) of all Circles of our Bank. Revised:</p> |

| | | | |
|--|------------|------------|--|
| | | | Processing and follow up of HO Level credit proposals with individual/group exposure of a)Rs.100 crore & above and below Rs.250 crores in respect of Agriculture Credit, MSME and Retail. b)Upto Rs.250 crores in respect of all sectors other than Agriculture Credit, MSME and Retail. |
| Delinking of AML &CFT Centralized Unit (ACCU) & KYC Cell from Compliance & RBS Wing HO and realigning the same under SP&D Wing, HO | 21.07.2020 | 21.07.2020 | Delinking of AML &CFT Centralized Unit (ACCU) & KYC Cell from Compliance & RBS Wing HO and realigning the same under SP&D Wing, HO |
| Realignment of NRI related function under IO & CCR Wing | 21.07.2020 | 21.07.2020 | Realignment of NRI related function under IO & CCR Wing |
| Gold Loan | 13.08.2020 | 13.08.2020 | Gold Loan Wing carved out of Priority Credit Wing. To bring about an improvement in the performance of Circles under Gold Loan portfolio and monitor them more closely from the Apex level. |
| IO & CCR Wing were regrouped & revised | 24.08.2020 | 24.08.2020 | Revision/ Regrouping of Functions of IO & CCR Wing. Functions of various sections/divisions under IO & CCR Wing were regrouped & revised to meet the present market needs & the operations carried out by the Wing. |
| Education Loan Portfolio Shifted from Priority Credit Wing to Retail Assets Wing. | 25.08.2020 | 25.08.2020 | Education Loan Portfolio Shifted from Priority Credit Wing to Retail Assets Wing. |

D. Details of shareholding of the Bank as on the latest quarter end 30.06.2020

i. Shareholding pattern of the Bank as on June 30, 2020

| Sr. No. | Particulars | Total No. of Equity Shareholders | No. of Equity Shares | Total Shareholding as % of total no of equity shares |
|---------|-------------------------------|----------------------------------|----------------------|--|
| 1 | PRESIDENT OF INDIA | 1 | 1,141,709,678 | 78.55 |
| 2 | INSURANCE COMPANIES | 6 | 94,960,054 | 6.53 |
| 3 | MUTUAL FUNDS | 7 | 34,383,447 | 2.37 |
| 4 | FOREIGN PORTFOLIO - CORP | 103 | 38,189,941 | 2.63 |
| 5 | RESIDENT INDIVIDUALS | 454643 | 93,084,019 | 6.40 |
| 6 | EMPLOYEES | 48778 | 20,865,198 | 1.44 |
| 7 | Qualified Institutional Buyer | 6 | 5,325,926 | 0.37 |
| 8 | BODIES CORPORATES | 1247 | 7,948,188 | 0.55 |
| 9 | BANKS | 24 | 6,826,147 | 0.47 |
| 10 | TRUSTS | 23 | 4,084,050 | 0.28 |
| 11 | CLEARING MEMBERS | 287 | 3,038,482 | 0.21 |
| 12 | NON RESIDENT INDIANS | 2320 | 1,253,324 | 0.09 |

| Sr. No. | Particulars | Total No. of Equity Shareholders | No. of Equity Shares | Total Shareholding as % of total no of equity shares |
|---------|-------------------------------------|----------------------------------|-----------------------|--|
| 13 | H U F | 3658 | 1,360,303 | 0.09 |
| 14 | NON RESIDENT INDIAN NON REPATRIABLE | 1311 | 410,114 | 0.03 |
| 15 | FOREIGN INSTITUTIONAL INVESTORS | 1 | 43,400 | 0.00 |
| 16 | NBFC | 8 | 18,652 | 0.00 |
| 17 | INDIAN FINANCIAL INSTITUTIONS | 1 | 583 | 0.00 |
| | TOTAL | 512424 | 1,45,35,01,506 | 100 |

Notes: The promoters have not pledged or encumbered their shareholding in the Bank

ii. List of top 10 holders of equity shares of the Bank as on June 30, 2020

| Sl. No. | Name of Shareholder | Total number of Equity Shares held | Number of Equity Shares held in demat form | Total shareholding as a percentage of total number of Equity Shares |
|--------------|--|------------------------------------|--|---|
| 1. | PRESIDENT OF INDIA | 1,141,709,678 | 1,141,709,678 | 78.55 |
| 2. | LIFE INSURANCE CORPORATION OF INDIA | 85,077,359 | 85,077,359 | 5.85 |
| 3. | HDFC TRUSTEE COMPANY LTD. A/C HDFC BALANCED ADVANTAGE FUND | 15,233,221 | 15,233,221 | 1.05 |
| 4. | HDFC TRUSTEE COMPANY LIMITED- HDFC EQUITY FUND | 9,429,600 | 9,429,600 | 0.65 |
| 5. | HDFC TRUSTEE COMPANY LTD. A/C HDFC TOP 100 FUND | 6,537,436 | 6,537,436 | 0.45 |
| 6. | VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND | 5,512,462 | 5,512,462 | 0.38 |
| 7. | JUPITER INDIA FUND | 5,058,990 | 5,058,990 | 0.35 |
| 8. | HDFC LIFE INSURANCE COMPANY LIMITED | 4,709,385 | 4,709,385 | 0.32 |
| 9. | VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERI | 3,872,007 | 3,872,007 | 0.27 |
| 10. | LIFE INSURANCE CORPORATION OF INDIA P & GS FUND | 3,518,563 | 3,518,563 | 0.24 |
| Total | | 1280658701 | 1280658701 | 88.11 |

E. Details regarding the Directors of the Bank

i. Details of Current Directors of the Bank:

| Sl. | Name, Designation | Age | Address | Director of | Details of other |
|-----|-------------------|-----|---------|-------------|------------------|
|-----|-------------------|-----|---------|-------------|------------------|



| No. | and DIN | (in Years) | | the Bank since | Directorship/s |
|-----|---|------------|---|----------------|--|
| 1. | Shri L V Prabhakar Managing Director & CEO DIN 08110715 | 57 | Canara Bank, Head Office 112, J.C.Road Bengaluru-560 002 | 01.02.2020 | 1.. Canara Robeco Asset Management Company Limited 2.Canbank HSBC Oriental Bank of Commerce Life Insurance Company Limited. 3. Can Fin Homes Ltd. |
| 2 | Shri Matam Venkata Rao Executive Director DIN: 06930826 | 55 | Canara Bank, Head Office 112,J.C.Road Bengaluru -560 002 | 09.10.2017 | 1. Canara Bank TanZania Ltd |
| 3 | Shri Debashish Mukherjee Executive Director DIN: 08193978 | 55 | Canara Bank, Head Office 112,J.C.Road Bengaluru -560 002 | 19.02.2018 | 1.Can Fin Homes Ltd. 2.Canbank Venture Capital Fund Limited. 3. Canara Robeco Asset Management Company Limited 4. Canara Bank Securities Limited. 5.Canara HSBC OBC Life Insurance Co. Ltd. 6.Higher Education Financing Agency |
| 4 | A Manimekhalai Executive Director DIN 08411575 | 54 | Canara Bank, Head Office 112,J.C.Road Bengaluru -560 002 | 11.02.2019 | 1.Canbank Factors Limited 2.Canbank Computer Services Limited. 3. .Canara HSBC OBC Life Insurance Co. Ltd. 4. General Insurance Corporation of India 5. India Infrastructure Finance Company Limited. |
| 5 | Shri Suchindra Misra Govt Nominee Director DIN: 01873568 | 51 | Joint Secretary Dept of Financial Services, Ministry of Finance, Govt of India, New Delhi | 14.06.2016 | 1.National Insurance Company Limited 2.Agriculture Insurance Company of India Limited |
| 6 | Shri R Kesavan RBI Nominee Director | 51 | CGM/Principal, Reserve Bank Staff College. No 539, Anna Salai, | 26.04.2019 | Nil |

| | | | | | |
|---|--|----|--|--|-----------------------|
| | DIN | | Teynampet, Chennai 600018 | | |
| 7 | Shri Venkatachalam Ramakrishna Iyer DIN 02194830 | 66 | Flat No.304, Sumeet Enclave, Plot No.103, B1, SantDnyaneshwar Road, Panchpakhadi, Thane (West) 400 602 | 27.07.2016 to 26.07.2019 Re-elected from 27.07.2019 to 26.07.2022 | 1.Usha Martin Limited |
| 8 | Shri. Bimal Prasad Sharma Shareholder Director DIN 06370282 | 64 | 47/A, Pristine Green, Pokhariput, Bhubaneshwar- 751020 | 27.07.2019 | NIL |

ii. Details of change in directors in the last three years (01.04.2017 to 19.09.2020)

| Sl. No | Name | Designation | Date of Appointment | Date of Cessation | Director of the Company Since (in case of resignation) | Remarks |
|--------|---|----------------------|---------------------|--|--|--|
| 1 | Shri. Harideesh Kumar DIN: 07167694 | Executive Director | 11.03.2015 | 31.05.2017 | Not Applicable | Nil |
| 2 | Shri. T N Manoharan DIN:01186248 | Chairman | 14.08.2015 | 13.08.2018 Reappointed w.e.f. 14.08.2018 To 13.08.2020 | Not Applicable | Tenure on the Board ending on 13.08.2020 |
| 3 | Shri. Rakesh Sharma DIN-6846594 | MD & CEO | 11.09.2015 | 31.07.2018 | Not Applicable | Nil |
| 4 | Shri Pankaj Jain Govt Nominee Director DIN: | GOI Nominee Director | 14.12.2015 | 01.05.2016 | Not Applicable | Nil |
| 5 | Shri Dinabandhu Mohapatra DIN: | Executive Director | 22.01.2016 | 05.05.2017 | Not Applicable | Elevated as MD & CEO of Bank of India |
| 6 | Shri Suchindra Misra | GOI Nominee | 14.06.2016 | | Not Applicable | Nil |

| Sl. No | Name | Designation | Date of Appointment | Date of Cessation | Director of the Company Since (in case of resignation) | Remarks |
|--------|---|---------------------------------|---------------------|---|--|--|
| | DIN: 01873568 | Director | | | | |
| 7 | Shri Krishnamurthy H DIN 05329716 | Shareholder Director | 27.07.2016 | 26.07.2019 | Not Applicable | Nil |
| 8 | Shri MahadevNagendra Rao DIN 01296161 | Shareholder Director | 27.07.2016 | 01.03.2018 | 27.07.2016 | Resigned |
| 9 | Shri Venkatachalam Ramakrishna Iyer DIN 02194830 | Shareholder Director | 27.07.2016 | 26.07.2019 Re-elected from 27.07.2019 to 26.07.2022 | Not Applicable | Tenure on the Board ending on 26.07.2022 |
| 10 | Smt. P.V. Bharathi DIN 06519925 | Executive Director | 15.09.2016 | 31.01.2019 | Not Applicable | Elevated as MD & CEO of Corporation Bank |
| 11 | Shri Matam Venkata Rao DIN: 06930826 | Executive Director | 09.10.2017 | | Not Applicable | Tenure on the Board ending on 08.10.2020 |
| 12 | Shri Debashish Mukherjee DIN: | Executive Director | 19.02.2018 | | Not Applicable | Tenure on the Board ending on 18.02.2021 |
| 13 | Ms A Manimekhalai DIN 08411575 | Executive Director | 11.02.2019 | | | Tenure on the Board ending on 10.02.2022 |
| 14 | Shri R A Sankara Narayanan DIN 05230407 | Managing Director & CEO | 15.04.2019 | 31.01.2020 | | Superannuation |
| 15 | Smt. Uma Shankar | RBI Nominee Director | 23.02.2015 | 26.04.2019 | Not Applicable | NIL |
| 16 | Shri R Kesavan | RBI Nominee Director | 26.04.2019 | | Not Applicable | Nil |
| 17 | Shri. Bimal Prasad Sharma | Shareholder Director | 27.07.2019 | | | Tenure on the Board ending on 26.07.2022 |
| 18 | Shri. S Raghunath | Part-time Non official Director | 21.10.2019 | 31.03.2020 | | Until amalgamation of the Bank i.e. 31.03.2020 |
| 19 | Shri L V Prabhakar | Managing Director & CEO | 01.02.2020 | | | Tenure on the Board till superannuation |

| Sl. No | Name | Designation | Date of Appointment | Date of Cessation | Director of the Company Since (in case of resignation) | Remarks |
|--------|-----------------|--------------------|---------------------|-------------------|--|--|
| | | | | | | on i.e. 31.12.2022 |
| 20 | Shri Krishnan S | Executive Director | 01.04.2020 | 03.09.2020 | Not Applicable | Elevated as MD & CEO of Punjab & Sind Bank |

F. Details regarding the Auditors of the Issuer

i. Details of the auditors of the Issuer

| Sl. No | Name of Statutory Auditors | Firm Registration No | Address & Contact Details | Auditor since |
|--------|-----------------------------|----------------------|---|---------------|
| 1 | M/s Dagliya & Co, Bangalore | 00671S | L-Block, Unity Buildings, JC Road, Near Town Hall, Bangalore -560 002 Mob: 9448114192 yaswantjain@gmail.com dagliya@gmail.com guptamanohar@gmail.com | December 2017 |
| 2 | M/s Komandoor & Co. LLP | 001420S | I-504, Divya Shakti Complex, 7-1-58, Dharamkaran Road, Ameerpet, Hyderabad- 16 Mob: 98490 11300 komandoorco@gmail.com tnn@komandoorco.com prd@komandoorco.com | December 2017 |
| 3 | M/s D K Chhajer & Co | 304138E | Nihat House, Ground Floor, 11 R N Mukherjee Road, Kolkata- 700 001 Mob : 94330 02481 dkchhajer@gmail.com 'kolkata@dkcindia.com' | December 2018 |
| 4 | M/s S N K & Co | 109176W | SNK House, 31-A, Adarsh Society, Athwalines, Surat - 395 001 snk@snkca.com ankit@snkca.com | December 2018 |

ii. Details of changes in statutory auditors of the Issuer in the last three years

| S. No. | Name | Address | Date of Appointment | Date of Cessation | Auditor of the Issuer since | Remarks |
|--------|--------------------------|--|---------------------|-------------------|-----------------------------|---------|
| 1. | M/s J Singh & Associates | 505/506/507 Hubtown Viva Shankarwadi, Western Express Highway, | 15.12.2015 | September 2018 | December 2015 | Nil |

| S. No. | Name | Address | Date of Appointment | Date of Cessation | Auditor of the Issuer since | Remarks |
|--------|------------------------|---|---------------------|-------------------|-----------------------------|---------|
| | | Jogeshwari(East), | | | | |
| 2. | M/s J L Sengupta & Co | 70A, Lenin Sarani, 1 st Floor, Kolkata - 13 | 15.12.2015 | September 2018 | December 2015 | Nil |
| 3. | M/s Ram Raj & Co | 65, 4 th Floor, 29 th A Cross, Geetha Colony, 4 th Block, Jayanagar, Bangalore -11 | 23.03.2015 | September 2017 | March 2015 | Nil |
| 4. | M/s V K Niranjana & Co | Kurubara Sangha Building, 202&204, Kanakadasa Circle, Gandhi Nagar, Bangalore | 23.03.2015 | September 2017 | March 2015 | Nil |

G. Details of Borrowings of the Bank as on 30.06.2020

i. Details of secured loan facilities as on June 30, 2020

Nil

ii. Details of unsecured loan facilities / deposit as on June 30, 2020

| Lender's Name | Type of Facility | Principal Amount Outstanding as on 30.06.2020 (Rs. In crore) (Amalgamated Data) | Repayment Date/Schedule |
|---------------------|-------------------------|---|-------------------------|
| From Banks | Demand Deposits | 641.19 | On Demand |
| | Term Deposits | 39989.17 | On Maturity |
| From Others | Demand Deposits | 40186.38 | On Demand |
| | Term Deposits | 575254.62 | On Maturity |
| Depositors | Saving Banks Deposits | 253498.19 | On Demand |
| Various Bondholders | BASEL III TIER II SER I | 1500.00 | 03/Jan/24 |

| Lender's Name | Type of Facility | Principal Amount Outstanding as on 30.06.2020 (Rs. In crore) (Amalgamated Data) | Repayment Date/Schedule |
|---------------------|--|--|--|
| Various Bondholders | BASEL III TIER II SER II | 1000.00 | 27/Mar/24 |
| Various Bondholders | BASEL III TIER II Bonds 2015-16(Series I) | 1500.00 | 31/Dec/25 |
| Various Bondholders | BASEL III TIER II Bonds 2015-16(Series II) | 900.00 | 07/Jan/26 |
| Various Bondholders | BASEL III TIER II Bonds 2016-17 | 3000.00 | 27/Apr/26 |
| Various Bondholders | BASEL III TIER II Bonds 2019-20 | 3000.00 | 11/Mar/30 & Call option 11/Mar/2025 |
| Various Bondholders | UPPER TIER II SER III | 1000.00 [^] | 29/Sep/25 and Call option on 29/Sep/20 |
| Various Bondholders | PERPETUAL -TIER1(SERIES III) | 749.30 [#] | PERPETUAL with Call option on 03.08.2020 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL TIER 1 | 1500.00 | PERPETUAL with Call option from 05.03.2025 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL TIER 1 | 1000.00 | PERPETUAL with Call option from 13.12.2021 |

| Debenture Series | ERSTWHILE SYNDICATE BANK | | |
|---------------------|--------------------------------|---------|-----------------------------------|
| Various Bondholders | Lower TIER II | 1000.00 | 31.Dec.2022 |
| Various Bondholders | BASEL III TIER II | 750.00 | 02.Dec.2024 |
| Various Bondholders | BASEL III TIER II | 400.00 | 23.Mar.2025 |
| Various Bondholders | BASEL III TIER II | 1000.00 | 28.Sep.2025 |
| Various Bondholders | BASEL III TIER II | 750.00 | 18.Dec.2025 |
| Various Bondholders | BASEL III TIER II | 500.00 | 03.May.2027 with Call 03.May.2022 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL | 370.00 | Perpetual/ |

| Lender's Name | Type of Facility | Principal Amount Outstanding as on 30.06.2020 (Rs. In crore) (Amalgamated Data) | Repayment Date/Schedule |
|-------------------------------|--|--|------------------------------------|
| | TIER 1 SERIES I | | Call option 30.Mar.2021 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES II | 500.00 | Perpetual/ Call option 30.Mar.2021 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES III | 930.00 | Perpetual/ Call option 15.Jul.2021 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES IV | 1000.00 | Perpetual/ Call option 24.Oct.2021 |
| Various Bondholders | BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES V | 450.00 | Perpetual/ Call option 25.Jul.2022 |
| Reserve Bank of India | Borrowings | 5721.00 | Multiple Maturities |
| Others | Borrowings | 3126.39 | |
| Other Institutions & Agencies | Borrowings | 14797.60 | Upto 3 Years |
| Outside India | Borrowings | 9800.52 | 2 Days to 10 Years |
| Banks/ Institutions | Bills Payable | * | |

*Total Bills Payable as on 31.03.2020 is Rs.1120.01 Crore

Call option Exercised by Bank on 03.08.2020.

^Bank is under process of exercising call option on 29.09.2020.

iii. Details of outstanding non-convertible-debentures issued by the Bank As on June 30, 2020

| Debenture Series CANARA BANK | Tenor/ Period of Maturity (in months) | Coupon | Amount in Crores | Date of Allotment | Redemption Date/ Schedule | Credit Rating (as on 31 st August 2020) |
|---------------------------------|---|--------|------------------------|----------------------|---------------------------------|---|
|---------------------------------|---|--------|------------------------|----------------------|---------------------------------|---|

| | | | | | | |
|--|--|---------------|---------------------------------|------------------------------|--|--|
| BASEL III TIER II SER I | 120 | 9.73 | 1500.00 | 03/Jan/14 | 03/Jan/24 | AAA/Negative by CRISIL & ICRA (AA+)(HYB)/Rating watch with development implications |
| BASEL III TIER II SER II | 120 | 9.70 | 1000.00 | 27/Mar/14 | 27/Mar/24 | AAA/Negative by CRISIL & ICRA (AA+)(HYB)/Rating watch with development implications. |
| BASEL III TIER II Bonds 2015-16(Series I) | 120 | 8.40 | 1500.00 | 31/Dec/15 | 31/Dec/25 | AAA/Negative by CRISIL, ICRA (AA+)(HYB)/Rating watch with development implications & IND AAA /Rating watch Negative |
| BASEL III TIER II Bonds 2015-16(Series II) | 120 | 8.40 | 900.00 | 07/Jan/16 | 07/Jan/26 | AAA/ Negative by CRISIL, ICRA (AA+)(HYB)/Rating watch with development implications & IND AAA /Rating watch Negative |
| BASEL III TIER II Bonds 2016-17 | 120 | 8.40 | 3000.00 | 27/Apr/16 | 27/Apr/26 | AAA/ Negative by CRISIL, ICRA (AA+)(HYB)/Rating watch with development implications & IND AAA /Rating watch Negative |
| BASEL III TIER II Bonds 2019-20 | 120 | 7.18 | 3000.00 | 11/Mar/20 | 11/Mar/30 & Call option 11/Mar/2025 | IND AAA /Rating watch Negative & CARE AAA/Negative |
| BASEL III COMPLIANT ADDITIONAL TIER 1 | Perpetual | 9.55 | 1500.00 | 05/Mar/15 | PERPETUAL with Call option from 05.03.2025 | ICRA AA/Negative (HYB)/Rating watch with development implications & IND AA /Rating watch Negative |
| BASEL III COMPLIANT ADDITIONAL TIER 1 | Perpetual | 8.60 | 1000.00 | 13/Dec/16 | PERPETUAL with Call option from 13.12.2021 | CRISIL AA/Negative by CRISIL & IND AA /Rating watch Negative by India Ratings |
| UPPER TIER II SERIES III | 180 | 8.62 | 1000.00 | 29/Sep/10 | 29/Sep/25 and Call option on 29/Sep/20 | AAA/ Negative by CRISIL & BWR AAA/(Credit Watch with Developing Implications) by BRICKWORK |
| Debenture Series ERSTWHILE SYNDICATE BANK | Tenor/ Period of Maturity (in months) | Coupon | Amount in Crores | Date of Allotment | Redemption Date/ Schedule | Credit Rating |
| Lower TIER II | 120 | 9.00 | 1000.00 | 31-Dec-12 | 31.Dec.2022 | AAA/Negative by CRISIL & CARE AAA/ |

| | | | | | | |
|--|-----------|-------|---------|-----------|---------------------------------------|--|
| | | | | | | Negative |
| BASEL III TIER II | 120 | 8.95 | 750.00 | 02-Dec-14 | 02.Dec.2024 | AAA/Negative by CRISIL & CARE AAA/ Negative |
| BASEL III TIER II | 120 | 8.75 | 400.00 | 23-Mar-15 | 23.Mar.2025 | AAA/Negative by CRISIL & CARE AAA/ Negative |
| BASEL III TIER II | 120 | 8.58 | 1000.00 | 28-Sep-15 | 28.Sep.2025 | AAA/Negative by CRISIL & CARE AAA/ Negative |
| BASEL III TIER II | 120 | 8.62 | 750.00 | 18-Dec-15 | 18.Dec.2025 | AAA/Negative by CRISIL & CARE AAA/ Negative |
| BASEL III TIER II | 120 | 8.00 | 500.00 | 03-May-17 | 03.May.2027 with Call 03.May.2022 | IND AAA/RWN by India Rating, CARE AAA/ Negative & AAA/ Negative by CRISIL |
| BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES I | Perpetual | 11.25 | 370.00 | 30-Mar-16 | Perpetual/ Call option 30.Mar.2021 | IND AA/RWN by India Rating, AA/Negative by CRISIL & CARE AA/ NEGATIVE by CARE Rating |
| BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES II | Perpetual | 11.25 | 500.00 | 30-Mar-16 | Perpetual/ Call option 30.Mar.2021 | IND AA/RWN by India Rating, AA/Negative by CRISIL & CARE AA/ NEGATIVE by CARE Rating |
| BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES III | Perpetual | 11.25 | 930.00 | 15-Jul-16 | Perpetual/ Call option 15.Jul.2021 | IND AA/RWN by India Rating, AA/Negative by CRISIL & CARE AA/ NEGATIVE by CARE Rating |
| BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES IV | Perpetual | 9.95 | 1000.00 | 24-Oct-16 | Perpetual/ Call option 24.Oct.2021 | IND AA/RWN by India Rating, AA/Negative by CRISIL & CARE AA/ NEGATIVE by CARE Rating |
| BASEL III COMPLIANT ADDITIONAL TIER 1 SERIES V | Perpetual | 9.80 | 450.00 | 25-Jul-17 | Perpetual/ Call option 25.Jul.2022 | IND AA/RWN by India Rating, AA/Negative by CRISIL & CARE AA/ NEGATIVE by CARE Rating |

iv. LIST OF TOP-10 BONDHOLDERS - AS ON JUNE 30,2020

| SRL | DPID/CLIENTID | NAME OF THE HOLDER | HOLDINGS | Rs. In Crore |
|-----|------------------|--|----------|--------------|
| 1 | IN30152430047971 | CBT-EPF-11-F-DM | 74171 | 7417.10 |
| 2 | IN30005410109762 | COAL MINES PROVIDENT FUND ORGANISATION | 17674 | 1767.40 |
| 3 | IN30012611229162 | HDFC TRUSTEE COMPANY LTD. A/C HDFC | 9850 | 985.00 |

| | | BALANCED ADVANTAGE FUND | | |
|----|------------------|---|------|--------|
| 4 | IN30378610006749 | STATE BANK OF INDIA EMPLOYEES PENSION FUND | 5410 | 541.00 |
| 5 | IN30016710150442 | KOTAK MAHINDRA TRUSTEE COMPANY LTD. A/C. KOTAK MAHINDRA BOND SHORT TERM PLAN | 3900 | 390.00 |
| 6 | IN30081210502527 | NPS TRUST- A/C SBI PENSION FUND SCHEME - STATE GOVT | 3010 | 301.00 |
| 7 | IN30012611234066 | SBI LIFE INSURANCE CO.LTD | 2550 | 255.00 |
| 8 | IN30378610006845 | THE STATE BANK OF INDIA EMPLOYEES PROVIDENT FUND | 2540 | 254.00 |
| 9 | 1305060000002573 | ARMY GROUP INSURANCE FUND | 1500 | 150.00 |
| 10 | IN30081210501028 | PUNJAB NATIONAL BANK | 1500 | 150.00 |

v. Amount of Corporate guarantee issued by the Issuer

NIL

vi. Certificate of Deposits issued by the Issuer as on June 30, 2020

NIL

vii. Details of other borrowings (if any, including hybrid debt like FCCB, optionally convertible debentures/preference shares):

NIL

viii. Details of all defaults/ delays in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Issuer, in the past five years

- The main constituents of the Issuer's borrowings are generally in the form of deposits, loans from Reserve Bank of India, other banks and institutions, bonds, certificate of deposits etc.
- The Issuer has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- The Issuer has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.
- The Issuer has not defaulted in any of its payment obligations arising out of any corporate guarantee issued by it to any counter party including its joint entities, group companies etc in the past.

ix. Details of any Outstanding Borrowings taken/ Debt Securities issued for consideration other than cash at premium or at discount or in pursuance of an Option

The Issuer confirms that other than and to the extent mentioned elsewhere in this Disclosure Document, it has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part or at a premium or discount or in pursuance of an option since inception.

H. Details of Promoters of the Bank

Details of promoter holding as on June 30, 2020

| S. No. | Name of Shareholders | Total number of equity shares | Number of shares held in demat form | Total shareholding as % of total No of equity share | No of equity shares pledged | % of equity shares pledged with respect to shares owned |
|--------|----------------------|-------------------------------|-------------------------------------|---|-----------------------------|---|
| 1. | President of India | 1141709678 | 1141709678 | 78.55 | Nil | Not Applicable |

I. ABRIDGED VERSION OF THE AUDITED STANDALONE & CONSOLIDATED FINANCIAL INFORMATION OF THE ISSUER FOR THE LAST THREE YEARS AND AUDITORS QUALIFICATION

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

i. Standalone Statement of Profit & Loss

Rs. in Crore

| Sr No | Parameters | FY 2017-18 | FY 2018-19 | FY 2019-20* | 30.06.2020 (Amalgamated) |
|-------|---|------------------|-----------------|------------------|-----------------------------|
| I | Income | | | | |
| a. | Interest Earned | 41252.09 | 46810.34 | 48934.99 | 18035.81 |
| b. | Other Income | 6942.85 | 6574.96 | 7813.15 | 2650.10 |
| | Total Income | 48194.94 | 53385.30 | 56748.14 | 20685.91 |
| II | EXPENDITURE | | | | |
| a. | Interest Expended | 29088.76 | 32332.22 | 35811.08 | 11940.26 |
| b. | Operating Expenses | 9557.94 | 10462.21 | 11577.24 | 4460.20 |
| c. | Provisions and Contingencies | 13770.48 | 10243.86 | 11595.54 | 3879.21 |
| | Total Expenditure | 52417.18 | 53038.28 | 58983.86 | 20279.67 |
| III | PROFIT FOR THE YEAR | (4222.24) | 347.02 | (2235.72) | 406.24 |
| | Profit brought forward | | | | |
| IV | APPROPRIATIONS | | | | |
| | Transfer to Statutory Reserves | - | 86.76 | - | - |
| | Transfer to Revenue & Other Reserves | - | | - | - |
| | Transfer to Investment Reserve Account | - | - | - | - |
| | Transfer to Investment Fluctuation Reserve | | 27.26 | - | - |
| | Transfer from/to Special Reserves-Currency Swap | - | | - | - |

| Sr No | Parameters | FY 2017-18 | FY 2018-19 | FY 2019-20* | 30.06.2020 (Amalgamated) |
|-------|--|------------------|---------------|------------------|-----------------------------|
| | Transfer to Special reserve U/s 31(1) (viii) of Income tax Act, 1961 | - | | - | - |
| | Transfer to Capital Reserve | - | 233.00 | -- | |
| | Proposed Dividend | - | - | - | - |
| | Tax on Dividend | - | - | - | - |
| | Balance Carried over to Balance Sheet | (4222.24) | 347.02 | (2235.72) | - |
| | TOTAL | (4222.24) | 347.02 | (2235.72) | - |
| | Earnings Per Share (Basic & Diluted) (in Rs.) | (70.47) | 4.71 | (26.50) | 2.79 |

iii. Consolidated Statement of Profit & Loss

Rs. in Crore

| Sr No | Parameters | FY 2017-18 | FY 2018-19 | FY 2019-20* |
|-------|---|------------------|-----------------|------------------|
| I | Income | | | |
| a. | Interest Earned | 41345.32 | 46896.72 | 49758.75 |
| b. | Other Income | 7398.00 | 7372.42 | 11799.40 |
| | Total Income | 48743.32 | 54269.13 | 61558.15 |
| II | EXPENDITURE | | | |
| a. | Interest Expended | 29112.90 | 32338.69 | 35817.19 |
| b. | Operating Expenses | 9837.81 | 11106.40 | 16066.96 |
| c. | Provisions and Contingencies | 13879.93 | 10276.89 | 11696.51 |
| | Total Expenditure | 52830.64 | 53721.98 | 63580.66 |
| | Share of Earnings/(Loss) in Associates | 214.78 | 148.91 | 101.50 |
| | Consolidated Net Profit/(Loss) for the Year before deducting Minorities Interest | (3872.54) | 696.06 | (1921.01) |
| | Less: Minorities Interest | 78.85 | 94.20 | 65.42 |
| III | PROFIT FOR THE YEAR attributable to the Group | (3951.40) | 601.85 | (1986.43) |
| | Profit brought forward | - | - | - |
| | TOTAL | (3951.40) | | (1986.43) |
| IV | APPROPRIATIONS | | | |
| | Transfer to Statutory Reserves | - | 86.76 | - |
| | Transfer to Revenue & Other Reserves | - | | - |
| | Transfer to Investment Reserve Account | - | - | - |
| | Transfer to Investment Fluctuation Reserve | | 27.25 | - |
| | Transfer from/to Special Reserves-Currency Swap | - | | - |
| | Transfer to Special reserve U/s 31(1) (viii) of Income tax Act, 1961 | - | | - |
| | Transfer to Capital Reserve | - | 233.00 | - |

| Sr No | Parameters | FY | FY | FY |
|-------|---|-----------|---------|-----------|
| | | 2017-18 | 2018-19 | 2019-20* |
| | Proposed Dividend | - | - | - |
| | Tax on Dividend | - | - | - |
| | Balance Carried over to Balance Sheet | (3951.40) | 601.85 | (1986.43) |
| | TOTAL | (3951.40) | 601.85 | (1986.43) |
| | Earnings Per Share (Basic & Diluted) (in Rs.) | (65.95) | 8.18 | (23.55) |

iv. Standalone Balance Sheet

(Rs. in crore)

| Sr no | Parameters | As on | As on | As on | 30.06.2020 |
|-------|--|------------------|------------------|------------------|-------------------|
| | | 31.03.2018 | 31.03.2019 | 31.03.2020* | (Amalgamated) |
| I | CAPITAL & LIABILITIES | | | | |
| a. | Capital | 733.24 | 753.24 | 1030.23 | 1453.50 |
| b. | Reserves & Surplus | 34871.59 | 35423.99 | 38262.73 | 51272.06 |
| c. | Deposits | 524771.86 | 599033.27 | 625351.18 | 909569.56 |
| d. | Borrowings | 38808.51 | 40992.29 | 42761.77 | 56244.81 |
| e. | Other Liabilities and Provisions | 17700.90 | 18563.89 | 16468.84 | 27632.56 |
| | Total | 616886.10 | 694766.69 | 723874.75 | 1046172.49 |
| II | ASSETS | | | | |
| a. | Cash & Balances with Reserve Bank of India | 22100.04 | 29919.02 | 22570.14 | 36731.62 |
| b. | Balances with Banks and Money at Call & Short Notice | 27812.29 | 36233.67 | 45701.33 | 75370.64 |
| c. | Investments | 144053.67 | 152985.30 | 176244.94 | 250907.94 |
| d. | Advances | 381702.99 | 427727.27 | 432175.20 | 617168.15 |
| e. | Fixed Assets | 8318.64 | 8410.23 | 8276.29 | 10776.51 |
| f. | Other Assets | 32898.47 | 39491.20 | 38906.85 | 55217.63 |
| | Total | 616886.10 | 694766.69 | 723874.75 | 1046172.49 |

v. Consolidated Balance Sheet

(Rs. in crore)

| Sr No | Parameters | As on | As on | As on |
|-------|-----------------------------------|------------------|------------------|------------------|
| | | 31.03.2018 | 31.03.2019 | 31.03.2020* |
| I | CAPITAL & LIABILITIES | | | |
| a. | Capital | 733.24 | 753.24 | 1030.23 |
| b. | Reserves & Surplus | 36164.45 | 36935.99 | 40175.72 |
| c. | Minority Interest | 521.80 | 667.87 | 730.10 |
| d. | Deposits | 524846.98 | 599123.02 | 625408.32 |
| e. | Borrowings | 38909.50 | 41042.64 | 42761.77 |
| f. | Other Liabilities and Provisions | 30259.50 | 33260.04 | 31334.13 |
| | Total | 631435.47 | 711782.81 | 741440.27 |
| II | ASSETS | | | |
| a. | Cash & Balances with R B of India | 22102.42 | 29921.43 | 22572.96 |
| b. | Balances with Banks and Money at | 28122.19 | 36609.81 | 46016.86 |

| Sr No | Parameters | As on 31.03.2018 | As on 31.03.2019 | As on 31.03.2020* |
|-------|---------------------|---------------------|---------------------|----------------------|
| | Call & Short Notice | | | |
| c. | Investments | 157443.56 | 168678.05 | 192645.37 |
| d. | Advances | 382074.58 | 428114.77 | 432403.38 |
| e. | Fixed Assets | 8335.30 | 8432.78 | 8323.35 |
| f. | Other Assets | 33357.42 | 40025.97 | 39478.35 |
| | Total | 631435.47 | 711782.81 | 741440.27 |

vi. Standalone Cash Flow Statement

(Rs. in crore)

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2019 | Year ended 31.03.2020* |
|---|--------------------------|--------------------------|---------------------------|
| A. Cash Flow from Operating Activities: | | | |
| Net Profit after Taxes | (4222.24) | 347.02 | (2235.72) |
| Adjustments for: | | | |
| Provision for income tax | (2338.62) | (2674.42) | 480.15 |
| Depreciation on Fixed Assets | 445.05 | 416.83 | 432.08 |
| Profit/ (Loss) on sale of Fixed Asset | 4.53 | 2.87 | 1.34 |
| Provision for Other Items | (146.54) | (60.97) | 278.27 |
| Interest on Tier 1 and Tier 2 Bonds | 1231.69 | 1176.57 | 1116.44 |
| Provision for NPA | 14366.34 | 12566.66 | 10730.10 |
| Loss on revaluation of Investments | 0.00 | 0.80 | (1.74) |
| Provision for Standard Assets | (2.52) | 403.04 | 384.84 |
| Income from Investment in Subsidiaries | (53.32) | (50.17) | (67.87) |
| Income from Investment (Appreciation)/Depreciation | 1891.81 | 369.55 | (277.81) |
| Sub total | 15398.42 | 11828.36 | 11906.25 |
| Adjustments for: | | | |
| Increase / (Decrease) in Deposits | 29496.62 | 74261.41 | 26317.90 |
| Increase / (Decrease) in Borrowings | 4.95 | 2749.08 | (630.53) |
| Increase / (Decrease) in Other Liabilities and Provisions | 5133.48 | 3195.35 | (3238.31) |
| (Increase) / Decrease in Investments | 4320.41 | (9301.97) | (22961.73) |
| (Increase) / Decrease in Advances | (53992.54) | (58600.44) | (15178.03) |
| (Increase) / Decrease in Other Assets | (6142.93) | (5392.73) | 1411.43 |
| Direct Taxes (Paid) / Refund | 1500.00 | 1200 | 850 |
| Sub total | | | |
| Net Cash Flow from Operating Activities (A) | (11503.83) | 17886.08 | (5458.27) |
| B. Cash Flow from Investing Activities : | | | |
| Net Inflow / Outflow from Sale /Purchase of Fixed Assets | (327.48) | (511.29) | (326.56) |
| Investment in Subsidiaries/ Joint Ventures/ | 0.00 | 0.00 | (18.89) |
| Disposal of Investment in Jv, Subsidiaries etc., | -- | -- | 0.53 |
| Income from Investment in Subsidiaries | 53.32 | 50.17 | 67.87 |
| Net Cash Flow from Investing Activities (B) | (274.16) | (461.12) | (277.05) |
| C. Cash Flow from Financing Activities: | | | |
| Payment on redemption of Bonds / Sub. Debts | (700.00) | (565.30) | 2400.00 |
| Dividend (Interim & Final) Paid | (68.44) | 0.00 | 0.00 |
| Interest Paid on IPDI, Sub. &, Upper Tier 2 Bonds | (1231.69) | (1176.58) | (1116.44) |

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2019 | Year ended 31.03.2020* |
|--|--------------------------|--------------------------|---------------------------|
| Increase in paid up capital | 135.95 | 20.00 | 276.99 |
| Share Premium recd. on new issue of share capital | 4729.05 | 537.28 | 6294.02 |
| Share Application Money pending for Allotment | - | - | - |
| Proceeds from Issue of Upper Tier 2 bonds | - | - | - |
| Proceeds from Issue of Perpetual Bonds | - | - | - |
| Net Cash Flow from Financing Activities (C) | 2864.87 | (1184.60) | 7854.57 |
| Net Increase in Cash & Cash Equivalents (A)+(B)+(C) | (8913.13) | 16,240.36 | 2118.78 |
| Cash /Equivalents as at the beginning of the year | 58825.46 | 49912.33 | 66152.69 |
| Cash / Equivalents as at the end of the year | 49912.33 | 66152.69 | 68271.47 |

vii. Consolidated Cash Flow Statement

(Rs. in crore)

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2019 | Year ended 31.03.2020* |
|---|--------------------------|--------------------------|---------------------------|
| A. Cash Flow from Operating Activities: | | | |
| Net Profit after Taxes | (3951.39) | 601.85 | (1986.43) |
| Adjustments for: | | | |
| Provision for income tax | (2320.62) | (2658.55) | 509.00 |
| Depreciation on Fixed Assets | 456.33 | 428.83 | 445.91 |
| Profit/ (Loss) on sale of Fixed Asset | 4.53 | 2.86 | 1.34 |
| Provision for Other Items | (644.13) | (576.13) | 646.36 |
| Interest on Tier 1 and Tier 2 Bonds | 1231.69 | 1176.58 | 1116.44 |
| Provision for NPA | 14948.28 | 12734.22 | 10733.64 |
| Less: Amount Drawn from the Other Reserves | - | (322.40) | (1169.55) |
| Loss on revaluation of Investments | 0.00 | (0.80) | (1.74) |
| Provision for Standard Assets | 4.59 | 407.80 | 380.46 |
| Profit on sale of Investment | (1934.18) | (424.41) | (716.12) |
| Provision for (Appreciation)/Depreciation on Investment | 1891.81 | 369.55 | (572.96) |
| Sub total | 9686.91 | 11739.40 | 9386.35 |
| Adjustments for: | | | |
| Increase / (Decrease) in Deposits | 29580.64 | 74276.04 | 26285.30 |
| Increase / (Decrease) in Borrowings | 17.74 | 2698.44 | (680.37) |
| Increase / (Decrease) in Other Liabilities and Provisions | (9669.17) | (7276.36) | (13622.42) |
| (Increase) / Decrease in Investments | 6738.52 | (10638.14) | (22978.53) |
| (Increase) / Decrease in Advances | (39754.44) | (46040.19) | (4288.61) |
| (Increase) / Decrease in Other Assets | (6226.35) | (5453.82) | 1424.04 |
| Increase / (Decrease) Minority Interest | 23.73 | 146.07 | 62.23 |
| Direct Taxes (Paid) / Refund | 1517.77 | 1214.72 | 876.42 |
| Sub total | | | |
| Net Cash Flow from Operating Activities (A) | (11120.19) | 18236.72 | (5288.43) |
| B. Cash Flow from Investing Activities : | | | |

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2019 | Year ended 31.03.2020* |
|---|--------------------------|--------------------------|---------------------------|
| Net Inflow / Outflow from Sale / Purchase of Fixed Assets | (459.58) | (605.72) | (337.82) |
| Investment in Subsidiaries/ Joint Ventures/ (Increase) / Decrease in other reserves | (174.98) | (171.14) | (271.43) |
| Net Cash Flow from Investing Activities (B) | (552.94) | (730.40) | (411.53) |
| C. Cash Flow from Financing Activities: | | | |
| Share Capital | 135.95 | 20.00 | 276.99 |
| Share Premium | 4729.05 | 537.29 | 6231.72 |
| Increase / (Decrease) of Bonds including subordinated Debts | (700.00) | (565.30) | 2400.00 |
| Share Application Money Pending for Allotment | 0.00 | 0.00 | 0.00 |
| Dividend (Interim & Final) Paid | (68.44) | 0.00 | 0.00 |
| Interest Paid on IPDI, Subordinated Bonds, Upper Tier 2 Bonds | (1231.69) | (1176.58) | (1116.44) |
| Net Cash Flow from Financing Activities (C) | 2864.87 | (1184.59) | 7792.27 |
| Cash flow on account of exchange fluctuation (D) | | | |
| Cash generated on account of exchange fluctuation | 65.48 | (15.09) | (33.73) |
| Net Increase in Cash & Cash Equivalents (A)+(B)+©+(D) | (8742.78) | 16306.64 | 2058.58 |
| Cash and Cash Equivalents as at the beginning of the year | 58967.38 | 50224.60 | 66531.24 |
| Cash and Cash Equivalents as at the end of the year | 50224.60 | 66531.24 | 68589.82 |

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

Auditors' Qualifications

| Financial Year | Auditors' Qualifications |
|----------------|--------------------------|
| 2019-20 | Nil |
| 2018-19 | Nil |
| 2017-18 | Nil |
| 2016-17 | Nil |

J. REVIEW OF STANDALONE FINANCIAL INFORMATION OF THE ISSUER AS OF JUNE 30, 2020

| Sr.N o. | Particulars | Year ended 31.03.2019 (Audited) | Year ended 31.03.2020* (Audited) | 30.06.2020 (Amalgamated) (Reviewed) |
|---------|--|---------------------------------------|--|---|
| 1. | Interest Earned (a+b+c+d) | 46810.34 | 48934.99 | 18035.81 |
| a) | Interest/ discount on advances/ bills | 34319.28 | 36075.88 | 13117.67 |
| b) | Income from Investments | 10937.51 | 11335.88 | 4271.87 |
| c) | Interest on balances with Reserve Bank of India and other Inter Bank | 828.01 | 1400.27 | 622.47 |

| Sr.N o. | Particulars | Year ended | Year ended | 30.06.2020 |
|------------|--|------------|-------------|---------------|
| | | 31.03.2019 | 31.03.2020* | (Amalgamated) |
| | | (Audited) | (Audited) | (Reviewed) |
| | Funds | | | |
| d) | Others | 725.54 | 122.96 | 23.80 |
| 2. | Other Income | 6574.96 | 7813.15 | 2650.10 |
| 3. | Total Income (1+2) | 53385.30 | 56748.14 | 20685.91 |
| | | | | |
| 4. | Interest Expended | 32332.22 | 35811.08 | 11940.26 |
| 5. | Operating Expenses (i)+(ii)+(iii) | 10462.21 | 11577.24 | 4460.20 |
| (i) | Employees Cost | 5675.11 | 7134.18 | 3037.42 |
| (ii) | Rent, Taxes and Lighting | 986.96 | 792.37 | 269.52 |
| (iii) | Other Operating Expenses | 3800.15 | 3650.69 | 1153.26 |
| 6. | Total Expenditure (4)+(5) (excluding Provisions and Contingencies) | 42794.43 | 47388.32 | 16400.46 |
| 7. | Operating Profit before provisions & contingencies (3-6) | 10590.87 | 9359.82 | 4285.45 |
| 8. | Provisions (other than tax) and Contingencies | 10243.85 | 11595.54 | 3826.34 |
| 9. | Exceptional Items | | | |
| 10. | Profit (+)/ Loss (-) from Ordinary Activities before Tax (7-8-9) | (2327.41) | (1755.57) | 459.11 |
| 11. | Tax Expense- Current Year | (2674.43) | 480.15 | 52.87 |
| 12. | Profit (+)/ Loss (-) from Ordinary Activities after Tax (10-11) | 347.02 | (2235.72) | 406.24 |
| 13. | Extraordinary Items (net of tax expense) | - | | |
| 14. | Net Profit (+)/ Loss (-) for the period (12-13) | 347.02 | (2235.72) | 406.24 |
| 15. | Paid-up Equity Share Capital (Face Value of each share- Rs.10/-) | 753.24 | 1030.23 | 1453.50 |
| 16. | Reserves excluding revaluation reserves (as per balance sheet of previous accounting year) | - | - | |

(*Figures related to standalone Canara Bank financials for pre-amalgamation for the period ended 31.03.2020)

K. Material event/ development or change at the time of Issue

The Issuer hereby confirms that there has been no material event, development or change having implications on the financials/ credit quality of the Issuer (e.g. any material regulatory proceedings against the Issuer/ promoters of the Issuer, tax litigations resulting in material liabilities, corporate restructuring event etc) at the time of Issue which may affect the Issue or the investor's decision to invest/ continue to invest in the debt securities of the Issuer.

L. Name of the Bond Trustee

SBICAP Trustee Company Ltd has given the consent for appointment as Trustee for the Issue vide its letter dated Aug 31, 2020. Copy of letter from SBICAP Trustee Company Ltd conveying their consent to act as Trustees for the current issue of Bonds is enclosed as annexure III in this Disclosure document.



M. Detailed rating rationale(s) adopted / Credit Rating Letter issued

Please refer to Annexure I (*for rating letter issued by Crisil Limited*) and II (*for rating letter issued by India Ratings & Research Private Limited*) of the Disclosure Document.

N. If the security is backed by a guarantee or letter of comfort or any other document/ letter with similar intent, a copy of the same shall be disclosed

Not applicable.

O. Copy of consent letter from the Debenture Trustee

Please refer to Annexure III of the Disclosure Document.

P. Names of all stock exchanges where the Debt Securities are proposed to be listed

NSE

Q. Other Details

i. DRR Creation

As per the Ministry of Companies Affairs GOI Notification dt. 31.03.2014 and Companies (Share Capital and Debentures) Rules 2014 no debenture redemption reserve is required for debentures issued by Banking Companies for both public as well as privately placed debentures. The Bank has appointed a trustee to protect the interest of the Bondholders.

ii. Issue/ instrument specific regulation

Basel III Regulations and SEBI Debt Regulations. The definitions, abbreviations or terms wherever used shall have the same meaning as defined in the RBI circulars applicable to the issue of these bonds.

II. TERMS OF ISSUE

1. Date of passing of board resolution authorizing the offer of securities

July 10, 2020.

2. Details of the bonds proposed to be issued and listed

Non-Convertible, Perpetual, Taxable, Subordinated, Fully paid-up, Unsecured Basel III Compliant Additional Tier 1 Bonds in the nature of debentures of Face value of Rs 10 Lacs each in dematerialized form made in compliance with the applicable regulations specified by SEBI, the RBI guidelines and other applicable laws.

3. Applicable Regulation

The present issue of Bonds is being made in pursuance of Master circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations and clarification issued thereof vide circular no. DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016 and DBR.BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017, as amended from time to time ("Master Circular") covering terms and conditions for issue of Perpetual Debt Instruments ("PDIs") for inclusion in Additional Tier 1 Capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular) as amended or replaced from time to time. In the event of any inconsistency in terms of the Bonds as laid down in any of the transaction document(s) and terms of the Master Circular, the provisions of the Master Circular shall prevail.

The issue of Bonds and the terms and conditions of the Bonds will be subject to the applicable guidelines issued by the Reserve Bank of India and the Securities and Exchange Board of India (SEBI) from time to time.

The bank can issue the bonds proposed by it in view of the present approvals and no further internal and external permission/approval(s) is/are required to undertake the proposed activity.

The Bonds offered are subject to provisions of the Companies Act, 2013 Securities Contract Regulation Act 1956, Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, terms of this Disclosure Document, instructions contained in the Application Form and other terms and conditions as may be incorporated in the Debenture Trustee Agreement. Over and above such terms and conditions, the Bonds shall also be subject to the applicable provisions of the Depositories Act 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment & issue of capital and listing of securities issued from time to time by the Government of India (GOI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other documents that may be executed in respect of the Bonds.

4. Objects of the Issue

The proposed Issue is being made for augmenting Additional Tier I Capital (As per the terms defined in Basel III guidelines) and overall capital of the Bank for

strengthening its capital adequacy and for enhancing its long-term resources in accordance with RBI Guidelines.

5. Price at which the security is being offered including the premium, if any

Each of the Bonds have a face value of Rs. 10,00,000 (Rupees ten lakhs only), with no premium.

6. Name and address of the valuer who performed valuation of the security offered

Not applicable, as the Bonds being offered are unsecured and are being issued at par.

7. Amount intended to be raised

Aggregate Total Issue size not exceeding Rs 488 crore with a base issue size of Rs 100 crore and a Green shoe option to retain oversubscription up to Rs 388 crore through private placement.

Amount accepted Rs 169.10 Crore

8. Authority for the Issue

The present issue of Bonds is being made pursuant to the resolution of the Board of Directors dated 10.07.2020 authorizing issue of Bonds offered under terms of this Disclosure Document.

The bank can issue the bonds proposed by it in view of the present approvals and no further internal and external permission/approval(s) is/are required to undertake the proposed activity.

9. Terms of raising securities

Non-Convertible, Perpetual, Taxable, Subordinated, Fully paid-up, Unsecured Basel III Compliant Additional Tier 1 Bonds in the nature of debentures in dematerialized form for inclusion in Additional Tier I Capital.

10. Paid in status

Fully paid in

11. Maturity period

Perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.

12. Rate of interest

The Bonds have been issued with a fixed rate of interest.

13. Put and Call Option

In pursuance of Master circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations and clarification issued thereof vide circular no. DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016 and DBR. BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017, as amended from time to time (“Master Circular”) covering terms and conditions for issue of Perpetual Debt Instruments (“PDIs”) for inclusion in Additional Tier 1 Capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular) as amended or replaced from time to time, the Bonds shall not have any “Put Option”.

The Bonds may have “Call Option” exercisable at the initiative of the Bank only after a minimum of five years, subject to compliance with the terms specified in the RBI Regulations.

Therefore, (i) the Bondholder(s) shall not have any right to exercise Put Option; and (ii) the Issuer shall not have right to exercise Call Option to redeem the Bonds, in whole or in part, prior to the Redemption Date subject to RBI regulations.

14. Minimum Subscription

Ten Bond (10 Bond i.e Rs 100 Lakhs) and in multiples of 1 Bond i.e. Rs 10 lakh there after.

15. Underwriting

The present Issue of Bonds is on a Private Placement basis and has not been underwritten.

16. Status of Bondholders/ Seniority of Claim

The order of claims/ write-down of various types of regulatory capital instruments issued by the Bank or may be issued by the Bank in future shall be in accordance with the order of seniority and as per usual legal provisions governing priority of charges. The claims of Bondholders (investors in Perpetual Debt Instruments for inclusion as Additional Tier 1 Capital) shall:

- a) be superior to the claims of investors in equity/ common shares, perpetual non-cumulative preference shares and other regulatory capital instruments eligible for inclusion in Tier 1 capital of the Bank. However, claims of Perpetual Debt Instruments eligible for inclusion in Additional Tier 1 capital shall be on pari passu basis amongst themselves irrespective of the date, amount or terms of issue;
- b) be subordinated to the claims of (i) all depositors; (ii) general creditors; and (iii) subordinated debt other than subordinated debt qualifying as Additional Tier 1 capital (as defined in the Basel III Guidelines);
- c) neither secured nor covered by a guarantee of the Bank or its related entity or any other arrangement that legally or economically enhances the seniority of the claims of Bondholders vis-à-vis creditors of the Bank;

- d) unless the terms of any subsequent issuance of the bonds/ debentures by the Bank specifies that the claims of such subsequent bondholders are senior or subordinate to the bonds issued under the Disclosure Document or unless the RBI specifies otherwise in its guidelines or regulations, the claims of the Bondholders shall be pari-passu claims of holders of such subsequent debentures / bond issuances of the Bank.
- e) rank pari passu without preference amongst themselves and other subordinated debt classifying as Additional Tier 1 Capital in terms of Basel III Guidelines.

Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Coupon Discretion, Loss Absorbency and Other Events mentioned in this Disclosure Document.

The Bonds shall not contribute to liabilities exceeding assets of the Bank if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.

If the Bank goes into liquidation, after the Basel III Compliant Additional Tier 1 instruments have been written down, the Bondholders shall have no claim on the proceeds of liquidation.

17. Loss Absorption Features

The Bonds may be classified as liabilities for accounting purposes. The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Annex 4 thereof and are subject to certain loss absorbency features as described herein and required of Additional Tier 1 instruments at Pre-Specified Trigger Level and at the Point of Non Viability as provided for in Annex 16 of the aforesaid circular.

Accordingly, the Bonds and any claims or demands of any Bondholder or any other person claiming for or on behalf of or through such Bondholder, against the Bank, may be written-off, in whole or in part, upon the occurrence of the following trigger events:

- i. Pre-Specified Trigger Level
- ii. Point of Non-Viability (PONV)

18. Pre-specified Trigger Level

If the CET1 of the Bank falls below 6.125% of RWA, the same shall be referred to as “Pre specified Trigger Level”.

A write-off of the Bonds may have the following effects:

- (i) reduce the claim of the Bond (up to nil) in liquidation;
- (ii) reduce the amount to be re-paid on the Bond when call is exercised (up to nil);
- (iii) partially or fully reduce Coupon payments on the Bond

In relation to Loss Absorption at Pre-Specified Trigger Level, the following may be noted:

- a) The write-down of any Common Equity Tier 1 capital shall not be required before a write-down of any AT1 Instrument (including the Bonds).

- b) The aggregate amount to be written-down for all AT1 Instruments on breaching the Pre-Specified Trigger Level must be at least the amount needed to immediately return the Bank's CET1 ratio to the trigger level (i.e. CET from write-down generated under applicable Indian Accounting Standards or RBI Instructions net of contingent liabilities, potential tax liabilities etc., if any) or, if this is not possible, the full principal value of the instruments.
- c) Further, the Bank shall have full discretion to determine the amount of AT1 Instruments (including the Bonds) to be written-down subject to the amount of write-down not exceeding the amount which would be required to bring the CET1 ratio to 8% of RWAs (minimum CET1 of 5.5% + capital conservation buffer of 2.5%).
- d) When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained total common equity ratio of 8% without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes.
- e) The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down that was partial.

The Bonds which have been written off can be written up (partially or full) at the absolute discretion of the Bank and subject to compliance with RBI instructions (including permission, consent if any).

19. PONV Trigger

At the option of the RBI, the Bonds may be written off upon occurrence of a trigger event ('Point of Non-Viability (PONV) Trigger' or PONV Trigger). PONV trigger event shall be as defined in the aforesaid Basel III Guidelines and shall be determined by the RBI.

As per the extant Basel III Regulations, the PONV Trigger shall be the earlier of:

- (i) a decision that a full and permanent write-off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and
- (ii) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority.

RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise. The amount of non equity capital to be written off will be determined by RBI.

The Write-off of any common Equity Tier 1 capital shall not be required before the write-off of any non equity (Additional Tier 1 and Tier 2) regulatory capital instruments. The order of write-off of the bonds shall be as specified in the order of seniority as per the Disclosure document and any other regulatory norms as may be stipulated by the RBI from time to time.

The Bonds can be written down multiple times in case the Bank hits the PONV trigger levels subsequent to the first write down. The Bonds which has been written off shall not be written up.

For these purposes, the Bank may be considered as non-viable if:

The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and

raising the Common Equity Tier 1 capital of the Bank should be considered as the most appropriate way to prevent the Bank from turning non-viable. Such measures would include write-off of the Bonds, with or without other measures as considered appropriate by the Reserve Bank. In rare situations, the Bank may also become non-viable due to non financial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of RBI Regulations.

In relation to Loss Absorption at PONV Trigger, the following may be noted:

- a) Following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated.
- b) Unless otherwise specified in this Disclosure Document, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.
- c) Such a decision would invariably imply that the write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. As such, the contractual terms and conditions of the Bonds do not provide for any residual claims on the Bank which are senior to ordinary shares of the Bank (or banking group entity where applicable), following a trigger event and when write-off is undertaken.

The Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off/ public sector injection of funds are likely to:

- a) Restore depositors' / investors' confidence;
- b) Improve rating/ creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and
- c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.

A Trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write off.

20. Purchase/ funding of bonds by the Bank

Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor would the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.

21. Terms of Payment

The full face value of the Bonds applied for is to be paid along with the Application Form. Applicant(s) need to send in the Application Form and the application amount through RTGS for the full value of Bonds applied for.

| Face Value per Bond | Minimum Application Size | Minimum Application Amount |
|---------------------|--|---|
| Rs.10 lakhs | Ten Bonds and in multiples of 01 Bond thereafter | Minimum is Rs 1 Crore and in multiples of Rs.10 lakhs |

22. Deemed Date of Allotment

Interest on Bonds shall accrue to the Bondholders on the Deemed date of allotment. All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including 25.09.2020 which shall be the Deemed Date of Allotment. All benefits relating to the Bonds will be available to the applicants from the Deemed Date of Allotment. The actual allotment of Bonds may take place on a date other than the Deemed Date of Allotment. The Bank reserves the right to keep multiple allotment date(s)/ date(s) of allotment at its sole and absolute discretion without any notice. If the issue closing date/ pay in dates is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Bank at its sole and absolute discretion.

23. Trading of Bonds

The marketable lot for the purpose of trading of Bonds shall be 1 (one) Bond of face value of Rs.10 lakhs each. Trading of Bonds would be permitted in demat mode only in standard denomination of Rs.10 lakhs and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be reported on a recognized stock exchange having a nation-wide trading terminal or such other platform as may be specified by SEBI.

24. Mode of Transfer of Bonds

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.

Transfer of Bonds to and from NRIs/ OCBs, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI.

25. Common Form of Transfer

The Bank undertakes that it shall use a common form/ procedure for transfer of Bonds issued under terms of this Disclosure Document.

26. Interest on the Bonds

The face value of the Bonds, after adjustments and write-off on account of Loss absorbency and other events mentioned in the Summary Term Sheet, shall carry interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) are mentioned in the Summary Term Sheet.

In pursuance of Master Circular No. RBI/2015-16/58 DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015, issued by the Reserve Bank of India on Basel III capital regulations covering criteria for inclusion of debt capital instruments as Additional Tier 1 Capital, the Bonds shall not have any step-ups or any other incentives to redeem. Further, the Bonds shall not have a credit sensitive coupon feature, i.e. a coupon that is reset periodically based in whole or in part on Bank's credit standing.

The interest will be paid to those bondholders whose name appears on the record of the Depositories as on the Record Date. Interest will be paid by RTGS/NEFT/ Pay Orders/ Demand Drafts.

27. Deduction of Tax at Source

Tax as applicable under the IT Act or any other statutory modification or re-enactment thereof will be deducted at source out of interest payable on Bonds. Tax exemption certificate/documents, under section 193 of the income tax act 1961 if any must be lodged at the registered office of the bank or at such other place as may be notified by the bank in writing, at least 30 calendar working days before the interest payment days.

The tax exemption certificate/declaration of non-deduction of tax at source on interest on application money should be submitted along with application form. Where any deduction of income tax is made at source, the bank shall send to the bond holders a certificate of tax deduction at source. Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultants.

Tax deducted at source will be paid to income tax authorities on accrual or payment whichever is earlier.

28. Redemption/Maturity:

| | |
|-------------------|--|
| Redemption date | Not Applicable |
| Redemption amount | Not Applicable. However, in case of Redemption on account of exercise of Call Option or Otherwise, in accordance with RBI Guidelines, the Bonds shall be redeemed at par along with interest accrued till one day prior to the redemption date subject to adjustments and write off on account of "loss absorbency" and "other events" mentioned in this Term sheets |

29. Settlement/ Payment on Redemption

Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/redemption warrant(s)/demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism in the name of the Bondholders whose name appear on the List of Beneficial Owners given by Depository to the Bank as on the Record Date.

30. Effect of Holidays

If any coupon payment date, other than the ones falling on the redemption date, falls on a day that is not a business day, the payment shall be made by the issuer on the immediately succeeding business day, which becomes the coupon payment date for that coupon. However, the future coupon payment dates would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment dates would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non business day.

If the Call Option Due Date (also being the last Coupon Payment Date, in case call option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.

31. List of Beneficial Owners

The Bank shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount on due date/ exercising of call option, as the case may be. In case, the beneficial owner is not identified by the Depository on the Record Date due to any reason whatsoever, the Issuer shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the depository and intimated to the Issuer. On receiving such intimation, the Issuer shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.

32. Succession

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, the Bank shall recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). The Bank shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Bank may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bond by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

33. Who Can Apply

The following categories of applicants are eligible to apply for this Issue of Bonds:

- a. Mutual Funds;
- b. Public Financial Institutions as defined under the Companies Act, 2013
- c. Scheduled Commercial Banks;
- d. Insurance Companies;
- e. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;
- f. Co-operative Banks;
- g. Regional Rural Banks authorized to invest in bonds / debentures;
- h. Companies and Bodies Corporate authorized to invest in bonds / debentures;
- i. Trusts and Societies authorized to invest in bonds / debentures and
- j. Statutory Corporations / Undertakings established by Central / State legislature authorized to invest in bonds / debentures etc.
- k. Foreign Portfolio Investors

The following class of investors are not eligible to participate in the offer:

- a. Resident Individual Investors;
- b. Foreign Nationals ;
- c. Any related party over which the bank exercises control or significant influence (as defined under the relevant accounting standards;
- d. Persons resident outside India;
- e. Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bonds;
- f. Partnership Firms formed under applicable laws in India in the name of the partners;
- g. Hindu Undivided Families through Karta; and
- h. Person's ineligible to contract under applicable statutory/ regulatory requirements.

This Issue is restricted only to the above investors. Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue.

Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the

eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document (and/or any Transaction Document in relation thereto and/or any draft of the Transaction Documents and/or the Disclosure Document) by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these Bonds, the Bank shall not be responsible in any manner.

*Investment by FIIs in these Bonds raised in Indian Rupees shall be within an overall limit of 49% of the issue size subject to the restriction that investment by each FPI shall not exceed 10% of the issue size.

Further Investment by FPIs in the bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by the RBI, SEBI or any other regulatory authorities on investment in these Bonds.

The issuance being a private placement through the Electronic Bidding Platform of NSE, the investors who have bid on their own account or through their arrangers, if any, appointed by Issuer, in the issue through the said platform and in compliance with SEBI circulars on the above subject and NSE EBP operating guidelines are only eligible to apply.

Notwithstanding any acceptance of bids by the bank on and /or pursuant to the bidding process, on the electronic book platform, (a) if a person, in the bank's view, is not an eligible investor, the Bank shall have the right to refuse allotment of Bonds to such person and reject such person's application; (b) If after applying for subscription to these bonds and / or allotment of bonds to any person, such person(S) becomes ineligible and /or is found to have been ineligible to invest in / hold these bonds, the issuer shall not be responsible in any manner.

The issue is restricted to the above class of investors. Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.

All applicants are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time.

However, out of the aforesaid class of applicants eligible to invest, this Disclosure Document is intended solely for the use of the person to whom it has been sent by the Bank for the purpose of evaluating a possible investment opportunity by the recipient(s) in respect of the securities offered herein, and it is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective applicant receiving this Disclosure Document from the Bank).

34. How to Apply

This being a private placement offer, investors who are established/ resident in India and who have been addressed through this communication directly only are eligible to apply.

All eligible investors should refer the operating guidelines for issuance of debt securities on private placement basis through an Electronic Book Mechanism as available on the website of NSE. Investors will also have to complete the



mandatory know your customer verification process. Investors should refer to the operational guidelines in this respect. The application form will be filled in by each investor and uploaded in accordance with the SEBI regulatory and operational guidelines. Application for the bonds must be in the prescribed forms (enclosed) and completed in BLOCK letters in English as per the instructions contained therein.

- (a) The details of the issue shall be entered on the NSE - EBP platform by the Issuer at least 2 (two) business days prior to the issue opening date, in accordance with the operational guidelines,
- (b) The issue will be opened for the bidding for the duration of the bidding window that would be communicated through the issuers bidding announcement on the NSE- EBP platform at least 1 (One) business day before the start of the issue opening date.

Some of the key guidelines in the terms of current operational guidelines on issuance of securities on private placement basis through an EBP mechanism, are as follows:

(a) Modification of Bid:

Investors may note that modification of bid is allowed during the bidding period/ window. However, in the last 10 (ten) minutes of the bidding period/ window, revision of bid is allowed only for improvement of coupon/ yield and upward revision of the bid amount placed by the investor.

(b) Cancellation of Bid:

Investors may note that cancellation of bid is allowed during the bidding period/ window. However, in the last 10 minutes of the bidding period./ window, no cancellation of bids is permitted.

(c) Multiple Bids:

Investors are permitted to place multiple bids on the EBP platform in line with EBP guidelines vide SEBI EBP circular.

However, investors should refer to the operational guidelines prevailing as on the date of the bid.

Payment Mechanism:

Applicants shall make remittance of application money by way of electronic transfer of funds through RTGS/ electronic fund mechanism for credit by the pay-in time in the Bank account of the NSE Clearing Ltd appearing on the NSE EBP platform in accordance with the timelines set out in the EBP Guidelines and the relevant rules and regulations specified by SEBI in this regard. All payment must be made through RTGS as per the Bank details mentioned in the application form/ NSE EBP platform.

The Bank assumes no responsibility for any applications lost in mail. The entire amount of Rs 10 lakhs per bond is payable on application.

1. Funds payout on 29th September 2020 would be made by NSE clearing limited to



the following Bank account of the issuer:

| | |
|-----------------------------|--|
| Name of the Banker | Canara Bank |
| Account Name | CANARA BANK TIER 1 BONDS |
| Credit into Current A/c No. | 1589201001258 |
| IFSC Code | CNRB0001589 |
| Address of the Branch | Ground Floor Canara Bank Building C- 14 G Block Bandra Kurla Complex ,Bandra(E) Mumbai 400051 |
| Narration | Application Money for the Bond Issue |

2. Cash, Money Orders, Demand Draft, and Postal Orders shall not be accepted. The issuer assumes no responsibility for any applications lost in mail. The entire amount of Rs 10 lakhs per bond is payable on application.
3. All application forms duly completed (along with all necessary documents as detailed in this disclosure document) must be delivered before the closing of the Issue to the Issuer. While forwarding the application form, applicants must ensure that the relevant UTR number/ any other evidence of having remitted the application money is obtained. Detailed instructions of filling up the application form are provided elsewhere in the Disclosure Document.
4. Applications for the bond must be in the prescribed form (enclosed) and completed in BLOCK LETTERS in English and as per the instructions contained therein. Applications should be for the number of bonds applied by the applicant. Applications not completed in the prescribed manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the application form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/redemption warrants.
5. The applicant or in the case of an application in joint names, each of the applicant, should mention his/her PAN allotted under the income tax act, 1961 or where the same has not been allotted, the GIR number and the income tax circle/ward/district. As per the provisions of section 139 A (5A) of the income tax act, PAN/GIR number needs to be mentioned on the TDs certificates. Hence, the applicant should mention his PAN/GIR number if the investor does not submit Form 15 G/15AA/other evidence, as the case may be for non deduction of tax at source. IN case neither the PAN nor the GIR number has been allotted,. The applicant shall mention "applied for" and in case the applicant is not assessed to income tax, the applicant shall mention "not applicable"(stating reasons for non applicability) in the appropriate box provided for the purpose. Application form without this information will be considered incomplete and are liable to be rejected.
6. All applicants are requested to tick the relevant columns "category of investors" in the application form. Public/private/religious/charitable trusts, provident funds and other super annuation trusts and other investors requiring

“approved security” status for making investments. No separate receipts shall be issued for the application money. However, the issuer receiving the duly completed application form(s) will acknowledge the receipt of the applications by stamping and returning the acknowledgment slip to the applicant. Applications shall be deemed to have been received by the issuer only when submitted to it or on receipt by the registrar as detailed above and not otherwise.

7. For further instructions about how to make an application for applying for the Bonds and procedure for remittance of application money, please refer to the Term Sheet and the Application form carefully.

PROCESS FLOW OF SETTLEMENT:

Successful bidders shall make pay-in of funds towards the allocation made to them, in the Bank account of the NSE Clearing Ltd, on or before 10:30 A.M on the Deemed Date of Allotment. The fund pay-in by the successful bidders will be made only from the Bank accounts, which have been provided/ updated in electronic book mechanism system. Upon the transfer of funds into the aforesaid account and the Issuer confirming its decision to proceed with the allotment of the Debentures in favor of the Debenture Holder(s) to the NSE Clearing Ltd, the R&T Agent shall provide the corporate action file along with all requisite documents to the depositories by 12:00 hours and subsequently, the pay-in funds shall be released into the Issuer’s Bank account.

35. Force Majeure

The Bank reserves the right to withdraw the issue prior to the Issue Closing Date in the event of any unforeseen development adversely affecting the economic and regulatory environment.

36. Applications Under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Bank or to the Registrars or to such other person(s) at such other address(es) as may be specified by the Bank from time to time through a suitable communication.

37. Application by Mutual Funds

In case of applications by Mutual Funds, a separate application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the application has been made.

38. PAN/GIR Number

All applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such

a non-allotment should be mentioned in the Application Form in the space provided.

39. Signatures

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate/ Notary Public under his/her official seal.

40. Right of Bondholder(s)

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Bank. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the Banking Regulation Act, 1949, as amended, the terms of this Bond Issue and the other terms and conditions as may be incorporated in the Debenture Trusteeship Agreement and other documents that may be executed in respect of these Bonds.

41. Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold at least three fourth of the outstanding amount of the Bonds or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against the Bank where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to the Bank.

42. Future Borrowings

The Bank shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as pari-passu basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as the Bank may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

43. Notices

All notices required to be given by the Bank or by the Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under “Payment of Interest” shall be sent by registered post or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.

44. Joint-Holders

Where two or more persons are holders of any Bond(s), they shall be deemed to hold the same as joint tenants with benefits of survivorship subject to provisions contained in the Companies Act, 1956 and the Companies Act, 2013.

45. Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Bengaluru.

46. Investor Relations And Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible, the issuer endeavors to resolve the investor's grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of Bonds applied for, amount paid on application and details of collection centre where the Application was submitted, may be addressed to the Compliance Officer at registered office of the issuer. All investors are hereby informed that the Bank has appointed a Compliance Officer who may be contacted in case of any pre-issue/ post-issue related problems such as non-credit of letter(s) of allotment/ bond certificate(s) in the demat account, non-receipt of refund order(s), interest warrant(s)/ cheque(s) etc. Contact details of the Compliance Officer are given elsewhere in this Disclosure Document.

47. Credit Rating for the Bonds

CRISIL Limited (CRISIL) have vide their letter no. CANBANK/253347/TIBUBIII/290820204/1 dated September 17, 2020 has assigned a credit rating "CRISIL AA/ Negative" by CRISIL Ratings. Pronounced as "CRISIL AA/Negative " for issue of Basel III Compliant Additional Tier 1 Bonds aggregating upto Rs. 2500 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments have high degree of safety regarding servicing of debt obligations and carry very low credit risk. A copy of rating letter from CRISIL Limited is enclosed elsewhere in this Disclosure Document.

India Ratings and Research have vide their letter dated September 17, 2020, have assigned "IND AA/Rating Watch Negative" by India Ratings & Research. Pronounced as "IND AA on Rating Watch Negative" up to INR 78 billion Basel III compliant Additional Tier 1 Bonds to be issued.

Other than the credit rating mentioned hereinabove, the Bank has not sought any other credit rating from any other credit rating agency (ies) for the Bonds offered for subscription under the terms of this Disclosure Document.

The above rating is not a recommendation to buy, sell or hold securities and applicants should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency. The rating obtained is subject to revision at any point of time in the future. The rating agency has the right to suspend, withdraw the rating at any time on the basis of new information etc.

48. Trustees for the Bondholders

In accordance with the provisions of (i) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended, (ii) Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, (iii) Section 117B of the Companies Act, 1956 (1 of 1956) and Section 71 of the Companies Act, 2013 to the extent in force and notified respectively and (iv) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Bank has appointed SBICAP Trustee Company Ltd to act as Trustees (“Trustee”) for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustees are as under:

SBICAP Trustee Company Ltd ,
Corporate Office,
Apeejay House,
6th Floor, 3, Dinshaw Waccha Road,
Church Gate, Mumbai -400020

A copy of letter from **SBICAP Trustee Company Ltd** conveying their consent to act as Trustees for the current issue of Bonds is enclosed elsewhere in this Disclosure Document.

The Bank hereby undertakes that a Debenture Trusteeship Agreement shall be executed by it in favour of the Trustees within three months permissible under applicable laws. The Debenture Trusteeship Agreement shall contain such clauses as may be prescribed under section 71 of the Companies Act, 2013 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations. Further, the Debenture Trusteeship Agreement shall not contain a clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Trustees or the Bank in relation to any rights or interests of the holder(s) of the Bonds, (ii) limiting or restricting or waiving the provisions of the Securities and Exchange Board of India Act, 1992 (15 of 1992); Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and circulars, regulations or guidelines issued by SEBI and (iii) indemnifying the Trustees or the Bank for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Trustees may in their absolute discretion deem necessary or require to be done in the interest of the Bondholders. Any payment made by the Bank to the Trustees on behalf of the Bondholder(s) shall discharge the Bank pro tanto to the Bondholder(s). The Trustees shall protect the interest of the Bondholders in the event of default by the Bank in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Bank. No Bondholder shall be entitled to proceed directly against the Bank unless the Trustees, having become so bound to proceed, fail to do so.

The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts

Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations(1993), the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.

The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Bank in consultation with institutional holder(s) of such Bonds, in accordance with applicable laws. The Trustees shall ensure disclosures of all material events on an ongoing basis.

The Bank shall, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/ 11/05 dated May 11, 2009 as amended. Besides, the Bank shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all “Qualified Institutional Buyers” (QIBs) and other existing Bondholder(s) within two working days of their specific request.

49. Stock Exchange Where Bonds Are Proposed to be Listed

The Bonds are proposed to be listed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited (“NSE”). The Bank made an application to NSE for seeking its in-principle approval for listing of Bonds offered under the terms of this Disclosure Document and received an in-principle approval from the NSE vide letter bearing reference no: NSE/LIST/2770 Dated 21.09.2020

In pursuance of SEBI Debt Regulations, the Bank shall make listing application to NSE within 15 days from the Deemed Date of Allotment of Bonds and seek listing permission within 20 days from the Deemed Date of Allotment of Bonds. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Bank shall pay penal interest of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).

In connection with listing of Bonds with NSE, the Bank hereby undertakes that:

- (a) it shall comply with the conditions of listing as specified in the Listing Agreement for the Bonds with NSE;
- (b) the credit rating obtained for the Bonds shall be periodically reviewed by the credit rating agency and any revision in the rating shall be promptly disclosed by the Bank to NSE;
- (c) any change in credit rating shall be promptly disseminated to the Bondholder(s) in such manner as NSE may determine from time to time;
- (d) The Bank, the Trustees and NSE shall disseminate all information and reports on the Bonds including compliance reports filed by the Banks and

the Trustees regarding the Bonds to the Bondholder(s) and the general public by placing them on their websites;

- (e) Trustees shall disclose the information to the Bondholder(s) and the general public by issuing a press release and placing on the websites of the Trustees, the Bank and NSE, in any of the following events:
 - (i) default by Bank to pay interest on the Bonds;
 - (ii) revision of the credit rating assigned to the Bonds.
- (f) The Bank shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Bank shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all Qualified Institutional Buyers (“QIBs”) and other existing Bondholder(s) within two working days of their specific request.

50. Material Contracts & Agreements Involving Financial Obligations Of The Issuer

By very nature of its business, the Bank is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Bank. However, the contracts referred to in Para A below (not being contracts entered into in the ordinary course of the business carried on by the Bank) which are or may be deemed to be material have been entered into by the Bank. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Head Office of the Bank between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

A. Material contracts

- a. Letter appointing Registrars and Agreement entered into between the Bank and the Registrars.
- b. Letter appointing Trustees to the Bondholders.

B. Documents

The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:

- a. Board resolution dated July 10, 2020, authorizing issue of Bonds offered under terms of this Disclosure Document.
- b. Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.

- c. Letter of consent from the Registrars for acting as Registrars to the Issue.
- d. Application made to the NSE for grant of in-principle approval for listing of Bonds.
- e. Letter from CRISIL Limited conveying the credit rating for the Bonds.
- f. Letter from India Ratings & Research Pvt Limited conveying the credit rating for the Bonds.
- g. Tripartite Agreement between the Bank, NSDL and Registrars for issue of Bonds in dematerialised form.
- h. Tripartite Agreement between the Bank, CDSL and Registrars for issue of Bonds in dematerialised form.

III. Disclosure Pertaining to Willful default

| | | |
|----|--|------------------|
| a) | Name of the Bank declaring the entity as a willful defaulter | - Not Applicable |
| b) | The year in which the entity is declared as a willful defaulter | - Not Applicable |
| c) | Outstanding amount when the entity is declared as a willful defaulter | - Not Applicable |
| d) | Name of the entity declared as a willful defaulter | - Not Applicable |
| e) | Steps taken, if any, for the removable from the list of willful defaulter | - Not Applicable |
| f) | Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions | - Not Applicable |
| g) | Any other disclosure as specified by SEBI | - Not Applicable |

IV. Summary Term Sheet of the Issue

| | | |
|----|--|---|
| 1 | Security Name | (8.30)% CANARA BANK Basel III Additional Tier I Bond 2020-21 Series II |
| 2 | Issuer/Bank | Canara Bank ("CB"/ the "Bank"/ the "Issuer") |
| 3 | Issue Size | Aggregate Total Issue size not exceeding Rs 488 crore with a base issue size of Rs 100 crore and a Green shoe option to retain oversubscription upto Rs 388 crore. |
| 3a | Accepted amount | Rs 169.10 Crore |
| 4 | Option to retain oversubscription | Green shoe option up to Rs 388 crore. |
| 5 | Type of Instrument | Non-Convertible, Perpetual, Taxable, Subordinated, Fully paid-up, Unsecured Basel III Compliant Additional Tier 1 Bonds-Series II in the nature of debentures of Face value of Rs 10 Lacs each |
| 6 | Nature of Instrument | Unsecured The bonds are neither secured nor covered by a guarantee of the Bank nor related entity or other arrangements that legally or economically enhances the seniority of the claim vis-à-vis other creditors of the Bank. |
| 7 | Objects of the Issue | Augmenting Additional Tier I Capital (As per the terms defined in Basel III guidelines) and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources in accordance with RBI Guidelines. |
| 8 | Utilization of the Proceeds of the Issue | The Bank shall utilize the proceeds of the issue for augmenting Additional Tier 1 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long term resources in accordance with RBI/ SEBI/ Stock Exchange(s) Guidelines |
| 9 | Status of Bonds / Seniority of Claims | <p>The Claims of the Bondholders shall :</p> <ol style="list-style-type: none"> 1. be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank , if any; 2. be subordinated to the claims of depositors, general creditors & subordinated debt of the Bank, other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines); 3. Neither be secured nor covered by a guarantee of the Issuer nor related entity or any other arrangements that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank; 4. Unless the terms of any subsequent issuance of bonds/debentures (in the nature of AT1 instruments) by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the bonds issued under this Disclosure Document or unless the RBI specifies otherwise in its guidelines or regulations, the claims of the Bond holders shall be pari passu with claims of holders of such subsequent debentures/bond issuances of the Bank; 5. Rank pari passu without preference amongst themselves and other subordinated debt classifying as Additional Tier 1 Capital in terms of Basel III Guidelines. <p>Additional Tier 1 Capital shall have the meaning ascribed to such terms under Basel III Guidelines.</p> |

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| | | <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of coupon discretion, loss absorbency and other events mentioned in the disclosure document and this Summary Term sheet.</p> <p>The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p> |
| 10 | Listing | Proposed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited (“NSE”). |
| 11 | Credit Rating | “CRISIL AA/Negative” by CRISIL Ltd; pronounced as CRISIL Double A with Negative Outlook and “IND AA/RWN” by India Ratings and Research Ltd; pronounced as India Ratings Double A on Rating Watch Negative. |
| 12 | Mode of Issue | Private Placement. |
| 13 | Issuance Mode | Only in dematerialized form |
| 14 | Type of Bidding | Fixed Coupon Bidding; on Electronic Bidding Platform (EBP) of NSE (National Stock Exchange) |
| 15 | Manner of allotment | Uniform Coupon |
| 16 | Trading Mode | Only in dematerialized form |
| 17 | Security | Unsecured |
| 18 | Convertibility | Non-Convertible |
| 19 | Face Value | Rs.10,00,000/- (Rupees Ten Lakh) per Bond |
| 20 | Issue Premium | Nil |
| 21 | Issue Discount | Nil |
| 22 | Issue Price | At par i.e Rs 10,00,000 (Rupees Ten Lakh) per Bond. |
| 23 | Minimum Application | Ten Bonds and in multiples of 01 bond thereafter |
| 24 | Tenor | Perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem. |
| 25 | Redemption date | Not applicable as the Bonds are perpetual and there shall be no redemption date. |
| 26 | Redemption Premium | Nil |
| 27 | Redemption Discount | Nil |
| 28 | Redemption Amount | <p>Not applicable.</p> <p>However, in case of Redemption on account of exercise of Call Option or Otherwise, in accordance with RBI Guidelines, the Bonds shall be redeemed at Par along with Interest accrued till one day prior to the call option date, subject to adjustments and / Write Off on account of Loss Absorbency and Other Events as mentioned in this Summary Term Sheet.</p> |
| 29 | Coupon Rate | 8.30% per annum subject to “Coupon Discretion”, “Loss absorbency”, and “Other Events” mentioned in this Summary Term Sheet. |
| 30 | Coupon Reset | Not Applicable |
| 31 | Coupon Type | Fixed |
| 32 | Coupon Payment Frequency | Annual subject to “Coupon Discretion” and / or “Loss Absorbency” (as the case may be) |
| 33 | Coupon Payment Dates | On the Anniversary of Deemed Date of Allotment each year, subject to RBI regulations (up to Call option date, in case Call option is exercised by the Bank) |
| 34 | Computation of Interest/Day count Basis | The Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value/ principal outstanding at the coupon rate rounded-off to the |

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| | | <p>nearest rupee. (As per SEBI circular Nos. CIR/IMD/DF/18/2013 dated 29.10.2013 and CIR/IMD/DF-1/122/2016 dated.11.11.2016) on the face value / Principal Outstanding after adjustments and write off on account of “Loss absorbency” and “ Other events” mentioned in this Summary Term Sheet , at the Coupon rate Rounded off to the Nearest Rupee</p> <p>The Interest period means each period beginning on (and including) the deemed date of allotment or any coupon payment date and ending on (but excluding) the next coupon payment date/ Issuer Call date, tax call date or regulatory call date (as defined later) (if exercised).</p> <p>In case of a leap year, if February 29 falls during the tenor of the bonds then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for a whole 1 year period.</p> |
| 35 | Step up /Step down Coupon rate | Not applicable |
| 36 | Coupon Discretion | <p>a) The Bank shall have full discretion at all times to cancel Coupon either in part or full in order to meet the eligibility criteria for perpetual debt instruments under Basel III Guidelines. On cancellation of payment of Coupon, these payments shall be extinguished and the Bank shall have no obligation to make any distribution/Coupon payment in cash or kind.</p> <p>b) The Bonds do not carry a ‘dividend pusher’ feature i.e. if the Bank makes any payment (coupon/dividend) on any other capital instrument or share, the Bank shall not be obligated to make Coupon payment on the Bonds;</p> <p>c) Cancellation of Coupon/discretionary payments shall not be an event of default.</p> <p>d) Bank shall have full access to cancelled Coupons/ payments to meet obligations as they fall due.</p> <p>e) Cancellation of Coupon/distributions/payments shall not impose restrictions on the Bank except in relation to distributions to common stakeholders.</p> <p>f) Interest shall not be cumulative.</p> <p>g) Coupons, unless cancelled by the bank, shall be paid out of distributable items. In this context, coupon may be paid out of current year profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of:</p> <p>(i) Profit brought forward from previous years and/ or</p> <p>(ii) Reserves representing appropriation of net profits including statutory reserves and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation.</p> <p>The accumulated losses and deferred revenue expenditure, if any, shall be netted off from (i) and (ii) to arrive at the available balances for payment of coupon.</p> <p>If the aggregate of (a) profits in the current year; (b) profits brought forward from the previous years and (c) permissible reserves as at (ii) above, excluding statutory reserves, net of</p> |

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| | | <p>accumulated losses and deferred revenue expenditure are less than the amount of coupon, only then the bank shall make appropriation from the statutory reserves. In such a case, the Banks shall be required to report to the Reserve Bank of India within 21 days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act, 1949. However, prior approval of the RBI for appropriation of reserves as above in terms of Circular No. DBOD. BP. BC No. 31/21.04.018/2006-07 dated 20.09.2006 on Section 17(2) of Banking Regulation Act, 1949 on appropriation from “reserve fund.”</p> <p>However, payment of coupons on the Bonds from the reserves shall be subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios including the additional capital requirement for Domestic Systemically Important Banks at all times and subject to the restrictions under capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer in terms of paragraph 15 and 17 respectively of the Basel III guidelines).</p> <p>h) The Coupon on the Bonds shall not be cumulative. If Coupon is cancelled or not paid or paid at a rate lesser than the Coupon Rate, such unpaid and/or cancelled Coupon will not be paid in future years. Non-payment of coupon will not constitute an event of default in respect of the bonds.</p> <p>i) If Coupon is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</p> <p>In the event the issuer determines that it shall not make a payment of coupon on the bonds, the issuer shall notify the trustee not less than 21 (twenty one) calendar days prior to the relevant coupon payment date of that fact and of the amount that shall not be paid.</p> |
| 37 | Dividend Stopper Clause | <p>If any interest is cancelled, then from the date of which such cancellation has first been notified(a “Dividend Stopper Date”) the Bank will not:</p> <p>1) Declare or pay any discretionary distribution or dividend or make any other payment on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier I Capital(other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date or where the terms of the instrument do not at the relevant time enable the bank to cancel or defer such payment); or</p> <p>2) Pay discretionary interest of any other distribution on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or security ranking, as to the right of payment of dividend, distributions or similar</p> |

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| | | <p>payments, pari passu with the bonds (excluding securities the terms of which stipulate mandatory redemption).</p> <p>In each case unless or until 1) The occurrence of next coupon payment date, following the Dividend Stopper Date, on which payment of the coupon amount has resumed and such coupon (payable on such coupon payment date) has been paid in full, or 2) The prior approval of the bond holder has been obtained via an extraordinary resolution (as per the mechanism stipulated in the debenture trust deed). It is hereby clarified that coupon on the bonds shall not be cumulative. If coupon is cancelled or not paid or paid at a rate lesser than the coupon rate, such unpaid and/or cancelled coupon will not be paid in the future years.</p> <p>For avoidance of doubt, the dividend stopper will not:</p> <ol style="list-style-type: none"> Stop payment on another instrument where the payments on such an instrument are not fully discretionary; Prevent distribution to share holder for a period that extends beyond the point in time at which interest on the bonds is resumed; Impede the normal operation of the bank, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or Impede the full discretion that the bank has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the recapitalization of the Bank. <p>Dividend stopper clause will be applicable to these bonds and it will stop dividend payments on common shares in the events the holders of these are not paid coupon.</p> <p>In the event the holders of these bonds are not paid coupon, they shall not impede the full discretion that issuer has at all times to cancel distributions/payments on the bonds, nor will they impede/ hinder:</p> <ol style="list-style-type: none"> The re-capitalization of the issuer. The issuer's right to make payments on other instruments, where the payments on this other instruments were not also fully discretionary. The issuer's right to making distributions to share holders for a period that extends beyond the point in time that coupon/ dividends on the bonds are resumed. The normal operation of the issuer or any restructuring activity (including acquisitions/disposals) |
| 38 | Record Date | <p>Reference date/ Record date for payment of coupon/ principal which shall be the date falling 15 (fifteen) days prior to</p> <ul style="list-style-type: none"> each Coupon Payment Date on which coupon amount is due and payable and |

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| | | <ul style="list-style-type: none"> Call Option Due Date on which the Call Option is due and payable, if Call Option is exercised by the Bank. |
| 39 | Interest on Application Money | <p>This shall be paid at the coupon rate (subject to deduction of Income Tax as per the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the Application Money for the Bonds for the period starting from and including the date of realization of application money in Bank's Account up to one day prior to the Deemed Date of Allotment.</p> <p>The Bank shall not be liable to pay interest in case of invalid applications or applications liable to be rejected including application made by a person who is not an eligible Investor.</p> <p>The interest on Application Money will be computed as per Actual/ Actual day count convention. Such interest would be paid on all valid applications, including the refunds. Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refund orders. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money.</p> <p>Income Tax at Source (TDS) will be deducted at the applicable rate on interest on Application Money.</p> |
| 40 | Put Option | Not Applicable |
| 41 | Call Option Price | At par i.e. Rs. 10,00,000 (Rupees Ten lakh) per Bond |
| 42 | Call Option date | <p>On the fifth anniversary from the deemed date of allotment or any anniversary date thereafter with prior approval of RBI subject to Tax call/ Regulatory call .</p> <p>In case of Tax call or Regulatory call, the date may be specified in the notice to trustees.</p> |
| 43 | Call Notification Time | 30 (Thirty) calendar days prior to the date of exercise of Call Option |
| 44 | Condition for exercise of call option | <p>The Call Option may be exercised subject to following conditions:</p> <ol style="list-style-type: none"> Such Call Option, if exercised, shall only be after the expiry of 5 (five) years from the Deemed Date of Allotment; To exercise the Call Option, the Bank must receive prior approval of RBI (Department of Banking Regulation); The Bank shall not exercise Call Option unless: <ol style="list-style-type: none"> The Bond is replaced with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised. |
| 45 | Issuer Call Option | <p>The Issuer may, at its sole discretion, with prior approval of the RBI, and having notified the Debenture Trustee not less than 30 Calendar days prior to the date of exercise of Call Option (which notice shall specify the date fixed for exercise of Call Option) may exercise Call Option on the outstanding Bonds.</p> <p>The Call Option, which shall be exercisable at the sole discretion</p> |

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| | | of the Bank, may or may not be exercised on the Fifth anniversary of the Deemed Date of Allotment or any Coupon Payment Date thereafter. |
| 46 | Tax Call | <p>If there is any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated there under) in India or any change in the official application of such laws, regulations or rulings (a "Tax Event") like the Issuer will no longer being entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds, Issuer may, at its option, redeem the Bonds, in whole but not in part, at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency" and other events mentioned in the Term Sheet, together with any accrued but unpaid interest (subject to Coupon Discretion) to (but excluding) the date fixed for exercising call option on such Bonds. Any redemption upon the occurrence of a Tax Event will be subject to the provisions described under "Call Notification Time" and conditions (ii) and (iii) enumerated under "Condition for exercise of Call Option"</p> <p>RBI may permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Call at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank's capital position is well above the minimum capital requirements after the call option is exercised.</p> |
| 47 | Regulatory Call | <p>If there is a change in the regulatory classification of the Bonds that occurs on or after the issue date of the Bonds (a "Regulatory Event"), Issuer may, after notifying the trustee not less than 21 days prior to the exercise of such call, at its option, redeem the Bonds, in whole but not in part, at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency" and Other Events mentioned in this Summary Term Sheet, together with any accrued but unpaid interest (subject to Coupon Discretion) to (but excluding) the date fixed for exercising call option on such Bonds. Any redemption upon the occurrence of a Regulatory Event will be subject to the provisions described under "Call Notification Time" and conditions (ii) and (iii) enumerated under "Condition for exercise of Call Option"</p> <p>RBI may permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Call at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank's capital position is well above the minimum capital requirements after the call option is exercised.</p> |
| 48 | Repurchase / Redemption / Buy-Back | <p>The outstanding Principal amount of the Bonds may be repaid (e.g. through repurchase or redemption) subject to prior approval of RBI. (this repurchase/buy-back/redemption of the principal amount shall be in a situation other than in the event of exercise of call option by the bank.</p> <p>a) The Bank may repurchase/ buy-back/ redeem the Bonds only if:</p> <p>(i) It replaces the Bonds with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or</p> <p>(ii) The Bank demonstrates that its capital position is well</p> |

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| | | <p>above the minimum capital requirements after the repurchase/ buy-back/ redemption.</p> <p>b) The issuer has not assumed or created any market expectations that RBI approval for such repurchase/ redemption/ buy-back shall be given.</p> <p>c) Any other preconditions specified in the Basel III guidelines at such time have been satisfied.</p> <p>Such bonds may be held, reissued, resold, extinguished or surrendered, at the option of the Issuer.</p> |
| 49 | Depository | National Securities Depository Ltd (NSDL) & Central Depository Services (India) Ltd (CDSL) |
| 50 | Cross Default | Not Applicable |
| 51 | Settlement | <p>The Bank shall make payment of coupon, interest on application money, Call Option Price (in case of exercise of Call Option), repayment of Principal by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism/ other electronic mode as may be allowed by RBI from time to time, in the name of the sole/ first Beneficial Owners of the Bonds as given by Depository to the Bank as on the Record Date.</p> <p>The Bonds shall be taken as discharged on payment of the Call Option Price by the Bank on the Call Option Due Date to the sole/ first Beneficial Owners of the Bonds as given by the Depository to the Bank as on the Record Date. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders and the Bank shall not be liable to pay any interest or compensation from the Call Option Due Date. On such payment being made, the Bank shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Beneficial Owners with NSDL/ CDSL/ Depository Participant shall be adjusted.</p> |
| 52 | Settlement cycle for EBP | T+2 (issuance) |
| 53 | Transaction Documents | <p>The Bank has executed / shall execute the documents including but not limited to the following in connection with the issue:</p> <ol style="list-style-type: none"> 1. Letter appointing M/s SBICAP Trustee Company Ltd as Trustees to the Bond Holders; 2. Debenture Trusteeship Agreement/ Bond Trusteeship agreement/Debenture Trust Deed; 3. Rating letter from Rating Agencies namely CRISIL and India Ratings; 4. Letter appointing M/s CANBANK COMPUTER SERVICES LIMITED as Registrar and agreement entered into between the Issuer and the Registrar; 5. Tripartite agreement between the Issuer, Registrar to the Issue and NSDL for issue of Bonds in dematerialized form; 6. Tripartite agreement between the Issuer, Registrar to the Issue and CDSL for issue of Bonds in dematerialized form; 7. Application made to NSE for seeking its in-principle approval for listing of bonds; 8. Listing Agreement with NSE. 9. Disclosure document. |
| 54 | Conditions precedent to subscription of Bonds | <p>The subscription from investors shall be accepted for allocation and allotment by the Issuer, subject to the following:</p> <ol style="list-style-type: none"> 1. Letter from the Trustees conveying their consent to act as |

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| | | <p>Trustees for the Bondholder(s);</p> <ol style="list-style-type: none"> 2. Letter from NSE conveying its In-principle approval for listing and trading of Bonds 3. Rating Letters from rating agencies not more than one month old from the date of issuance. 4. Letter from the Registrar conveying its consent to act as registrar to issue. |
| 55 | Conditions subsequent to subscription of Bonds | <p>The Bank shall ensure that the following documents are executed/ activities are completed as per terms mentioned in this Disclosure Document:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment, 2. Making listing application to NSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations; 3. Besides, the issuer shall perform all the activities, whether mandatory or otherwise, as mentioned elsewhere in this disclosure document. |
| 56 | Recapitalization | The Bonds shall not have any features that hinder re-capitalization, such as provisions which require the Bank to compensate investors if a new instrument is issued at a lower price during a specified time frame |
| 57 | Reporting of Non-payment of Coupons | All instances of non-payment of coupon shall be notified by the Bank to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai. |
| 58 | Compliance with Reserve Requirements | The total amount of Bonds issued by the Bank shall not be reckoned as liability for calculation of net demand and time liabilities for the purpose of reserve requirements and, as such, shall not attract CRR / SLR requirements. |
| 59 | Default interest rate | <p>In case of default in payment of Interest and / or principal redemption on the due dates, additional interest at 2% per annum over the Coupon Rate will be payable by the Issuer for the defaulting period. However any non payment of interest and / or principal on account of RBI guidelines on Basel III capital regulations , Coupon discretion, Loss absorbency and other events of this Summary term sheet, no such default interest shall be payable.</p> <p>If the Bank fails to execute the trust deed within three months of the closure of the issue, the Bank shall pay additional interest at 2% p.a. to the debenture holders, over and above the agreed coupon rate, till the execution of the trust deed.</p> |
| 60 | Debenture Redemption Reserve | In pursuance of rule 18 (7) (b) (i) of the Companies (Share Capital and Debentures) Rules, 2014, no DRR is required to be created for debentures issued by banking companies for both public as well as privately placed debentures. |
| 61 | Issue Schedule : 1. Opening Date* 2. Closing Date* | <p>25th September 2020</p> <p>25th September 2020</p> |
| 62 | Pay-In-Date* | 29 th September 2020 |

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| 63 | Deemed Allotment* | Date of 29 th September 2020 |
| <p>* The Bank reserves its sole and absolute right to modify (pre-pone/ post-pone) the above issue schedule without giving any reasons or prior notice. In such a case, applicants shall be intimated about the revised time schedule by the Bank. The Bank also reserves the right to keep multiple Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Dates is/are changed (pre-poned/ post-poned), the Deemed Date of Allotment may also be changed (pre-poned/ post-poned) by the Bank at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates may also be changed at the sole and absolute discretion of the Bank.</p> | | |
| <p>Loss absorption features of Additional Tier 1 (AT1) Instruments at the Pre-Specified Trigger and/or PONV</p> | | |
| 64 | Loss Absorption/ Loss Absorbency | <p>The Bonds may be classified as liabilities for accounting purposes. The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Annex 4 thereof and are subject to certain loss absorbency features as described herein and required of Additional Tier 1 instruments at Pre-Specified Trigger Level and at the Point of Non Viability as provided for in Annex 16 of the aforesaid circular.</p> <p>Accordingly, the Bonds and any claims or demands of any Bondholder or any other person claiming for or on behalf of or through such Bondholder, against the Bank, may be written-off, in whole or in part, upon the occurrence of the following trigger events:</p> <ul style="list-style-type: none"> (i) Pre-Specified Trigger Level (ii) Point of Non-Viability (PONV) |
| 65 | Loss Absorption at Pre-Specified Trigger Level | <p>If the CET1 of the Bank falls below 6.125% of RWA, the same shall be referred to as “Pre specified Trigger Level”.</p> <p>A write-off of the Bonds may have the following effects:</p> <ul style="list-style-type: none"> (iv) reduce the claim of the Bond (up to nil) in liquidation; (v) reduce the amount to be re-paid on the Bond when call is exercised (up to nil); (vi) partially or fully reduce Coupon payments on the Bond <p>In relation to Loss Absorption at Pre-Specified Trigger Level, the following may be noted:</p> <ul style="list-style-type: none"> a) The write-down of any Common Equity Tier 1 capital shall not be required before a write-down of any AT1 Instrument (including the Bonds). b) The aggregate amount to be written-down for all AT1 Instruments on breaching the Pre-Specified Trigger Level must be at least the amount needed to immediately return the Bank's CET1 ratio to the trigger level (i.e. CET from write-down generated under applicable Indian Accounting Standards or RBI Instructions net of contingent liabilities, potential tax liabilities etc., if any) or, if this is not possible, the full principal value of the instruments. c) Further, the Bank shall have full discretion to determine |

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| | | <p>the amount of AT1 Instruments (including the Bonds) to be written-down subject to the amount of write-down not exceeding the amount which would be required to bring the CET1 ratio to 8% of RWAs (minimum CET1 of 5.5% + capital conservation buffer of 2.5%).</p> <p>d) When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained total common equity ratio of 8% without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes.</p> <p>e) The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down in partial.</p> <p>f) The Bonds which have been written off can be written up (partially or fully) at the absolute discretion of the Bank and subject to compliance with RBI instructions (including permission, consent if any).</p> |
| 66. | Loss Absorption at the Point of Non-Viability (PONV) | <p>At the option of the RBI, the Bonds may be written off upon occurrence of a trigger event ('Point of Non-Viability (PONV) Trigger' or PONV Trigger). PONV trigger event shall be as defined in the aforesaid Basel III Guidelines and shall be determined by the RBI.</p> <p>As per the extant Basel III Regulations, the PONV Trigger shall be the earlier of:</p> <p>(iii) a decision that a full and permanent write-off, without which the Bank would become non-viable, is necessary, as determined by the RBI; and</p> <p>(iv) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority.</p> <p>RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise. The amount of non equity capital to be written off will be determined by RBI.</p> <p>The Write-off of any common Equity Tier 1 capital shall not be required before the write-off of any non equity (Additional Tier 1 and Tier 2) regulatory capital instruments. The order of write-off of the bonds shall be as specified in the order of seniority as per the Disclosure document and any other regulatory norms as may be stipulated by the RBI from time to time.</p> <p>The Bonds can be written down multiple times in case the Bank hits the PONV trigger levels subsequent to the first write down. The Bonds which has been written off shall not be written up.</p> <p>For these purposes, the Bank may be considered as non-viable if:</p> <p>The Bank which, owing to its financial and other difficulties, may</p> |

no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the Bank should be considered as the most appropriate way to prevent the Bank from turning non-viable. Such measures would include write-off of the Bonds, with or without other measures as considered appropriate by the Reserve Bank. In rare situations, the Bank may also become non-viable due to non financial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of RBI Regulations.

In relation to Loss Absorption at PONV Trigger, the following may be noted:

- a) Following writing-off of the Bonds and claims and demands as noted above neither the Bank, nor any other person on the Bank's behalf shall be required to compensate or provide any relief, whether absolutely or contingently, to the Bondholder or any other person claiming for or on behalf of or through such holder and all claims and demands of such persons, whether under law, contract or equity, shall stand permanently and irrevocably extinguished and terminated.
- b) Unless otherwise specified in this Disclosure Document, the write-off of any common equity or any other regulatory capital (as understood in terms of the aforesaid circular or any replacement/amendment thereof), whether senior or pari passu or subordinate, and whether a Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.
- c) Such a decision would invariably imply that the write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. As such, the contractual terms and conditions of the Bonds do not provide for any residual claims on the Bank which are senior to ordinary shares of the Bank (or banking group entity where applicable), following a trigger event and when write-off is undertaken.

The Bank facing financial difficulties and approaching a PONV will be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through write-off/ public

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| | | <p>sector injection of funds are likely to:</p> <ol style="list-style-type: none"> Restore depositors' / investors' confidence; Improve rating/ creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. <p>A Trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write off.</p> |
| 67. | Criteria to determine the PONV | <p>RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise, in accordance with applicable laws. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p> |
| 68. | Treatment of AT1 Instruments in the event of Winding-Up, Amalgamation, Acquisition, Re-Constitution, etc. of the Bank | <ol style="list-style-type: none"> If the Bank goes into liquidation before the AT1 instruments have been written-down, these instruments shall absorb losses in accordance with the order of seniority indicated in the Disclosure Document and as per usual legal provisions governing priority of charges If the Bank goes into liquidation after the AT1 instruments have been written-down, the holders of these instruments shall have no claim on the proceeds of liquidation. Amalgamation of a banking company: (Section 44 A of BR Act, 1949 as amended from time to time) <ol style="list-style-type: none"> If the Bank is amalgamated with any other bank before the AT1 instruments have been written-down, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. If the Bank is amalgamated with any other bank after the AT1 instruments have been written-down temporarily, the amalgamated entity can write-up these instruments as per its discretion. If the Bank is amalgamated with any other bank after the non-equity regulatory capital instruments have been written-down permanently, these cannot be written-up by the amalgamated entity. Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949 as amended from time to time) <p>If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of BR Act, 1949, then the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of AT1 Instruments will be activated. Accordingly, the Bonds will be fully written-down permanently before amalgamation / reconstitution in accordance with these rules.</p> |

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| 69. | Order of claim of AT 1 instruments at the event of Gone concern situation | <p>The order of claims/ write-down of various types of regulatory capital instruments issued by the Bank or may be issued by the Bank in future shall be in accordance with the order of seniority and as per usual legal provisions governing priority of charges. The claims of Bondholders (investors in Perpetual Debt Instruments for inclusion as Additional Tier 1 Capital) shall:</p> <ul style="list-style-type: none"> a) be superior to the claims of investors in equity/ common shares, perpetual non-cumulative preference shares and other regulatory capital instruments eligible for inclusion in Tier 1 capital of the Bank. However, claims of Perpetual Debt Instruments eligible for inclusion in Additional Tier 1 capital shall be on pari passu basis amongst themselves irrespective of the date, amount or terms of issue; b) be subordinated to the claims of (i) all depositors; (ii) general creditors; and (iii) subordinated debt other than subordinated debt qualifying as Additional Tier 1 capital (as defined in the Basel III Guidelines); c) neither secured nor covered by a guarantee of the Bank or its related entity or any other arrangement that legally or economically enhances the seniority of the claims of Bondholders vis-à-vis creditors of the Bank; d) unless the terms of any subsequent issuance of the bonds/ debentures by the Bank specifies that the claims of such subsequent bondholders are senior or subordinate to the bonds issued under the Disclosure Document or unless the RBI specifies otherwise in its guidelines or regulations, the claims of the Bondholders shall be pari-passu claims of holders of such subsequent debentures / bond issuances of the Bank; e) rank pari passu without preference amongst themselves and other subordinated debt classifying as Additional Tier 1 Capital in terms of Basel III Guidelines <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Coupon Discretion, Loss Absorbency and Other Events mentioned in this Disclosure Document.</p> <p>The Bonds shall not contribute to liabilities exceeding assets of the Bank if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p> <p>If the Bank goes into liquidation after the Basel III Compliant Additional Tier 1 instruments have been written-down, the Bondholders shall have no claim on the proceeds of liquidation.</p> |
| 70 | Treatment in Insolvency | <p>The bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.</p> |
| 71 | Prohibition on Purchase/ Funding of Bonds | <p>Neither the Bank nor its related parties over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.</p> |

OTHER GENERAL TERMS

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| 72 | Eligible Investors | <p>The following class of investors are eligible to participate in the offer (being “Eligible Investors”)</p> <ul style="list-style-type: none"> a) Mutual Funds; b) Public Financial Institutions as defined under the Companies Act, 2013 c) Scheduled Commercial Banks; d) Insurance Companies; e) Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds; f) Co-operative Banks; g) Regional Rural Banks authorized to invest in bonds / debentures; h) Companies and Bodies Corporate authorized to invest in bonds / debentures; i) Trusts and Societies authorized to invest in bonds / debentures and j) Statutory Corporations / Undertakings established by Central / State legislature authorized to invest in bonds / debentures etc. k) Foreign Portfolio Investors <p>The following class of investors are not eligible to participate in the offer:</p> <ul style="list-style-type: none"> 1. Resident Individual Investors; 2. Foreign Nationals ; 3. Any related party over which the bank exercises control or significant influence (as defined under the relevant accounting standards; 4. Persons resident outside India; 5. Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bonds; 6. Partnership Firms formed under applicable laws in India in the name of the partners; 7. Hindu Undivided Families through Karta; and 8. Person’s ineligible to contract under applicable statutory/ regulatory requirements. <p>This Issue is restricted only to the above investors. Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue.</p> <p>Prior to making any investment in these Bonds, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these Bonds. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document (and/or any Transaction Document in relation thereto and/or any draft of the Transaction Documents and/or the Disclosure Document) by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these Bonds or eligible to subscribe to these Bonds. If after applying for subscription to these Bonds and/or allotment of Bonds to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold</p> |
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| | | <p>these Bonds, the Bank shall not be responsible in any manner.</p> <p>*Investment by FPIs in these Bonds raised in Indian Rupees shall be within an overall limit of 49% of the issue size subject to the restriction that investment by each FPI shall not exceed 10% of the issue size.</p> <p>Further Investment by FPIs in the bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by the RBI, SEBI or any other regulatory authorities on investment in these Bonds.</p> <p>The issuance being a private placement through the Electronic Bidding Platform of NSE , the investors who have bid on their own account or through their arrangers, if any, appointed by Issuer, in the issue through the said platform and in compliance with SEBI circulars on the above subject and NSE EBP operating guidelines are only eligible to apply.</p> <p>Notwithstanding any acceptance of bids by the bank on and /or pursuant to the bidding process, on the electronic book platform, (a) if a person, in the bank's view, is not an eligible investor, the Bank shall have the right to refuse allotment of Bonds to such person and reject such person's application; (b) If after applying for subscription to these bonds and / or allotment of bonds to any person, such person(S) becomes ineligible and /or is found to have been ineligible to invest in / hold these bonds , the issuer shall not be responsible in any manner.</p> |
| 72 | Governing Law and Jurisdiction | The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of District Courts of Bengaluru, Karnataka. |
| 73 | Applicable RBI Guidelines | <p>The present issue of Bonds is being made in pursuance of Master circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 issued by the Reserve Bank of India on Basel III Capital Regulations and clarification issued thereof vide circular no. DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016 and DBR. BP.BC.No.50/21.06.201/2016-17 dated February 02, 2017 as amended from time to time ("Master Circular") covering terms and conditions for issue of Perpetual Debt Instruments ("PDIs") for inclusion in Additional Tier 1 Capital (Annex 4 of the Master Circular) and minimum requirements to ensure loss absorbency of Additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the point of non-viability (Annex 16 of the Master Circular) as amended or replaced from time to time. In the event of any inconsistency in terms of the Bonds as laid down in any of the transaction document(s) and terms of the Master Circular, the provisions of the Master Circular shall prevail.</p> <p>The issue of Bonds and the terms and conditions of the Bonds will be subject to the applicable guidelines issued by the Reserve Bank of India and the Securities and Exchange Board of India (SEBI) from time to time.</p> |
| 74 | Applicable Regulations | SEBI Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD- |

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| | | NRO/GN/2008/13/127878 dated June 06, 2008, as amended. |
| 75 | Prohibition on Purchase/ Funding of Bonds | Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Bank directly or Indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it. |
| 76 | Events of Default | Not Applicable. It is further clarified that cancellation of discretionary payments shall not be deemed to be an event of default. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. |
| 77 | Trustees | SBICAP TRUSTEESHIP COMPANY LTD. |
| 78 | Registrars | Canara Bank Computer Services Limited (CCSL) |
| 79 | Compliance Officer | Company Secretary of the Bank |
| 80 | Roles and Responsibilities of Trustees | <p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debentures Trustees) Regulation, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all "Qualified Institutional Buyers"(QIBs) within two working days of their specific request.</p> |
| 81 | Business Day Convention | "Business Day" shall be all days (excluding Sundays, Public Holidays and Saturdays on which the Bank is not open) on which commercial banks are open for business in the city of Bengaluru, Karnataka and when the money market is functioning in Mumbai. |
| 82 | Effect of Holiday | If any coupon payment date, other than the ones falling on the redemption date, falls on a day that is not a business day, the payment shall be made by the issuer on the immediately succeeding business day, which becomes the coupon payment date for that coupon. However, the future coupon payment dates would be as per the schedule originally stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment dates would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non |

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| | | <p>business day.</p> <p>If the Call Option Due Date (also being the last Coupon Payment Date, in case call option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.</p> |
| 83 | Additional Covenants | <p>Delay in Listing: The Issuer shall complete all formalities and seek listing permission within 15 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 21 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p>Refusal of Listing: If listing permission is refused before the expiry of the 20 days from the Deemed Date of Allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 20 days from the Deemed Date of Allotment. If such monies are not repaid within 8 days after the Issuer becomes liable to repay it (i.e. from the date of refusal or 20 days from the Deemed Date of Allotment, whichever is earlier), then the Issuer and every director of the Issuer who is an officer in default shall, on and from the expiry of 8 days, will be jointly and severally liable to repay the money with interest at the rate of 15 per cent per annum on application money, as prescribed under relevant section of the Companies Act.</p> |
| 84 | Basis of Allocation/ Allotment | The Bank reserves the right to reject any/ all applications fully or partially at its sole discretion, without assigning any reason whatsoever. |
| 85 | Issue Procedure | In pursuance of circular no. CIR/IMD/DF1/48/2016 dated April 21, 2016 issued by SEBI on "Electronic book mechanism for issuance of debt securities on private placement basis" ("EBP Circular") read with SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018 and Frequently Asked Questions issued in relation thereof, the requirement of using electronic book platform ("EBP") is mandatory for debt issues of over Rs. 200 crore, including green shoe option. However EBP route is optional for issues which have a single investor and where the coupon rate is fixed. |

V. DECLARATION

The Bank undertakes that this Disclosure Document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 06, 2008, as amended and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended and Securities and Exchange Board of India (Issue of Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended and as may be amended from time to time (together, the “SEBI Debt Regulations”) and the Reserve Bank of India (“RBI”) master circular on ‘Basel III Capital Regulations’ issued vide circular no. RBI/2015-16/58 DBR.NO.BP.BC.1/21.06.201/2015-16 dated July 01, 2015 and clarification issued thereof vide circular No DBR. No. BP.BC 71/21.06.201/2015-16 dated January 14, 2016 and RBI Circular RBI/2016-17/222 DBR.BP.BC.No.50/21.06.201/2016-17 Dated February 02, 2017, as amended from time to time (BASEL III Guidelines).

The Bank also confirms that this Disclosure Document does not omit disclosure of any material fact which may make the statements made therein, in light of the circumstances under which they are made, misleading. The Disclosure Document also does not contain any false or misleading statement.

The Bank accepts no responsibility for the statement made otherwise than in the Disclosure Document or in any other material issued by or at the instance of the Bank and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to internal authority granted.

For Canara Bank


General Manager, Authorized Signatory

Place: Bengaluru, Karnataka

Date: 25.09.2020





ANNEXURE-I

CRISIL Rating Letter

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

CANBANK/253347/TIBUBIII/290820204/1
September 17, 2020

Mr. G V Prabhu
General Manager- Integrated Treasury Wing
Canara Bank
Canara Bank Building, 2nd Floor, B Wing,
C-14, G Block, Bandra Kurla Complex
Bandra East
Mumbai - 400051

Dear Mr. G V Prabhu,

Re: CRISIL Rating on the Rs.2500 Crore Tier I Bonds (Under Basel III) of Canara Bank

All ratings assigned by CRISIL are kept under continuous surveillance and review.
Please refer to our rating letter dated August 29, 2020 bearing Ref. no.:
CANBANK/253347/TIBUBIII/290820204

Please find in the table below the ratings outstanding for your company.

| S.No. | Instrument | Rated Amount (Rs. in Crore) | Rating Outstanding |
|-------|--------------------------------|-----------------------------|--------------------|
| 1 | Tier I Bonds (Under Basel III) | 2500 | CRISIL AA/Negative |

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating through its publications and other media, and keep the rating under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crsil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crsil.com


Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Subha Sri Narayanan
Subha Sri Narayanan
Director - CRISIL Ratings

Nivedita Shibu
Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crsil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited
Corporate Identity Number: L671209DE196791C042363

Registered Office: CRISIL House, Central Avenue, Hindustani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crsil.com



ANNEXURE-II India Ratings & Research Rating Letter

**India Ratings
 & Research**
 A Fitch Group Company

FitchGroup

Mr. V Ramachandra
 General Manager & CFO
 Canara Bank,
 Financial Management & Subsidiaries Wing,
 Head Office, 112 J C Road
 Bengaluru - 560002

September 17, 2020

Dear Sir/Madam,

Re: Rating of Canara Bank's Instruments

India Ratings (see definition below) communicates the following rating:

- INR78bn Basel III AT1 bonds: 'IND AA/RWN'
- INR100bn Basel III Tier 2 instrument: 'IND AAA/RWN'

Out of the above, the Bank has issued INR67.62bn of Basel III AT1 bonds and INR59bn of Basel III Tier 2 bonds

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

India Ratings & Research Private Limited A Fitch Group Company
 Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai - 400051
 Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | www.indiaratings.co.in

(Handwritten initials)



IndiaRatings
& Research

A Fitch Group Company

FitchGroup

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.


Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

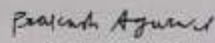
In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at +91 22 4000 1700.

Sincerely,

India Ratings


Abhishek Bhattacharya
Director


Prakash Agarwal
Director



ANNEXURE-III Consent letter from Debenture Trustee

Corporate Office : Apeejay House, 6th Floor, 3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020
Phone : 022-4302 5555 Fax : 022-2204 0465
Email : helpdesk@sbicaptrustee.com



SBICAP Trustee
Company Ltd.

No 0136/2020-2021/CL - 2987
Date : 31st August, 2020.

To,

Name of the Borrower : Canara Bank

Correspondence Address :

T & I Division, Integrated Treasury Wing,
6th Floor, B-Wing, C-14, G-Block, BKC
MUMBAI - 400051

GST Billing Address :

T & I Division, Integrated Treasury Wing,
6th Floor, B-Wing, C-14, G-Block, BKC
MUMBAI - 400051

Email ID : tidsettmm@canarabank.com

Sub.: Offer to act as Debenture Trustee for issue of Rs.1,500 Crores by Canara Bank

Dear Sir,

With reference to the issue of Rs.1,500 Crores by Canara Bank.

we SBICAP Trustee Company Limited pleased to offer our services to act as the Debenture Trustee on the following terms and conditions as stated in this Letter (this letter shall hereinafter be referred to as the "Offer Letter"):

A. Fee Structure :

i) Base Charges :

| Description of the Fees and Charges | Payable Amount | Remarks |
|-------------------------------------|----------------|--|
| Acceptance Fees | 50,000.00 | i. The Acceptance Charges is payable on one time basis immediately on the acceptance of this Offer Letter |
| Annual Charges | 50,000.00 | i. For the 1st year, the Annual Charges are payable in advance from the date of acceptance of offer. ii. Annual Charges for subsequent years, shall be payable in advance immediately upon raising of invoice iii. These Annual Charges are payable by the Company till the satisfaction of charges or release of all security/ documents, which ever is later |
| Trust Settlement Amount | 1,000.00 | i. The Trust Settlement Fee is payable immediately on the acceptance of this Offer Letter |

ii) Other Charges :

- a) All Out of Pocket expenses including but not limited to documentation expenses, legal counsel expenses, audit expenses, expenses incurred for execution/ custody of documents, digitisation of documents, legal audit expenses etc. shall be borne by the Company and shall be payable and reimbursed to the Debenture Trustee within a period of 10 days from the date of the invoice.
- b) All applicable charges and expenses with respect to the filing of security interest created in favour of Debenture Trustee with the CERSAI portal under the SARFAESI Act, 2002, are required to be reimbursed by the Company immediately upon the receipt of invoice from the Debenture Trustee.

B. Invoicing and Billing :

- i. The Goods and Service Tax (GST) details as provided by the Company are as follows.

GST No : 27AAACC6106G4ZY

GST Address:

T & I Division, Integrated Treasury Wing,

Registered Office : 202, Maker Tower E, Cuffe Parade, Mumbai 400 005
Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386
A wholly owned Subsidiary of SBI Capital Markets Ltd.



Corporate Office : Apeejay House, 6th Floor, 3, Dinshaw Wacha Road,
 Churchgate, Mumbai - 400 020
 Phone : 022-4302 5555 Fax : 022-2204 0465
 Email : helpdesk@sbicaptrustee.com



SBICAP Trustee
 Company Ltd.

6th Floor, B-Wing, C-14, G-Block, BKC
 MUMBAI - 400051

All the invoices and Bills raised on the Company will mention the above GST No
 ii. The Invoices and Bills Generated by the Debenture Trustee pursuant to this Offer letter shall be sent to the following
 address:

Address:
 T & I Division, Integrated Treasury Wing,
 6th Floor, B-Wing, C-14, G-Block, BKC
 MUMBAI - 400051
 Attention of : Mr. Dharani Hemant, Manager
 Email id: tidsettmum@canarabank.com

In case of any change in the above details, the Company shall immediately inform the Debenture Trustee.
 Whilst making the payment of the above Base Charges and Other Charges, kindly mention the invoice No. against which
 the payment is being made.

C. Bank Details :

Given below are the Bank details into which payments of all fees and expenses are required to be made, under as stated
 in this Offer Letter

RTGS Details:-

Beneficiary Name : SBICAP Trustee Company Limited,

Account No. 34075964557,

Beneficiary Bank & Code: State Bank of India (8586),

IFSC Code : SBIN0008586

SWIFT Code : SBININBB521

Branch Address : Madame Cama Road Branch, Post Bag No. 11588, Madame Cama Road, Mumbai - 400021.

D. The above mentioned fees are exclusive of all applicable taxes viz. GST, education cesses and applicable taxes and
 other charges as may be applicable as per the law for the time being in force, which will be charged separately.

E. In case of declaration of an event of default by one or any of the Lenders/ Lead Bank/ Monitoring Institution/
 Debenture Holder and the Debenture Trustee being instructed to take any action on behalf of any such Lenders/ Lead
 Bank/ Monitoring Institution/ Debenture Holder, the Debenture Trustee may charge, at our sole discretion, such
 additional fees, charges, expenses, costs etc. for providing such services.

It is further stated that the Debenture Trustee are not required, out of their own pocket, to incur/ expend any costs in
 providing such services, as referred above, including enforcement/ litigation/ recovery. In case of the Debenture Trustee
 is required to make any payment in the course of providing such services, the amount of such payments shall be
 deposited with the Debenture Trustee in advance.

F. The Acceptance Charges which are payable by the Company in advance and immediately upon the acceptance of
 this Offer Letter are non-refundable and shall not be dependent upon initiation/ completion of the transaction for which
 these fees are being charged.

Annual Charges being levied by the Debenture Trustee are non-refundable and exclusive of any other amount which
 may be payable/ reimbursed to the Debenture Trustee under the Finance/ Security Documents.

G. In case of failure to make payment of all the fees, charges and expenses payable under this Offer Letter within a
 period of 30 days from the date of Invoice, penal interest at the rate of 18% pa shall be charged from the date of the
 invoice till the date of actual payment.

H. The liability of SBICAP Trustee Company Limited shall be limited to the extent of the fees received by it under this
 Offer Letter.

I. The terms of this Offer Letter shall be applicable and be limited only to the captioned financial assistance/ debenture
 issue, financed by the present lenders/ debenture holders and any documentation

Registered Office : 202, Maker Tower E, Cuffe Parade, Mumbai 400 005
 Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386
 A wholly owned Subsidiary of SBI Capital Markets Ltd.



Corporate Office : Apeejay House, 6th Floor, 3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020
Phone : 022-4302 5555 Fax : 022-2204 0466
Email : helpdesk@sbicaptrustee.com



SBICAP Trustee
Company Ltd.

executed related to and with respect to it. Any enhancement in the above referred financial assistance, extension of security to any other lender/ debenture holder, further issuance of debentures/ schemes and any other additional documentation required to be executed in respect thereof, the security trustee/ debenture trustee/ safe keeper shall charge such additional fees as may be agreed upon.

J. This Offer Letter shall form and integral part of the finance and security / transaction documents and the terms & conditions hereunder shall be construed to form a part and parcel of the transaction documents to be executed. In the event of any conflict or contradicting terms & conditions, the terms of this Offer Letter shall prevail.

K. This Offer Letter may be amended, revised, modified (and the provisions hereof may only be waived) only by a written agreement in writing between the parties.

L. Also please arrange to provide the compliance documents as per the attached standard compliance check list prior to signing of documents. Upon examination of sanction letter/ term sheet/ information memorandum/ title investigation report additional compliance will be required to be submitted, if any.

In case any clarifications are required, please feel free to contact Deepak Dhondye at 8879150014 or email at deepak.dhondye@sbicaptrustee.com.

Please note that the terms and conditions as contained in this Offer Letter, unless accepted earlier, are valid for a period of 01 month from the date of issuance.

Assuring you of our best services, as always.

For SBICAP Trustee Company Limited

Signature valid

Digitally signed by:
ARDHENDU MUKHOPADHYAY
Mon Aug 31 12:55:17 IST 2020

Authorised Signatory
Ardhendu Mukhopadhyay
Sr. Manager – Marketing & Operations


Agree and Accepted by
For Canara Bank

Authorised Signatory

Registered Office : 202, Maker Tower E, Cuffe Parade, Mumbai 400 005
Website : www.sbicaptrustee.com Corporate Identity Number : U65991MH2005PLC158386
A wholly owned Subsidiary of SBI Capital Markets Ltd.



ANNEXURE-IV
Consent Letter from Registrar & Transfer Agent

 **CANBANK COMPUTER SERVICES LIMITED**
(A Subsidiary of CANARA BANK)
R&T Center, # 218, JP ROYALE, 1st Floor, Sampige Road, (Near 14th Cross), 2nd Main, Malleswaram, Bengaluru-560003
Ph : 91-80-23489661/62 & 23489664/65 • Fax : 91-80-23489667 • E-mail: canbankrta@ccsl.co.in • www.canbankrta.com
CIN : U85110KA1994PLC016174

REF : CCCL/RnT/CB/TIER II – BONDS/KR/ 2049/2020 –21
Date : 20th July, 2020

The Manager
Canara Bank
Treasury & Investment Wing
Integrated Treasury Wing,
6th Floor, B- Wing, C- 14, G Block,
BKC, Bandra (East)
Mumbai – 400 051,

Kind attn : Shri. Sidharth Dhir
Manager

Dear Sir,

SUB : ISSUE OF PRIVATE PLACEMENT BASEL – III COMPLAINT
ADDITIONAL TIER I BONDS FOR Rs.3000 Crores

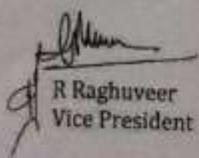
REF : Your email dated 15th July, 2020.


We acknowledge with thanks your email communication referred above.

We are happy to accept the proposal and give our consent to act as Registrars & Transfer Agents to the subject Issue, as per the Existing Terms and Conditions.

Assuring our best attention and services always.

Yours faithfully,
for CANBANK COMPUTER SERVICES LTD


R Raghuveer
Vice President – Projects





– Disclosure Document
Annexure - V
Application Form
(Appended separately in the next page)



Addressed to: Canara Bank
(A Government of India Undertaking)

T & I Division, Integrated Treasury Wing, Canara Bank Building, 6th Floor, C-14, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.

Tel No: (022) 26725056 / 26725053; Fax No: (022) 26725250

E-mail: tidmum@canarabank.com ; Website: www.canarabank.com

Application Form Serial No : -----

DATE OF RECEIPT OF APPLICATION
(For office use only)

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

**APPLICATION FORM FOR NON CONVERTIBLE, TAXABLE, PERPETUAL, SUBORDINATED,
FULLY PAID UP, UNSECURED BASEL III COMPLIANT ADDITIONAL TIER 1 BONDS, IN THE
NATURE OF DEBENTURES OF RS. 10,00,000 (RUPEES TEN LAC) EACH**

To,

CANARA BANK

Dear Sir,

Having read, understood and agreed to the contents and terms and conditions of CANARA BANK's Disclosure Document dated 25.09.2020 I/we hereby apply for allotment to us, of the unsecured, non convertible, taxable, perpetual, subordinated, fully paid up, basel iii Additional Tier 1 bonds in the nature of debentures of Rs. 10,00,000 (Rupees Ten Lac) each (hereinafter referred to as "Bonds"), out of the Private Placement Issue. I/We irrevocably give my/ our authority and consent to SBICAP Trustee Company Limited to act as my/our Trustees and for doing such acts and signing such documents as are necessary to carry out their duties in such capacity. The amount payable on application as shown below is remitted herewith. On allotment please place our name on the register of bondholders. I/We bind ourselves to the terms and conditions as contained in the disclosure document for private placement. I/We note that the Bank is entitled in its absolute discretion to accept or reject this application in whole or in part without assigning any reason whatsoever.

(PLEASE READ CAREFULLY THE INSTRUCTION ON THE NEXT PAGE BEFORE FILLING UP THE FORM)

I/We confirm that I/we have not received and shall not receive any commission or brokerage or any other incentive in any form, directly or indirectly, for subscribing to the Issue.

Investment Details

DP Details



APPLICANT'S DETAILS (To be filled in BLOCK LETTERS)

Signature/Authorized signatory

[illegible][illegible][illegible][illegible][illegible]

| | Applicant 1 | Applicant 2 | Applicant 3 |
|--|-------------|-------------|-------------|
| PAN / GIR NO (Enclose Copy) | | | |
| I.T Circle/ Ward/ District no | | | |
| Bank Name, Branch, City & IFSC CODE | | | |
| Type of account (SB/CA/OD) | | | |
| Bank Account Number | | | |
| RTGS Details | | | |
| RTGS Date | | UTR Number | |
| Name of the Bank | | | |
| Branch Name & Address | | | |

| Tax Deduction Status (Please Tick) | | Applicant signature (To be filled in only if applicant is institution) | | |
|--|--------------------|--|-------------|-----------|
| Fully exempt (Please furnish exemption certificate) | Tax to be deducted | Name of the authorized signatory(ies) | Designation | Signature |
| | | | | |
| | | | | |

Date:-- / -- / 2020

------(Tear here)-----

Acknowledgment Slip

Application Form Serial No.: []

| | |
|---|---|
| CANARA BANK T & I Division, Integrated Treasury Wing, Canara Bank Building, 6 th Floor, C-14, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Tel No: (022) 26725061 / 26725062; Fax No: (022) 26725250 Email ID: tidmum@canarabank.com; Website: www.canarabank.com | |
| (To be filled in by the Applicant) Received from _____ Address _____ an application for _____ Bonds vide UTR No. _____ Drawn on _____ Dated _____ amounting to Rs. _____ | All future communication in connection with this application should be addressed to the Registrars: M/s. Canbank Computer Services Ltd [Address: R & T Center, #218, JP Royale, 1st Floor, 2nd Main, Sampige Road, (near 14th Cross), Malleswaram, Bengaluru - 560 003; Tel: (080) 23469661/62 & 23469664/65; Fax: (080)23469667; E-mail: canbankrta@ccsl.co.in quoting full name of Sole/ First Applicant, Application No., Number of Bonds applied for, Date, Bank and Branch where the application was submitted |

INSTRUCTIONS



1. Application forms must be completed in full in BLOCK LETTERS IN ENGLISH. A blank space must be left between two or more parts of the name.

| | | | | | | | | | |
|---|---|---|---|---|---|--|---|---|---|
| A | B | C | D | E | F | | L | T | D |
|---|---|---|---|---|---|--|---|---|---|

Signature should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorized official of a Bank or by a Magistrate / Notary Public under his / her official seal.

2. Application forms duly completed in all respects must be submitted with the Bank.
3. The remittance of application money should be made by electronic transfer of funds through RTGS Mechanism for credits as per details given hereunder:

| | |
|-----------------------------|---|
| Name of the Banker | Canara Bank |
| Account Name | CANARA BANK TIER 1 BONDS |
| Credit into Current A/c No. | 1589201001258 |
| IFSC Code | CNRB0001589 |
| Address of the Branch | Ground Floor Canara Bank Building C- 14 G Block Bandra Kurla Complex ,Bandra(E) Mumbai 400051 |
| Narration | Application Money for the Bond Issue |

4. Cheques, Demand Draft, Cash, Money Orders, Postal Orders shall not be accepted.
5. As a matter of precaution against possible fraudulent encashment of interest warrants due to loss / misplacement, applicants are requested to mention the full particulars of their bank account, as specified in the Application Form. Interest warrants will then be made out in favour of the bank for credit to the applicants account. In case the full particulars are not given, cheques will be issued in the name of the applicant at his/ her risk.
4. Receipt of applications shall be acknowledged by the Bank in the “Acknowledgment Slip”, appearing below the Application Form. No separate receipt will be issued.
5. All applicants should mention their Permanent Account Number (PAN) or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District and encloses a copy of the same.
6. The application would be accepted as per the terms outlined in the Disclosure Document dated 25.09.2020
7. Documents to be provided by applicants: Applicants need to submit the following documentation, along with the application form, as applicable:
 - Memorandum and Article of Association / Constitutional Documents / Bye-laws / Trust Deed;
 - Board Resolution authorizing the investment and containing operating instructions;



- Power of Attorney / relevant resolution / authority to make application;
- Specimen signatures of the authorized signatories (ink signed), duly certified by an appropriate authority;
- Government Notification (in case of Primary Co-operative Bank and RRBs);
- Copy of Permanent Account Number Card (“PAN Card”) issued by the Income Tax Department; Copy of a cancelled cheque for ECS payments;
- Necessary forms for claiming exemption from deduction of tax at source on interest on application money, wherever applicable.

- Disclosure Document
Annexure-VI
In Principle Listing Approval from NSE



25

National Stock Exchange Of India Limited

Ref. No.:NSE/LIST/2770

September 21, 2020

The Company Secretary
Canara Bank
Head Office No 112, Secretarial Dept.,
C & MD's Secretariat, J C Road,
Bangalore - 560002.

Kind Attn.: Mr. Vinay Mohta

Dear Sir,

Sub.: In-principle approval for listing of Non-Convertible Bonds in the nature of Debentures on private placement basis

This is with reference to your application dated 21-Sep-2020 requesting for In-principle approval for listing of Non-Convertible, Taxable, Perpetual, Subordinated, Fully Paid Up, Unsecured Basel III Compliant Additional Tier 1 Bonds, for inclusion in Tier 1 capital of the Bank, in the nature of Debentures of face value of Rs. 1000000 each under Series II, for base issue size of Rs. 100 crores, with a green shoe option to retain over-subscription upto Rs. 388 crores, aggregating to Rs. 488 crores, to be issued by Canara Bank on private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue, subject to adequate disclosures to be made in the Offer Document in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard and provided the Company prints the Disclaimer Clause as given below in the Offer Document after the SEBI disclaimer clause:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). It is to be distinctly understood that the aforesaid submission or in-principle approval given by NSE vide its letter Ref.: NSE/LIST/2770 dated September 21, 2020 or hosting the same on the website of NSE in terms of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

This Document is Digitally Signed

National Stock Exchange of India Limited | Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
India +91 22 26596100 | www.nseindia.com | CIN U67120MH1992PLC069769



Date: Mon Sep 21, 2020 19:20:10 IST
Location: NSE





Continuation Sheet

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever"

Please note that the approval given by us should not in any way be deemed or construed that the draft Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this draft offer document; nor does it warrant that the securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.

Kindly also note that these debt instruments may be listed on the Exchange after the allotment process has been completed, provided the securities of the issuer are eligible for listing on the Exchange as per our listing criteria and the issuer fulfills the listing requirements of the Exchange. The issuer is responsible to ensure compliance with all the applicable guidelines issued by appropriate authorities from time to time including SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended from time to time, applicable SEBI Circulars and other applicable laws in this regard.

Yours faithfully,

For National Stock Exchange of India Limited

Amit Phatak
Manager

This Document is Digitally Signed

NSE

Signer: Amit Phatak
Date: 20/07/2016 10:10:10
Location: NSE



Annexure-VII

Illustration of Cash Flow

DISCLOSURE OF CASH FLOWS:

As per SEBI Circular No: CIR/IMD/DF/18/2013 dated October 29, 2013 read with SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, illustrative cash flow for bonds is as under:

Illustration

| | |
|-------------------------------|---|
| Name of the Issuer | Canara Bank |
| Face Value (per bond) | Rs 10,00,000/- |
| Deemed Date of Allotment | 29 th September 2020 |
| Call option Date | 29 th September 2025 or any anniversary date thereafter subject to Tax Call/Regulatory Call as per BASEL III guidelines. |
| Redemption Date | Perpetual |
| Coupon Rate | 8.30% per annum |
| Frequency of Interest Payment | Annual |
| Day Count Convention | Actual/Actual |

Scenario 1: Call Option not exercised

| Cash Flows | Original Coupon Payment dates and Illustrative Call Option Due date | Modified Coupon Payment Dates and Illustrative Call Option Due Date | No of Days in Coupon Period | Amount Payable per Bond (in Rs) |
|--------------------------------|---|---|-----------------------------|---------------------------------|
| 1 st Coupon Payment | Wednesday, September 29, 2021 | Wednesday, September 29, 2021 | 365 | 83,000 |
| 2 nd Coupon Payment | Thursday, September 29, 2022 | Thursday, September 29, 2022 | 365 | 83,000 |
| 3 rd Coupon Payment | Friday, September 29, 2023 | Friday, September 29, 2023 | 365 | 83,000 |
| 4 th Coupon Payment | Sunday, September 29, 2024 | Monday, September 30, 2024 | 366 | 83,000 |
| 5 th Coupon Payment | Monday, September 29, 2025 | Monday, September 29, 2025 | 365 | 83,000 |
| 6 th Coupon Payment | Tuesday, September 29, 2026 | Tuesday, September 29, 2026 | 365 | 83,000 |

| | | | | |
|--------------------------------|-------------------------------|-------------------------------|-----|--------|
| 7 th Coupon Payment | Wednesday, September 29, 2027 | Wednesday, September 29, 2027 | 365 | 83,000 |
| 8 th Coupon Payment | Friday, September 29, 2028 | Friday, September 29, 2028 | 366 | 83,000 |
| 9 th Coupon Payment | Saturday, September 29, 2029 | Monday, October 01, 2029 | 365 | 83,000 |
| Upto Perpetual.... | | | | |

Scenario 2: Assuming Call Option is exercised at the end of the 5th anniversary of the Deemed Date of Allotment

| Cash Flows | Original Coupon Payment dates and Illustrative Call Option Due date | Modified Coupon Payment Dates and Illustrative Call Option Due Date | No of Days in Coupon Period | Amount Payable per Bond (in Rs) |
|---|---|---|-----------------------------|---------------------------------|
| 1 st Coupon Payment | Wednesday, September 29, 2021 | Wednesday, September 29, 2021 | 365 | 83,000 |
| 2 nd Coupon Payment | Thursday, September 29, 2022 | Thursday, September 29, 2022 | 365 | 83,000 |
| 3 rd Coupon Payment | Friday, September 29, 2023 | Friday, September 29, 2023 | 365 | 83,000 |
| 4 th Coupon Payment | Sunday, September 29, 2024 | Monday, September 30, 2024 | 366 | 83,000 |
| 5 th Coupon Payment | Monday, September 29, 2025 | Monday, September 29, 2025 | 365 | 83,000 |
| Principal Redemption of Principal on account of exercise of Call Option*. | Monday, September 29, 2025 | Monday, September 29, 2025 | 0 | 10,00,000 |

Assumptions:

For the purpose of the above illustration only Second & Fourth Saturdays and Sundays have been considered as non Business days.

Notes:

- ❖ Only for the purpose of above illustration, it has been assumed that the Bank shall exercise the Call Option at the end of 5th year from the Deemed Date of Allotment.
- ❖ “Business Day” shall be all days (excluding Sundays, Public Holidays and Saturdays on which the Bank is not open) on which commercial banks are open for business in the city of Bengaluru, Karnataka and when the money market is functioning in Mumbai.

THE AGGREGATE COUPON/ INTEREST PAYABLE TO EACH BONDHOLDER SHALL BE ROUNDED OFF TO THE NEAREST RUPEE AS PER THE FIXED INCOME MONEY MARKET AND DERIVATIVES ASSOCIATION HANDBOOK ON MARKET PRACTICES.

- ❖ *In case of interest payment falling in Leap year, the interest payment(s) will be calculated by taking the number of days as 366 days for a whole one year period.(Actual/Actual- as per SEBI Circular no CIR/IMD/DF/18/2013 dated 29th October 2013 read with SEBI Circular no CIR/IMD/DF-1/122/2016 dated November 11,2016).*
- ❖ *If the date of payment of interest happens to be a non Business Day, the interest payment will be made on the next Business Day.*
- ❖ *If the maturity payment date and interest payment date falls together on a non Business day, redemption and accrued interest payment will be made on the previous working day.*
- ❖ *The interest and / or principal payment will be made on the best available information on non- Business Days and could further undergo changes in case of scheduled and unscheduled holidays and / or changes in money market settlement day conventions by the Reserve Bank of India / SEBI.*
- ❖ *In case the Deemed date of allotment is revised (preponed/postponed) then the Coupon payment dates may also be revised (preponed/postponed) accordingly by the Bank at its sole and absolute discretion.*
- ❖ *Payment of interest and repayment of principal shall be made by way of RTGS/NEFT/other mechanisms permitted under the SEBI regulations.*