



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

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**ISSUE OF UPTO 15000 UNSECURED, NON-CONVERTIBLE, REDEEMABLE
BASEL III COMPLIANT TIER 2 BONDS FOR INCLUSION IN TIER 2
CAPITAL 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. 1500 CRORES (RUPEES ONE THOUSAND FIVE
HUNDRED CRORES) ON A PRIVATE PLACEMENT BASIS ("ISSUE"), BY
CANARA BANK ("ISSUER" OR "BANK")**

DISCLOSURE DOCUMENT

Date:28.12.2015

BACKGROUND

This Disclosure Document has been prepared in conformity with the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 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 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 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 1, 2015 and as may be amended from time to time (together, "the Basel III Regulations").

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 authorised by the Issuer through a resolution passed by the Board of Directors of the Issuer on November 19, 2015.

GENERAL RISK

As the Issue is being made on a private placement basis, this Disclosure Document has not been submitted to or cleared by the Securities and Exchange Board of India ("SEBI"). The Issue has not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Disclosure Document. Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in debt instruments unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the Disclosure Document carefully before investing in the Bonds. 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 write-off at 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

Basel III compliant Tier 2 Bonds:

CRISIL AAA/Stable' by CRISIL (pronounced " CRISIL triple A rating with stable outlook") Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.

[ICRA] AAA(hyb) (pronounced ICRA Triple A hybrid) rating with Stable Outlook by ICRA Limited. Instruments with an [ICRA] AAA rating are considered to have a highest degree of safety regarding timely servicing of financial obligations.

'IND AAA' rating with a Stable Outlook by India Ratings & Research Private Limited.

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.

LISTING

The Bonds are proposed to be listed on the Wholesale Debt Market ("WDM") segment of the National Stock Exchange of India Limited ("NSE").

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@ccsl.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 Fax : 022-22040465
Email: helpdesk@sbicaptrustee.com

This Schedule 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: December 31, 2015	Issue Closing Date: December 31, 2015	Deemed Date of Allotment: December 31, 2015
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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

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I. DEFINITIONS AND ABBREVIATIONS

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.
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, as amended from time to time.
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 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, non-convertible, redeemable Basel III compliant Tier 2 Bonds for inclusion in Tier 2 capital in the nature of debentures of face value of Rs 10,00,000 (Rupees Ten Lakhs only) each to be issued at par 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.
CRISIL	Credit Rating Information Services of India Limited.
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 December 28,2015 in relation to the private placement of unsecured non-convertible redeemable Basel III compliant Bonds for inclusion in Tier 2 Capital in the nature of debentures of face value Rs.10,00,000 each at par aggregating Rs. 1500 crores by the Issuer.

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.
ICRA	ICRA Limited
IPO	Initial Public Offering.
IRR/ India Rating	India Ratings & Research Private Limited.
Issue	Private placement of unsecured non-convertible Tier 2, Basel III compliant Bonds 2015-16 for inclusion in Tier 2 Capital in the nature of debentures of face value Rs.10,00,000 each at par aggregating Rs 1500 crores by the Issuer.
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 for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010 dated January 07, 2010, further amendment to debt listing agreement and

	disclosure issued by SEBI vide circular no. CIR/IMD/DF/18/2013, dated 29.10.2013 and vide SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 2, 2015.
MD & CEO	Managing Director and Chief Executive Officer of the Issuer.
MSME	Micro Small and Medium Enterprises
NASSCOM	National Association of Software and Services Companies.
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 the earlier of:</p> <p>a) a decision that the permanent write off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and</p> <p>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. 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</p>

	<p>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 may be amended from time to time.
TDS	Tax Deducted at Source.
Tier 2 Capital	Tier 2 Capital shall have the meaning ascribed to it under clause 4.2.5 of the Basel III Regulations.
Trustee/ Bond Trustee/ Debenture Trustee	Trustee for the Bondholders in this case being SBICAP Trustee Company Ltd
USD/ US\$/ S	United States Dollar
WDM	Wholesale Debt Market
y-o-y	Year over year

II. ISSUER INFORMATION

A. Name and Address of the Issuer	
Name of the Issuer	Canara Bank
Head Office	<p>No. 112, J C Road, Bengaluru – 560002</p> <p>Tel No.: 080 2222 1581 Fax No.: 080 2224 8831</p> <p>Website: www.canarabank.com</p> <p><u>Treasury & Investments Division</u></p> <p>Integrated Treasury Wing, Canara Bank Building, 6th Floor, Plot No. C-14, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.</p> <p>Tel No.: 022 2672 5061 Fax No.: 022 2672 5250</p> <p>E-mail: tidmum@canarabank.com</p>
Compliance Officer for the Issue	<p>B Nagesh Babu Company Secretary, Secretarial Department, MD & CEO's Secretariat</p> <p>Head Office, 112, J.C. Road, Bengaluru - 560 002</p> <p>Phone : 080- 2210 0250 Fax 080- 2224 8831</p> <p>E.Mail: hosecretarial@canarabank.com</p>
Chief Financial Officer of the Issuer	<p>Shri N Selvarajan General Manager & Chief Financial Officer Canara Bank Head Office, Bengaluru – 560 002</p>

	<p>Tel: 080- 2224 9989</p> <p>E Mail: fmwing@canarabank.com</p>	
Trustees to the Bondholders	<p>SBICAP Trustee Company Ltd Corporate Office, Apeejay House, 6th Floor 3 Dinshaw Wachha Road, Churchgate, Mumbai- 400 020</p> <p>Tel: 022-43025555 Fax: 022-22040465 Email: corporate@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</p> <p>Tel: (080) 23469661 Fax:(080) 23469667</p> <p>E mail: canbankrta@ccsl.co.in</p>	
Credit Rating Agencies	<p>CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076</p> <p>Tel No: 022 33423000</p> <p>Fax No: 022 33423001</p> <p>India Ratings and Research Private Limited Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra East, Mumbai 400 051</p> <p>1. Tel No: 022 40001700</p> <p>Fax No. 022 4000 1701</p>	<p>ICRA Limited 1105, Kailash Building 11th Floor 26, Kasturba Gandhi Marg New Delhi 110 001</p> <p>Tel No: 011 23357940-50</p> <p>Fax No: 011 23357014</p>

Auditors of the Issuer	<p>M/s P Chopra & Co Chartered Accountants Firm Registration No: 0004957N 10 Duggal Colony Karnal 132 001, Haryana</p> <p>Tel No. : 0184-2253097, 0184-2273471 Fax 0184-4040100</p> <p>Email: chopra.pkca@rediffmail.com chopra.pkca@gmail.com</p> <p>M/s A R Das & Associates Chartered Accountants Firm Registration No: 306109E 1,2&3 Woodburn Court Woodburn Road Kolkata 700 020</p> <p>Tel No. 033-22812976, 033-22904375, Fax 033-22812976</p> <p>Email: ardsys2002@rediffmail.com syamal.nayak@gmail.com swarnendu_c@yahoo.co.in</p> <p>M/s. S C Vasudeva & Co. Chartered Accountants Firm Registration No: 000235N B-41, Panchsheet Enclave New Delhi- 110 017</p> <p>Tel No. : 011-26499111, 222, 444, 555 Fax: 011-41749444</p> <p>Email: sanjay@scvasudeva.com ashish@scvasudeva.com</p>
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M/s Vinay Kumar & Co.
Chartered Accountants
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M/s RamRaj & Co.

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