



A Government of India Undertaking
Constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
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DISCLOSURE DOCUMENT | Date: 07.12.2016

ISSUE OF UPTO 10,000 (TEN THOUSAND) UNSECURED, NON-CONVERTIBLE, BASEL III COMPLIANT ADDITIONAL TIER 1 PERPETUAL BONDS-SERIES 1, 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. 1000 CRORES (RUPEES ONE THOUSAND CRORES) ON A PRIVATE PLACEMENT BASIS ("ISSUE") BY CANARA BANK ("ISSUER" OR "BANK")

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 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, 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 through a resolution passed by the Board of Directors of the Issuer on October 14, 2016.

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 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' vide its letter dated December 7, 2016. The outlook is stable.
- (ii) "CRISIL AA/ Negative" (pronounced "CRISIL double A rating with negative outlook") by CRISIL Limited vide its letter dated November 04, 2016 (and revalidation letter dated December 7, 2016).

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.

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,
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Malleswaram,
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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 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: 13.12.2016	Issue Closing Date: 13.12.2016	Deemed Date of Allotment: 13.12.2016
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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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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

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.
AT1 Instrument	The Capital Instruments issued by the Bank forming part of its Additional Tier 1 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, and amendments made there to 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 (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, Non-convertible Additional Tier1, Perpetual Basel III compliant Bonds - Series 1 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 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.
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 07.12.2016 in relation to the private placement of unsecured, non-convertible, perpetual, Basel III compliant Additional Tier1 Bonds for inclusion in Additional Tier 1 Capital of the Bank, in the nature of debentures of face value Rs.10,00,000 each at par aggregating up to Rs. 1000 Crores (Rupees One Thousand 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 Non-convertible, Additional Tier 1 Perpetual Basel III compliant Bonds 2016-17 , for inclusion in Additional Tier 1 Capital in the nature of debentures of face value Rs.10,00,000 each at par aggregating up to Rs. 1000 Crores (Rupees One Thousand Crores only) 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 entered into/to be entered into by the Issuer with the BSE and/or 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 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.</p>

	<p>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> <p>a) Restore confidence of the depositors/ investors;</p> <p>b) Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and</p> <p>c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</p> <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.
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	<p>No. 112, J C Road, Bengaluru – 560002 Tel No.: 080 2222 1581 Fax No.: 080 2224 8831 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. Tel No.: 022 2672 5061 Fax No.: 022 2672 5250 E-mail: tidmum@canarabank.com</p>	
Compliance Officer for the Issue	<p>B Nagesh Babu 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</p>	
Chief Financial Officer of the Issuer	<p>Shri N Selvarajan General Manager & Chief Financial Officer Canara Bank Head Office, Bengaluru – 560 002 Tel: 080- 2224 9989 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 Tel: 022-43025555 Fax: 022-22040465 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 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>

Auditors of the Issuer	<p>M/s RamRaj & Co.</p> <p>Chartered Accountants</p> <p>Firm Registration No: 002839S</p> <p>65, 4th Floor 29th A Cross Geetha Colony</p> <p>4th Block Jayanagar</p> <p>Bangalore 560 011</p> <p>Tel. No: 080-22445567</p> <p>Fax – 080-26657211</p> <p>Email: ramraj12@gmail.com gvrao12@gmail.com</p> <p>M/s V K Niranjana & Co.</p> <p>Chartered Accountants</p> <p>Firm Registration No. 002468S</p> <p>Kurubara Sangha Building</p> <p>202&204 Kanakadasa Circle</p> <p>Gandhi Nagar, Bangalore 560 009</p> <p>Tel. No.: 080-22267769</p> <p>Fax: 080-22910027</p> <p>Email: vk_niranjana_co@yahoo.com</p> <p>M/s J L Sengupta & Co</p> <p>Chartered Accountants</p> <p>Firm Registration No. 307092E</p> <p>70A, Lenin Sarani I Floor</p>
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	<p>Kolkata 700 013 Tel. No.: 033-2264 5633 Fax:033-22266691 Email: cajlsco@gmail.com</p> <p>M/s J Singh & Associates Chartered Accountants Firm Registration No.110266W 505/506/507 Hubtown Viva Shankarwadi, Western Express Highway, Jogeshwari (E), Mumbai 400 060 Tel. No.:022-66994618 Fax – 022-66994619 Email: ca_jsingh@rediffmail.com</p>
Legal Counsel for the present issue of Additional Tier 1 Bonds	<p>Luthra & Luthra Law Offices 20th Floor, Tower 2, Unit A2, India Bulls Finance Centre, Elphinstone Road, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013 Ph: +91-22-43547000, 66303600</p>
Auditors for the Issue	<p>M/s RamRaj & Co. Chartered Accountants Firm Registration No: 002839S 65, 4th Floor 29th A Cross Geetha Colony 4th Block Jayanagar Bangalore 560 011 Tel. No: 080-22445567 Fax – 080-26657211 Email: ramraj12@gmail.com gvrao12@gmail.com</p>

B. Brief summary of the business/ activities of the Issuer and its line of business

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 nationalised 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, 2016. The Bank is also one of the largest nationalised banks in India in terms of total advances and deposits, which amounted to ₹8.11 lakh Crores and we have over 752 lakh customers, as on September 2016. The Government of India owns 66.30% of shareholding of the Bank, as on September, 2016, 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 include the **award for excellence, 1st position in MSE lending for FY14 and FY15** by Govt. of India, National Award for excellence in lending to Micro Enterprises, **1st position for FY14 and 2nd Position for FY15** by Govt. of India, **best**

bank Award under PMEGP, South Zone in the field of Khadi and Village Industries for FY14 and FY15 by Govt. of India, RuPay Special Award for being the highest RuPay Card Issuing Bank by NPCI, 'Best Strategy in HR' & 'Training Excellence' – Gold Awards, in 6th Annual Greentech HR Award 2016. 'SKOCH Order of Merit' Award for initiatives under Financial Inclusion. The bank also bagged 'Special Award for the Best Financial Institution-Gold' for 7th year in succession by Federation of Karnataka Chamber of Commerce & Industry (FKCCI), 'MasterCard Innovation Award' 2015 for International Travel Prepaid Card, 'VISA' Award for achieving key monthly spends milestone on VISA Debit Cards, 'SKOCH ORDER-OF-MERIT Award' for innovative initiatives taken under Financial Inclusion, Gold Awards for "Best Strategy in HR" and "Training Excellence" during the 6th Annual Greentech HR Award 2016, Conferred with the 'Dun & Bradstreet Banking Awards 2016' for being the Best Bank under priority sector lending and Best Retail Growth performer amongst public sector banks, Conferred with "Indy Wood CSR Excellence Award 2016" constituted by Indywood Film Carnival for its outstanding achievement under CSR.

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 ₹374160 Crores as of March 31, 2012 to ₹552961 Crores as of March 31, 2016 at a CAGR of 10.26%. Our total deposits have grown from 327054 Crores as of March 31, 2012 to ₹479792 Crores as of March 31, 2016 at a CAGR of 10.05%. Our total advances have increased from ₹232490 Crores as of March 31, 2012 to 336548 Crores as of March 31, 2016 at a CAGR of 9.69%. Our total income has increased from ₹33778 Crores as of March 31, 2012 to ₹48897 Crores as of March 31, 2016 at a CAGR of 9.69%. Our net profit was at ₹2703 Crores for the year ended March 31, 2015. In March 2016 Bank posted a net loss of ₹2813 crore due to high provisioning, particularly on NPAs in line with the industry trends. In addition, our total number of branches has

increased from 3600 as of March 31, 2012 to 5849 as of March 31, 2016 at a CAGR of 12.90%.

As at September 2016, the total assets of our bank stood at ₹562133 crore. The total business of our bank stood at ₹811450 crore as on September 2016 comprising total deposits of ₹484321 Crore and total advances of ₹327129 crore. The total income of our bank stood at ₹23973 crore with a net profit of ₹586 crore as on September 2016. In addition, the total branch network of the Bank was at 5868, including 8 overseas branches (London, Leicester, Johannesburg, New York, Hong Kong, Manama, Shanghai 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.

iii. **Financial Performance**

The operating profit of the Bank increased by 2.82 % to Rs. 7146.66 crore compared to Rs. 6950.37 crore last year. Bank has posted a loss of Rs.2812.82 crore for March 2016, due to higher NPA provisions / Increase in Non Performing Assets.

However, during the financial year 2016-17, maximum thrust is being given to reduce NPAs and reducing the provision requirements. The Bank has initiated recovery measures to maximize cash recovery during the year.

The Bank has posted a net profit of Rs. 585.86 crore for the Half Year ended September 2016 compared to a loss of Rs.2812.82 crore posted in the March 2016. Bank is confident to post positive results in rest of the two quarters of the financial year also.

Key Financial Ratios (%)	March 2015	March 2016	September 2016
Cost of Funds	6.84	6.31	5.78

Key Financial Ratios (%)	March 2015	March 2016	September 2016
Yield on Funds	8.78	8.11	7.51
Cost of Deposits	7.38	6.94	6.38
Yield on Advances	10.75	9.71	9.15
Yield on Investments	8.00	7.92	7.88
Interest Spread	1.94	1.80	1.80
Net Interest Margin (NIM)	2.25	2.19	2.19
Operating Expenses to Average Working Funds	1.43	1.38	0.76
Return on Avg. Assets (RoAA)	0.55	(0.52)	0.21
Return on Equity	11.06	(10.69)	4.44
Business per Employee (₹ in Crore)	14.35	14.45	13.84
Book Value (₹)	552.54	477.19	484.28
Earnings per Share (₹)	58.59	(53.61)	10.79

The net worth of the Bank as at March 2016 stood at Rs. 25911.26 crore as against of Rs. 26256.76 Crore as at March 2015. The net worth of the Bank (stand alone) as at September 2016 was Rs.26296.47crore. The total paid up capital of the Bank was Rs. 542.99 crore. The total reserves and surplus was Rs.31573.82 crore. The Government of India holds 66.30% share in our equities.

(Amt. in Rs. Crore)

Composition of Capital	March 2015	March 2016
Risk Weighted Assets	342248	333869
CET 1	25222	27308
CET 1(%)	7.37	8.18
AT 1	2238	2064
AT 1(%)	0.65	0.62
Tier I Capital	27459	29372
CRAR (%)(Tier I)	8.02	8.80
Tier 2 Capital	8678	7633
CRAR (%)(Tier 2)	2.54	2.28
Total Capital	36137	37005
CRAR (%)	10.56	11.08

Capital Adequacy Ratio as at March 2016 stood at 11.08% against regulatory requirement of 9.625%, including Capital Conservation Buffer. Within the capital adequacy ratio, CET 1 ratio

stood at 8.18% against requirement of 5.5% and Tier I capital ratio was at 8.80% against the requirement of 7%. Adequate headroom is available under both Tier-I and Tier-II options for the Bank to raise capital in order to support business growth momentum

Business Growth

Total Deposits increased to Rs 479792 crore as at March 2016 compared to Rs 473840 crore year ago. Current and Savings Bank (CASA) deposits of the Bank increased by 8.82% y-o-y to Rs 123542 crore as at March 2016. The Bank's CASA deposits to domestic deposits improved to 27.38% as at March 2016 from 25.47% last year. The Bank expanded its asset base to a well diversified segments of the economy, like, Agriculture and Micro, Small and Medium Enterprises (MSMEs), Retail, including Housing, Education, Vehicle and other productive segments. Advances (Net) of the Bank stood at Rs 324715 crore as at March 2016. As at March 2016, the number of borrowal clientele accounts increased to 81 lakhs from 72 lakhs last year.

International Operations

The Bank's overseas operations as at 31st March 2016 covered 8 countries, which include branches in London and Leicester (U.K), Hong Kong, Shanghai (China), Manama (Bahrain), Dubai International Financial Centre (DIFC) (U.A.E), Johannesburg (South Africa) and New York (U.S.A); a Representative Office at Sharjah (U.A.E) and a Joint Venture Bank, viz., Commercial Indo Bank LLC in Moscow (Russia) in association with State Bank of India.

The Bank has received approval from the Bank of Tanzania, the Regulators of Tanzania for establishing a wholly owned banking subsidiary at Dar-es-Salaam in Tanzania. The subsidiary has been incorporated in Tanzania on 2nd November, 2015 and has commenced the commercial operations from 9th May, 2016.

Total business of the Bank from the overseas branches aggregated to Rs 50868 crore for the financial year ending March 2016. Overseas business constituted 6.32% of the Bank's total business.

During the year, the Bank opened a branch at Dubai International Financial Centre (DIFC), Dubai on 28th January, 2016. The Bank has approval from the RBI for expansion in another 5 international centres, such as, Frankfurt (Germany), Sao Paulo (Brazil), Tokyo (Japan), Jeddah (Saudi Arabia) and Jakarta (Indonesia).

The Bank has sought RBI's approval for expansion in 7 more international centres, covering Mexico City (Mexico), Kigali (Rwanda), Singapore, Auckland (New Zealand), Sydney (Australia), Ontario (Canada) and Durban (South Africa)

The Bank's international operations are well supported by a wide network of 385 Correspondent Banks, spread across 78 countries and the Bank's overseas branches and offices. Rupee Drawing Arrangement has been made with 36 Exchange Houses and 25 overseas banks for channelizing the remittances of Non-Resident Indians (NRIs). The Bank has been managing two Exchange Houses viz., Al Razouki International Exchange Company, Dubai and Eastern Exchange Est., Qatar under Secondment and Management Agreement respectively.

Credit Risk Management

The Bank has various risk management systems for managing Credit Risk with comprehensive policies and procedures in place. The Credit Risk Management Policy articulates, among others, the guidelines on:

- Lending norms for appraisal and decision making
- Defining Exposure Limits and thrust areas for financing
- Delegation of credit sanctioning powers to various authorities/Credit Approval Committees based on internal risk rating of the borrowers
- Entry barriers based on risk rating
- Risk Based Pricing
- Loan Review Mechanism

An exclusive Credit Monitoring Policy has been put in place. The loan review mechanism articulated in the Credit Monitoring Policy covers the entire gamut of review and monitoring as an effective tool for evaluating the loan book continuously. It also intends to bring out qualitative improvements in credit administration, including Credit Audit/ Pre-release Audit, duly administered by the Credit Administration and Monitoring Wing.

Advances (net)

The Bank expanded its asset base to a well diversified segments of the economy, like, Agriculture and Micro, Small and Medium Enterprises (MSMEs), Retail, including Housing, Education, Vehicle and other productive segments. Advances (Net) of the Bank stood at Rs 324715 crore as at March 2016.

iv. Total business

Total business of the Bank increased to ₹804506 crore, with a y-o-y growth of 0.60% compared to ₹803876 crore in the previous year. During the year, the Bank's total clientele accounts increased by over 68 lakhs to 7.25 crore from 6.57 crore last year.

v. Retail Lending Operations

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

Retail Segments	As at March		Growth	
	2015	2016	Quantum	(%)
Housing Direct	22352	30975	8623	38.58
Vehicle	3770	4307	537	14.24
Other Personal	10540	12049	1509	14.32
Education	5636	6738	1102	19.55
Total Retail Loans	42298	54069	11771	27.83

(Amt. ₹ Crore)

Outstanding retail loans portfolio grew by 27.83% y-o-y to Rs 54069 crore as at March 2016. The disbursements under various retail lending schemes amounted to Rs 24279 crore. The outstanding housing loan portfolio rose to Rs 30975 crore, with a y-o-y growth of 38.58% and accounted for 57% of the total retail lending portfolio. The Bank's vehicle loans and other personal loans increased by 14.24% and 14.32% y-o-y respectively.

National Priorities

Priority Sector Advances

The Bank continues to accord importance to varied goals under national priorities, including agriculture, micro and small enterprises, education, housing, microcredit, credit to weaker sections and specified minority communities. Priority Sector Advances of the Bank as at March 2016 reached Rs 145558 crore, recording a y-o-y growth of 23.11% and achieved 49.29% to Adjusted Net Bank Credit (ANBC) against 40% mandated norm.

(Amt. ₹ Crore)

Priority Sector Advances	As at March		Growth	
	2015	2016	Amount	%
Total Priority Sector	118234	145558	27324	23.11
Agriculture	58868	67176	8308	14.11

With a focus on credit delivery to Agriculture, the Bank's advances under agriculture portfolio increased by 14.11% to Rs 67176 crore, covering over 59 lakh farmers. Under agriculture lending, the Bank achieved 22.75% to ANBC against 18% mandated norm. During 2015-16, the Bank's agriculture credit disbursement increased to Rs 57018 crore, with a growth of 26.06% over the previous year.

The Bank undertook special campaigns for extending Crop Loans facility to all farmers.

During the year, the Bank issued 7 lakh Kisan Credit Cards (KCCs), amounting to Rs 10393 crore. The credit outstanding under KCCs was at Rs 12675 crore as at March 2016. 6.36 lakhs Kisan RuPay Cards were issued against the eligible accounts of 6.69 lakhs, with an achievement of 95%.

The Bank actively participated in various Government Sponsored Schemes, such as, Prime Minister's Employment Generation Programme (PMEGP), National Rural Livelihood Mission (NRLM), Swarnajayanti Shahri Rozgar Yojana (SJSRY), Scheme for Liberation and Rehabilitation of Scavengers (SLRS) and Differential Rate of Interest (DRI) Scheme.

In support of the underprivileged sections of the society, the Bank's advances to SCs/STs beneficiaries amounted to Rs 6886 crore as at March 2016, covering 5.62 lakh borrowers. The advances to SCs/STs comprised 4.73% of total priority sector advances. Advances to weaker sections grew by 12.55% to Rs 43498 crore, constituting 14.73% to ANBC against mandated norm of 10%.

Financial Inclusion

With the basic objective of bringing the large unserved population under the banking mainstream, the Bank is striving towards a more inclusive growth by making financial products and services available to financially excluded and marginalized sections of society in particular. As per the Government of India and the Reserve Bank of India directions, the Bank has been actively pursuing the agenda of Financial Inclusion (FI), with key interventions in four groups, viz., expanding banking infrastructure, offering appropriate financial products, making extensive and intensive use of technology and through advocacy and stakeholder participation.

Formation and Credit Linkage of SHGs

Financing to Self Help Groups has played pivotal role for poverty alleviation and financial inclusion of rural poor. The Bank has formed 44027 SHGs and credit linked 46668 SHGs to the extent of Rs 932 crore during the current financial year. There were 1.22 lakhs SHG accounts at the end of the year, with an amount outstanding at Rs 2344 crore.

Corporate Social Responsibility.

Setting Examples in CSR Activities

Following 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, providing primary health care, drinking water, community development, empowerment of women and other social initiatives.

Rural Development

The Bank, through its Canara Bank Centenary Rural Development Trust (CBCRDT), has established 34 exclusive training institutes, including 26 Rural Self Employment Training Institutes (RSETIs), 5 Institutes of Information Technology and 3 Artisan Training Institutes to promote entrepreneurship development among rural youth and encourage them to take up self employment activities. During 2015-16, these Institutes trained 30,387 candidates, taking the tally to 2.57 lakhs unemployed youth since inception, with an impressive settlement rate of 73%. The Bank has co-sponsored another 27 Rural Development and Self Employment Training Institutes (RUDSETIs) across 17 States, engaged in training of rural youth for taking up self-employment programmes. During 2015-16, these Institutes trained 26,909 candidates, taking the tally to 3.96 lakhs unemployed youth since inception, with a settlement rate of 72%. The Bank has co-sponsored Andhra Pradesh Bankers Institute for Rural and Entrepreneurship Development (APBIRED) at Hyderabad, Canara Bank Deshpande RSETI at Haliyal, Karnataka, Karnataka Farmers Resource Centre (KFRC) at Bagalkot, Karnataka and Bharat Ratna Shri M Visvesvaraya Training Institute at Bengaluru. Cumulatively, the Bank's sponsored/ co-sponsored 65 training institutes have trained 6.78 lakhs unemployed youth, with a settlement rate of 72%. The Bank has 4 donated a hi-tech, custom built, solar powered 'Retail Mobile Marketing Van' to assist women entrepreneurs, SHGs and artisans to market their products.

Progress in Alternate Delivery Channels

During 2015-16, the Bank added 718 ATMs, taking the total number of ATMs to 9251. The Bank's debit card base rose to 3.19 crore compared to 2.54 crore as at March 2015.

The Bank opened 170 hi-tech E-lounges 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 is configured at select e-Lounges. Pass-Book Self-Printing Kiosks has been enabled in 1398 branches. As a result of various alternate delivery measures adopted by the Bank, e-transaction ratio increased to 54.21% as at March 2016 compared to 50.21% last year.

Manpower Profile

As at March 2016, the Bank had 54008 employees on its rolls.

	March 2015	March 2016
Total No. of Employees	53984	54008
Officers	23372	24174
Clerks	20268	20194
Sub-Staff*	10344	9640

* includes part-time employees (PTEs)

The Bank's staff comprised 45% Officers, 37% Clerks and 18% Sub-Staff. Women employees comprising 15729 constituted 29% of the Bank's total staff. The total number of ex-servicemen staff as at March 2016 stood at 3499. There were 1175 Physically Challenged Employees on the rolls of the Bank.

During the year, the Bank recruited 3747 persons in various cadres, out of which, 634 belonged to Scheduled Castes (SCs) and 309 to Scheduled Tribes (STs) categories. 344 ex-servicemen were recruited in various cadres during the year.

1178 women employees were recruited and 622 women employees were promoted under various cadres during the year.

Reservation Policy in respect of Scheduled Castes and Scheduled Tribes

As at March 2016, the number of Scheduled Castes and Scheduled Tribes together constituted 26.99% of total staff strength of the Bank

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 as many as nine subsidiaries/ sponsored entities/ joint ventures in diversified fields. All the subsidiaries / sponsored entities/joint ventures of the Bank recorded satisfactory performance during the year 2015-16.

CANFIN HOMES LIMITED (CFHL)

Canfin Homes Limited, a sponsored entity of Canara Bank, is one of the premier housing finance entities in the country. The Bank's stake in the Company is at 43.45%. For FY 2015-16, the Company has sanctioned loans amounting to Rs. 4418 crore and disbursed loans amounting to Rs 3922 crore. The loan outstanding was at Rs 10643 crore as on 31.3.2016. The Company earned a profit after tax of Rs 157.11 crore against Rs 86.24 crore in the previous year, with a growth of 82%. The Company has declared 100% dividend for the year 2015-16.

CANARA BANK SECURITIES LIMITED (CBSL)

Canara Bank Securities Limited is a wholly owned subsidiary of the Bank. The Company offers stock broking services to both institutional and retail clients. Online Trading Counter for retail customers is its flagship product and has diversified into Currency Derivatives, with

a clientele base of 39352. The Company has posted a profit after tax of Rs. 5.97 crore for the year 2015-16. The Company has declared a dividend of 12% during the year.

CANARA ROBECO ASSET MANAGEMENT CO LIMITED (CRAMC)

In the year 2007, Canara Bank divested 49% of its stake in Canbank Mutual Fund in favour of M/s Robeco Groep N V and formed a Joint Venture (JV) for managing the assets under Canara Robeco Asset Management Company Limited. The Bank's share in the JV is at 51%. Total Assets under management was at Rs.7526 crore, with investor base of 6.12 lakhs. The Company is currently managing 29 Mutual Fund Schemes, including Gold ETF. The Company posted a net profit of Rs.15.20 crore for the year 2015-16 and has declared a dividend of 10%.

CANBANK FACTORS LIMITED (CFL)

Canbank Factors Limited is a factoring subsidiary of the Bank, with a 70% stake holding. During 2015-16, the Company has achieved a total business turnover of Rs 3119 crore. The Company has earned profit after tax of Rs 2.24 crore for the year 2015-16. The Company continues to enjoy the highest rating of "A1+" by CRISIL for its Short Term Debt Programme.

CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURANCE COMPANY LIMITED

A life insurance Joint Venture (JV) was floated by the Bank in association with HSBC Insurance (Asia Pacific) Holding Limited and Oriental Bank Commerce in the year 2007. The JV commenced its business operations from 16.06.2008. Canara Bank holds majority shareholding of 51%, followed by 26% by the HSBC and 23% by the Oriental Bank of Commerce. During the year, the Company recorded new business premium of Rs 859 crore and gross premium of Rs.2045 crore. The Company achieved a statutory profit of Rs.126 crore for the year 2015-16.

CANBANK VENTURE CAPITAL FUND LIMITED (CVCFL)

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 assets under management of Rs 553 crore. The latest fund is the Emerging India Growth Fund, with corpus of Rs 436 crore. CVCFL has been appointed by the Department of Electronics and Information Technology, Govt. of India, to manage the Electronic Development Fund, with a corpus of Rs 2200 crore. The Company recorded a profit after tax of Rs.4.88 crore for the year 2015-16 and has paid a dividend of 1000%.

CANBANK COMPUTER SERVICES LIMITED (CCSL)

Canbank Computer Services Limited is the only Software Company promoted by a Public Sector Bank in the country, with a majority 69.13% held by the Bank. The Company is primarily engaged in IT and Software development services, BPO services, Any Time Payment (ATP)/ATM services training / consultancy and Registrar & Share Transfer agency. The Company has achieved the profit after tax of Rs.6.57 crore for the year 2015-16 and declared a dividend of 50%.

CANBANK FINANCIAL SERVICES LIMITED (CANFINA)

Canbank Financial Services Limited is confining its activities to legal matter arising out of past transactions in securities, besides concentrating on collection of lease rentals and recovery of dues under decreed accounts.

COMMERCIAL INDO BANK LLC (CIBL)

CIBL, a joint venture of Canara Bank and State Bank of India, has been operational since April, 2004 in Moscow, Russia. The Company earned a profit after tax of US\$3.94 million for the year ended 31st March, 2016.

Regional Rural Banks (RRBs)

As at March 2016, the Bank had two sponsored RRBs, viz., Kerala Gramin Bank (KGB), covering entire 14 districts of Kerala with 595 branches and Pragathi Krishna Gramin Bank (PKGB), covering 11 districts of eastern Karnataka with 647 branches. Both the RRBs together have a branch network of 1242 and 515 ATMs, of which 32 branches and 103 ATMs were opened during the year.

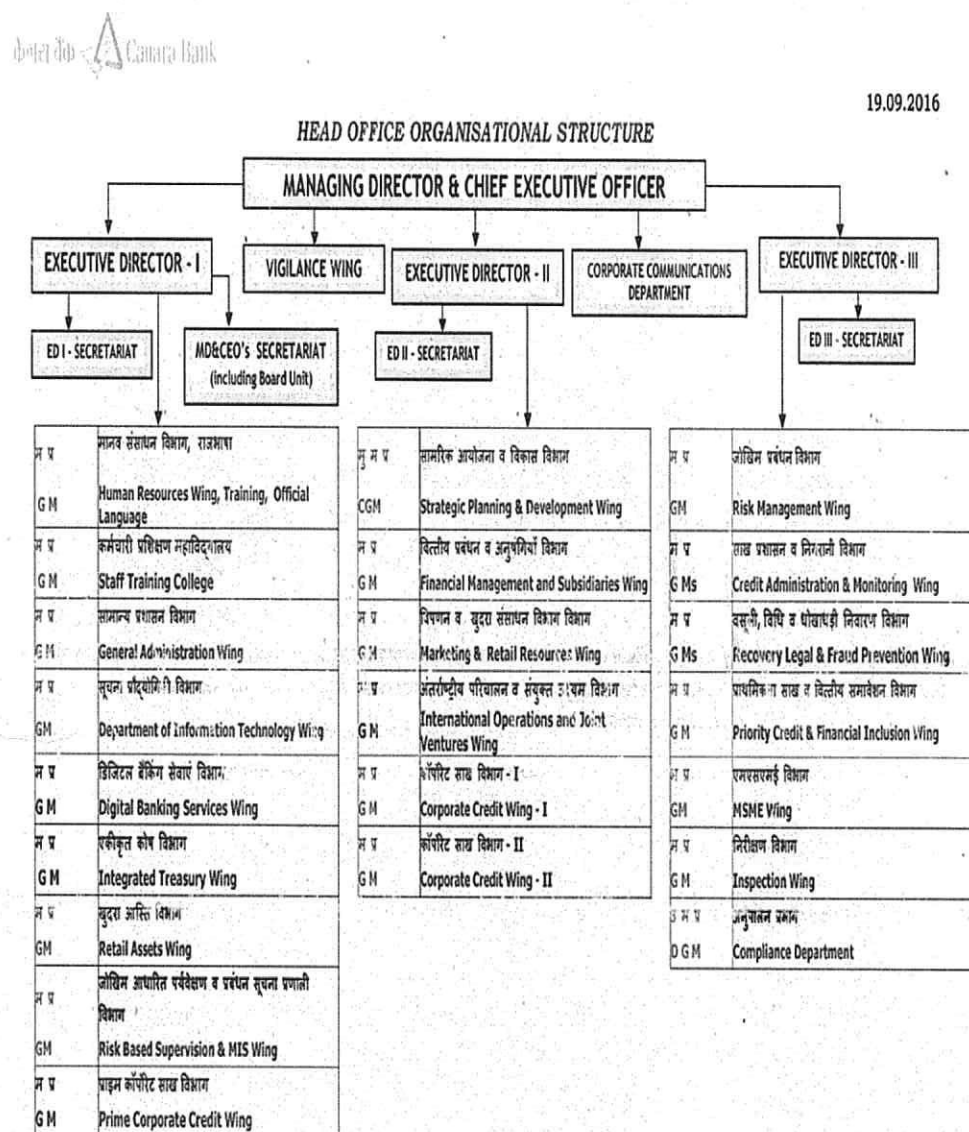
The aggregate business of the RRBs as at March 2016 stood at Rs 48008 crore, comprising Rs.24957 crore under deposits and Rs 23051 crore under advances. Kerala Gramin Bank, with a total business of Rs 24607 crore, ranked 1st amongst RRBs, followed by the Pragathi Krishna Gramin Bank with Rs 23401 crore business. Both the RRBs achieved the mandated target of 75% of total advances under priority sector lending. Gross NPA and Net NPA levels were below the tolerable level of 5% of their advances.

Both these RRBs were profit making and posted a gross profit of Rs 398 crore and net profit of Rs 188 crore during the year. Their capital adequacy ratios were above the mandatory norm of 9%.

The sponsored RRBs are 100% CBS compliant and ahead of their peers under technology front, with extension of IT based products, like, Mobile Banking, RuPay Debit Card services, Cheque truncation system, eKYC technology, Aadhaar enabled services and remittance facilities through NEFT/RTGS to their customers. Kerala Gramin Bank was awarded as the 'Best IT Enabled Regional Rural Bank' for the year 2014-15 under Banking Technology Excellence Awards of IDRBT. Pragathi Krishna Gramin Bank has received 'Best Social Bank-2015' and 'Best Agricultural Bank-2015' awards from ASSOCHAM. PKGB has also bagged 'Best Technology Bank for 2015' Runners-up from the Indian Banks Association (IBA). Implementation of Financial Inclusion, Pradhan Mantri Jan Dhan Yojana (PMJDY) & Social Security Schemes (SSS) in the Sponsored RRBs. The Bank's sponsored RRBs are extending basic banking services to villages through 1041 Business Correspondents (BCs). 22 Financial Literacy Counselling Centers (FLCs) were established by the RRBs and financial literacy camps were also conducted during the year. Under PMJDY both the RRBs together have opened 9.30 lakh accounts and issued RuPay Cards to all the account holders. The Bank's sponsored RRBs were the first amongst RRBs to implement e-KYC technology and Aadhaar enabled Payment System (AEPS). Together, these RRBs had done 10.50 lakh enrollments under the Social security Schemes

vi. **Corporate Structure**

Organizational chart



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

a. **Standalone**

(Rs in crores)

Parameters	For the Half Year ended September 30, 2016	FY 14	FY 15	FY 16
Networth	26296.47	23393.56	26256.76	25911.26
Total Debt	509817.46	447953.46	499511.67	506664.87
Of which Non-Current Maturities of LTB	10949.17	15420.04	17024.06	13061.42
Short Term Borrowing	11981.62	11047.10	7722.51	10180.53
Current Maturities if LTB	2565.43	763.50	925.00	3631.36
Net Fixed Assets	7151.60	6641.56	6949.45	7198.10
Non Current Assets	362522.95	306872.62	333004.39	368995.03
Cash and Cash Equivalents	63213.42	44828.71	48641.09	56733.66
Current Investments	14486.54	7447.52	18407.79	8094.48
Current Assets	199609.74	185049.23	214996.17	183965.75
Current Liabilities	265402.81	276652.10	274476.49	250420.66
Assets Under Management	NA	NA	NA	NA
Off Balance Sheet Assets	NIL	NIL	NIL	NIL
Interest Income	20607.05	39547.61	43750.04	44022.14
Interest Expense	15857.30	30603.17	34086.37	34258.77
Provisioning & Write- offs	3373.78	4358.00	4247.74	9959.48
PAT	585.86	2438.19	2702.62	-2812.82
Gross NPA (%)	9.81	2.49	3.89	9.40
Net NPA (%)	6.69	1.98	2.65	6.42
Tier 1 Capital Adequacy Ratio (%)	8.87	7.68	8.02	8.80
Tier 2 Capital Adequacy Ratio (%)	3.32	2.95	2.54	2.28

b. Consolidated

(Rs in crores)

Parameters	For the HY Sept 2016	FY 14	FY 15	FY16
Networth	27354.07	24462.30	26932.50	26774.18
Total Debt	509926.17	447913.40	499487.81	506712.36
Of which Non-Current Maturities of LTB	10949.17	15420.04	17024.06	13061.42
Short Term Borrowing	12072.22	11047.10	7722.51	10180.53
Current Maturities if LTB	2565.43	763.50	925.00	3631.36
Net Fixed Assets	7164.98	6661.98	6969.99	7205.76
Non Current Assets	362705.45	315618.62	343169.49	349826.14
Cash and Cash Equivalents	63338.20	44871.58	48647.56	56743.74
Current Investments	15341.37	7712.16	18677.45	8367.59
Current Assets	200895.16	185470.97	215388.06	184379.76
Current Liabilities	262556.72	276652.10	274476.49	250420.66
Assets Under Management				
Off Balance Sheet Assets				
Interest Income	20610.42	39570.17	43813.37	44039.49
Interest Expense	15869.29	30605.53	34133.12	34262.99
Provisioning & Write-offs	3392.53	4402.53	4289.65	9986.11
PAT	697.99	2630.17	2864.67	-2607.01
Gross NPA (%)	9.87	2.53	3.92	9.44
Net NPA (%)	6.73	2.01	2.67	6.44
Tier 1 Capital Adequacy Ratio (%)	8.98	7.79	8.11	8.89
Tier 2 Capital Adequacy Ratio (%)	3.31	2.96	2.54	2.28

c. Gross Debt Equity Ratio of the Issuer

(Rs in crores)

Particulars	Pre-Issue (as on September 30, 2016)	Post Issue of Bonds of Rs 1000 crore
TOTAL LONG TERM DEBT **	18910.89	19910.89
Total Long Term Debt	18910.89	19910.89
SHAREHOLDERS' FUNDS	26296.46	26296.46
Share Capital	542.99	542.99
Reserve & Surplus	25753.47	25753.47

Particulars	Pre-Issue (as on September 30, 2016)	Post Issue of Bonds of Rs 1000 crore
(excluding FCT Revaluation Reserve)		
Net Worth	26296.46	26296.46
GROSS DEBT/ EQUITY RATIO	0.72	0.76

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

viii. 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 utilise 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 giving details of the following activities

i. Details of Share Capital as on September 30, 2016

		(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		
	54, 29,91,054 Equity Shares of Rs.10/- each fully paid up		542.99
c.	Paid-up Equity Share Capital		
	54, 29,91,054 Equity Shares of Rs.10/- each fully paid up	542.99	
	Add: Amount of Equity Shares forfeited	--	
	Total Paid-up Equity Share Capital		542.99
2.	SHARE PREMIUM ACCOUNT		5672.53

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 Rs. 1,500 crore to Rs. 3,000 crore	3,000.00	By notification F. No. 11/4/2009- 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
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

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

Details after 31.03.1999:

SI 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(2010-11)	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 India	Preferential Allotment to GOI	47,51,96,971	475.20	3273.01

SI 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)
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

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

None

v. Details of any Reorganization or Reconstruction in the last 1 year:

Type of Event	Date of Announcement	Date of Completion	Details
Corporate Communications Department formed	06.10.2015	06.10.2015	Corporate Communications Department formed and the Department shall be directly reporting to MD&CEO
TR&FP Wing merged with Recovery Wing	11.12.2015	11.12.2015	TR&FP Wing merged with Recovery Wing
Structural Reorganisation of the Bank	12.01.2016	14.07.2016	The existing 3 tier administrative structure of the Bank was reorganized into 4 tier structure. Existing 47 Circles were reorganized into 21 Circles and 118 Regional Offices were formed under these 21 Circles.
Renaming of Recovery Wing as Recovery Legal & Fraud Prevention Wing.	06.02.2016	06.02.2016	Recovery Wing renamed as Recovery Legal & Fraud Prevention Wing.
Re-organisation of Functional Wings	12.04.2016 05.05.2016	12.04.2016 05.05.2016	1. International Operations Wing renamed as "International Operations & Joint Ventures Wing". 2. Regional Rural Banks & Lead Bank Wing merged with "Priority Credit & Financial Inclusion Wing".

Type of Event	Date of Announcement	Date of Completion	Details
Re-organised Staff Training College as a separate vertical	06.04.2016	06.04.2016	Staff Training College has been re-organised as a separate vertical
Formation of Prime Corporate Credit Wing	05.05.2016	05.05.2016	<p>3. Formation of Prime Corporate Credit Wing.</p> <p>4. Re-aligning functions of Corporate Credit Wings I & II</p> <ul style="list-style-type: none"> - CC Wing I shall handle credit proposals of proposed 13 re-organised Circles - CC Wing II shall handle credit proposals of proposed 3 re-organised Circles - PAG, S&NP Group, CMBD, TUFS Cell & Textile Desk, Infrastructure Projects Group, Restructured Assets Division, CDR Cell, Export-Import Credit Group is brought under CC Wing II. - General Section formed under CC

Type of Event	Date of Announcement	Date of Completion	Details
			Wing II 5. Corporate Credit Wing III ceases to exist.
Renaming of "Transaction Banking Wing" as "Digital Banking Services Wing"	01.08.2016	01.08.2016	"Transaction Banking Wing" renamed as "Digital Banking Services Wing"

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

i. Shareholding pattern of the Bank as on September 30, 2016

Sr. No.	Particulars	Total No. of Equity Shares	No. of Shares in demat form	Total Shareholding as % of total no of equity shares
1	PRESIDENT OF INDIA	359991054	359991054	66.297787%
2	INSURANCE COMPANIES	76570332	76570332	14.101583%
3	MUTUAL FUNDS	30377440	30377440	5.594464%
4	INDIVIDUALS	29152902	23408324	5.368947%
5	FOREIGN PORTFOLIO INVESTORS	21966631	21966631	4.045487%
6	FOREIGN INSTITUTIONAL INVESTORS	12932324	12932324	2.381683%
7	BODIES CORPORATES	6426303	6297903	1.183501%
8	BANKS	2431225	2431225	0.447747%
9	CLEARING MEMBERS	1594908	1594908	0.293726%
10	NON RESIDENT INDIANS	697543	697543	0.128463%
11	H U F	418984	414884	0.077162%
12	NON RESIDENT INDIAN NON REPATRIABLE	217000	217000	0.039964%

Sr. No.	Particulars	Total No. of Equity Shares	No. of Shares in demat form	Total Shareholding as % of total no of equity shares
13	INDIAN FINANCIAL INSTITUTIONS	181661	181661	0.033456%
14	NBFC	22957	22957	0.004228%
15	TRUSTS	9290	9190	0.001711%
16	FOREIGN NATIONALS	500	500	0.000092%
	TOTAL	542991054	537113876	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 September 30, 2016

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	359991054	359991054	66.30
2.	Life Insurance Corporation of India (*)	74635322	74635322	13.75
3.	HDFC Trustee Company Ltd – HDFC Equity Fund (*)	23928486	23928486	4.41
4.	Reliance Capital Trustee Co Ltd. A/c Retail Trust (*)	4987444	4987444	0.92
5.	Government Pension Fund Global	3126814	3126814	0.58
6.	National Westminster Bank PLC	2968290	2968290	0.55
7.	Vanguard Emerging Markets Stock	1790038	1790038	0.33
8.	Teacher Retirement System of Texas(*)	1782659	1782659	0.33
9.	GMO	1734111	1734111	0.32

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
	Implementation Fund A Series			
10.	Dimensional Emerging Markets Value Fund	1435901	1435901	0.26
Total		476380119	476380119	87.75

(* Note : 01. LIC of India is holding 7,46,35,322 equity shares under 24 different folios / schemes with 13.75 % of share in the total equity of the Bank

02. HDFC Trustee Company Ltd – is holding 2,39,28,486 equity shares under 9 different folios with 4.41 % of share in the total equity of the Bank

03. Reliance Capital Trustee Co Ltd - is holding 49,87,444 equity shares under 5 different folios with 0.92 % of share in the total equity of the Bank

04. Teacher Retirement Scheme of Texas - is holding 17,82,659 equity shares under 4 different folios with 0.33 % of share in the total equity of the Bank)

E. Details regarding the Directors of the Bank

i. Details of current directors of the Bank

Sl. No.	Name, Designation and DIN	Age (in Years)	Address	Director of the Bank since	Details of other Directorship/s
1.	Shri.T N Manoharan Non official Director as well as Non Executive Chairman DIN:01186248	60	Canara Bank, Head Office 112, J.C.Road Bengaluru–560 002	14.08.2015	Tech Mahindra Limited – Independent Director MCA Financial Capital Advisors Private Limited MCA Telecom Consultancy Services Private Ltd Manohar Chowdhry & Associates
2	Shri Rakesh Sharma Managing Director & Chief Executive officer	58	Canara Bank, Head Office 112,J.C.Road Bengaluru –560 002	11.09.2015	1. Canara Bank Securities Limited 2. Canbank Computer Services Ltd

Sl. No.	Name, Designation and DIN	Age (in Years)	Address	Director of the Bank since	Details of other Directorship/s
	DIN 06846594				3. Canara HSBC OBC Life insurance Co Ltd 4. Canbank Factors Limited 5. Canara Robeco Asset Management Co Limited 6. Canbank Venture Capital Fund Limited 7. Commercial Indo Bank LLC (CIBL), Moscow (Russia) 8. Canara Bank Tanzaia Ltd
3	Shri Harideesh Kumar B Executive Director DIN: 07167694	59	Canara Bank, Head Office 112,J.C.Road Bengaluru -560 002	11.03.2015	1. Canara Bank Securities Ltd 2. Canara Bank Venture Capital Fund 3. Canara Robeco Mutual Fund 4. National Payments Corporation of India Ltd 5. IBA Standing Committee on Retail Banking for 2015-16
4	Shri Dinabandhu Mohapatra Executive Director DIN: 07488705	57	Canara Bank, Head Office 112,J.C.Road Bengaluru -560 002	22.01.2016	1. Canbank Computer Services Ltd 2. Canara HSBC OBC Life insurance Co Ltd 3. Canbank

Sl. No.	Name, Designation and DIN	Age (in Years)	Address	Director of the Bank since	Details of other Directorship/s
					Factors Limited
5	Smt. P.V. Bharathi Executive Director DIN 06519925	56	Canara Bank, Head Office 112,J.C.Road Bengaluru -560 002	15.09.2016	Can Fin Homes Ltd
6	Shri Suchindra Misra Govt Nominee Director DIN: 01873568	50	Joint Secretary Dept of Financial Services, Ministry of Finance, Govt of India, New Delhi	14.06.2016	Nil
7	Smt. Uma Shankar DIN:	57	P C G M,Financial Inclusion & Development Dept, Reserve Bank of India, 10th floor, Central Office Building Building, Shahid Bhagat Singh Road, Mumbai - 400 001	23.02.2015	Nil
8	Shri. G.V.Manimaran Other than Workmen Representative Director DIN:	55	Manager, Canara Bank, I I T Branch, Chennai – 600 036	03.01.2014	Nil
9	Shri. Sunil Hukumchand Kocheta Non Official Director under Chartered Accountant category DIN : 2951197	58	S H Kocheta and Associates, Chartered Accountants, Parada Chambers, Subhash Chowk, LATUR, Maharastra – 413 512.	06.12.2013	SHK Consultants Pvt. Ltd. (Shareholding)
10	Shri. Sairam Bhaskar Mocherla Part-Time Non- Official DIN: 1430951	52	H.No.8-2-472/6, Road No.4, Banjara Hills, Hyderabad- - 500 034	05.12.2013	1) Quality Care India Limited. - Non Executive Director 2) Centre for Exposition of World Art and

Sl. No.	Name, Designation and DIN	Age (in Years)	Address	Director of the Bank since	Details of other Directorship/s
					<p>Culture, General Secretary</p> <p>3) M.Bhaskara Rao & Co. (Chartered Accountants), member practice management council</p> <p>4) Capital Fortunes Private Limited (Chairman Emeritus) Founder & Chief Mentor</p> <p>5) Quality Care India Limited., Non Executive Director</p> <p>6) Top Venture Group LLC, Class B Participating interest</p> <p>7) Kamadhenu Sukrit Private Limited, Director & Member</p> <p>8) Dhruv Agarwal Benefit Trust, Trustee</p> <p>9) Manish Agarwal Benefit Trust, Trustee</p>
11	Shri Krishnamurthy H Shareholder Director	65	DQ-10, Duplex Qtrs, Indian Institute of Science, Bengaluru	27.07.2016	Institute of Insurance and Risk Management Governing council,

Sl. No.	Name, Designation and DIN	Age (in Years)	Address	Director of the Bank since	Details of other Directorship/s
	DIN 05329716		560 012		IIBF
12	Shri Mahadev Nagendra Rao DIN 01296161	64	B1/49, 7th 'B' Cross, SFS, New Town, Yelahanka, Bengaluru 560 064	27.07.2016	IDBI Federal Life Insurance Company Ltd
13	Shri Venkatachalam Ramakrishna Iyer DIN 02194830	62	Flat No.304, Sumeet Enclave, Plot No.103, B1, Sant Dnyaneshwar Road, Panchpakhadi, Thane (West) 400 602	27.07.2016	Usha Martin Limited

None of the current directors are appearing in the RBI defaulter list and/ or ECGC default list.

ii. **Details of change in directors in the last three years (01.10.2013 to 30.09.2016)**

Sl. No	Name	Designation	Date of Appointment	Date of Cessation	Director of the Company Since (in case of resignation)	Remarks
1	Shri.G.V. Manimaran DIN:	Other than Workmen Representative Director	14.12.2010	13.12.2013	Not Applicable	
2	Shri. Ashok Kumar Gupta DIN: 00016704	Executive Director	28.07.2011	31.10.2014	Not Applicable	
3	Smt.Mee na Hemchan dra DIN:5337 181	RBI Nominee Director	13.10.2011	22.02.2015	Not Applicable	
4	Shri.Suta nu Sinha DIN:	Part Time Non-Official Director	17.10.2011	16.10.2014	Not Applicable	

Sl. No	Name	Designation	Date of Appointment	Date of Cessation	Director of the Company Since (in case of resignation)	Remarks
5	Shri.G.V.S ambasiva Rao DIN:	Workmen representative	21.10.2011	20.10.2014	Not Applicable	
6	Shri.R.K.Dubey DIN:	Chairman and Managing Director	11.01.2013	30.09.2014	Not Applicable	
7	Shri.V.S.Krishna Kumar DIN:6578678	Executive Director	04.04.2013	30.04.2015	Not Applicable	
8	Shri.Rajinder Kumar Goel DIN: 20363	Shareholder Director	27.07.2013	26.07.2016	Not Applicable	
9	Shri.Sanjay Jain DIN:105860	Shareholder Director	27.07.2013	26.07.2016	Not Applicable	
10	Shri. Sunil Hukumch and Kocheta DIN: 02951197	Part-Time Non-Official Director under Chartered Accountant category	06.12.2013		Not Applicable	Tenure on the Board ending on 05.12.2016
11	Shri.Brij Mohan Sharma DIN:	Shareholder Director	27.07.2013	31.12.2013	Not Applicable	Demitted Office on 31.12.2013
12	Shri.G.V. Manimaran DIN:	Other than Workmen Representative Director	03.01.2014		Not Applicable	Tenure on the Board ending on 02.01.2017
13	Shri	Executive	05.08.2013	31.05.201	Not	

Sl. No	Name	Designation	Date of Appointment	Date of Cessation	Director of the Company Since (in case of resignation)	Remarks
	Pradyuman Singh Rawat DIN:06701854	Director		6	Applicable	
14	Dr. Rajat Bhargava DIN:	GOI Nominee Director	26.07.2013	13.12.2015	Not Applicable	
15	Shri. Sairam Bhaskar Mocherla DIN:1430951	Part Time Non-Official Director	05.12.2013		Not Applicable	Tenure on the Board ending on 04.12.2016
16	Smt Uma Shankar DIN:	RBI Nominee Director	23.02.2015	Until further Orders	Not Applicable	
17	Shri. Harideesh Kumar DIN: 07167694	Executive Director	11.03.2015		Not Applicable	Tenure on the Board ending on 31.05.2017
18	Shri. T N Manoharan DIN:01186248	Chairman	14.08.2015		Not Applicable	Tenure on the Board ending on 13.08.2018
19	Shri. Rakesh Sharma DIN-6846594	MD & CEO	11.09.2015		Not Applicable	Tenure on the Board ending on 31.07.2018
20	Shri Pankaj Jain Govt Nominee Director	GOI Nominee Director	14.12.2015	01.05.2016	Not Applicable	

Sl. No	Name	Designation	Date of Appointment	Date of Cessation	Director of the Company Since (in case of resignation)	Remarks
	DIN:					
21	Shri Dinabandhu Mohapatra DIN:	Executive Director	22.01.2016		Not Applicable	Tenure on the Board ending on 21.01.2019
22	Shri Suchindra Misra Govt Nominee Director DIN: 01873568	GOI Nominee Director	14.06.2016		Not Applicable	
23	Shri Krishnamurthy H DIN 05329716	Shareholder Director	27.07.2016		Not Applicable	Tenure on the Board ending on 26.07.2019
24	Shri Mahadev Nagendra Rao DIN 01296161	Shareholder Director	27.07.2016		Not Applicable	Tenure on the Board ending on 26.07.2019
25	Shri Venkatachalam Ramakrishna Iyer DIN 02194830	Shareholder Director	27.07.2016		Not Applicable	Tenure on the Board ending on 26.07.2019
26	Smt. P.V. Bharathi DIN 06519925	Executive Director	15.09.2016		Not Applicable	Tenure on the Board ending on 14.09.2019

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 Ramraj & Co	002839 S	<p>M/s RamRaj & Co.</p> <p>Chartered Accountants</p> <p>Firm Registration No: 002839S</p> <p>65, 4th Floor 29th A Cross</p> <p>Geetha Colony</p> <p>4th Block Jayanagar</p> <p>Bangalore 560 011</p> <p>Tel. No: 080-22445567</p> <p>Fax – 080-26657211</p> <p>Email: ramraj12@gmail.com gvrao12@gmail.com </p>	March 2015
2	M/s V K Niranjan & Co.	002468 S	<p>M/s V K Niranjan & Co.</p> <p>Chartered Accountants</p> <p>Firm Registration No. 002468S</p> <p>Kurubara Sangha Building</p> <p>202&204 Kanakadasa Circle</p> <p>Gandhi Nagar,</p> <p>Bangalore 560 009</p>	March 2015

Sl. No	Name of Statutory Auditors	Firm Registration No	Address & Contact Details	Auditor since
			Tel. No.: 080-22267769 Fax: 080-22910027 Email: vkniranjan_co@yahoo.com	
3	M/s J L Sengupta & Co	307092 E	M/s J L Sengupta & Co Chartered Accountants Firm Registration No. 307092E 70A, Lenin Sarani I Floor Kolkata 700 013 Tel. No.: 033-2264 5633 Fax:033-22266691 Email: cajlsco@gmail.com	December 2015
4	M/s J Singh & Associates	110266 W	M/s J Singh & Associates Chartered Accountants Firm Registration No.110266W 505/506/507 Hubtown Viva Shankarwadi, Western Express Highway, Jogeshwari (E), Mumbai 400 060 Tel. No.:022-66994618 Fax – 022-66994619 Email: ca_jsingh@rediffmail.com	December 2015

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 S P Chopra & Co	Chartered Accountants 31-F Connaught Place, New Delhi 110001	03.03.2013	03.08.2013	December 2012	Nil
2.	M/s Loonker & Co	Chartered Accountants 8 Dhun Mahal, Garden Road, Colaba, Mumbai 400039	03.01.2013	04.02.2015	December 2012	Nil
3.	M/s Ford Rhodes Parks & Co.	Chartered Accountants Sai Commercial Building, III floor, 312/313, B K	23.12.2013	04.02.2015	December 2013	Nil

S. No.	Name	Address	Date of Appointment	Date of Cessation	Auditor of the Issuer since	Remarks
		Devshi Marg, Govandi, Mumbai 400088				
4.	M/s P Chopra & Co.	Chartered Accountants 10 Duggal Colony Karnal 132 001, Haryana	03.01.2013	04.11.2015	December 2012	Nil
5.	M/s A R Das & Associates	Chartered Accountants 1,2&3 Woodburn Court Woodburn Road Kolkata 700 020	03.01.2013	04.11.2015	Dec 2012	Nil

G. Details of borrowings of the Issuer as on September 30, 2016

i. Details of secured loan facilities as on September 30, 2016

Lender,s Name	Type of facility	Amount sanctioned	Principal Amt outstanding	Repayment Date/ Schedule	Security
NIL					

ii. Details of unsecured loan facilities / deposit as on September 30, 2016

Lender's Name	Type of Facility	Amount Sanctioned (Rs. In Crore)	Principal Amount Outstanding as on 30.09.2016 (Rs. In crore)	Repayment Date/Schedule
From Banks	Demand Deposits	Not Applicable	477.54	On Demand
	Term Deposits	N/A	27565.53	On Maturity
From Others	Demand Deposits	N/A	20184.98	On Demand
	Term Deposits	N/A	325017.87	On Maturity

Lender's Name	Type of Facility	Amount Sanctioned (Rs. In Crore)	Principal Amount Outstanding as on 30.09.2016 (Rs. In crore)	Repayment Date/Schedule
Depositors	Saving Banks Deposits	N/A	111075.33	On Demand
Various bondholders	Lower Tier 2 Bonds	N/A	1425.00	The Bonds have a tenor ranging from 9 to 10 years
Various bondholders	Basel III Compliant Tier II Bonds	N/A	7900.00	The Bonds have a tenor of 10 years
Various bondholders	Upper Tier 2 Bonds	N/A	1500.00	The Bonds have a tenor up to 15 years with a call option after 10 years from the date of allotment with prior approval from RBI
Various bondholders	Perpetual Bonds	N/A	1589.60	Perpetual with a call option after 10 years from the date of allotment with prior approval from RBI.
Various bondholders	BASEL III Compliant Additional Tier I Bonds – Perpetual		1500.00	Perpetual with a call option from 10 years from the date of allotment with prior approval from RBI.
Reserve Bank of India	Borrowings	N/A	Nil	
Others	Borrowings	N/A	Nil	
Other Institutions & Agencies	Borrowings	N/A	388.75	Upto 3 years
Outside India*	Borrowings	N/A	9527.43	2 Days to 10 Years
Banks/ Institutions	Bills Payable#	N/A		

* Includes MTN Bonds of Rs 3330.86 Crores

Total Bills Payable as on 30.09.2016 is Rs 1028.23 Crores

iii. Details of non-convertible-debentures issued by the Bank As on September 30, 2016

Debenture Series	Tenor/ Period of Maturity (in months)	Coupon	Amount in Crores	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Lower Tier II SERIES X	120	9.90	400	30/Mar/07	30/ Mar/17	AAA/NEGATIV E BY CRISIL & AAA BY ICRA	Unsecured	Not applicable
Lower Tier II SERIES XI	120	9.00	700.00	09/Jan/08	09/Jan/18	AAA/NEGATIV E BY CRISIL & AAA BY ICRA	Unsecured	Not applicable
Lower Tier II SERIES XII	120	8.08	325.00	16/Jan/09	16/Jan/19	AAA/NEGATIV E BY CRISIL & AAA BY ICRA	Unsecured	Not applicable
BASEL III TIER II SER I	120	9.73	1500.00	03/Jan/14	03/Jan/24	AAA/NEGATIV E BY CRISIL & ICRA (AAA)(HYB) by ICRA	Unsecured	Not applicable
BASEL III TIER II SER II	120	9.70	1000.00	27/Mar/14	27/Mar/24	AAA/NEGATIV E BY CRISIL & ICRA(AAA)(HYB) by ICRA	Unsecured	Not applicable
Basel Compliant Tier II Bonds 2015-16 (Series I)	120	8.40	1500.00	31/Dec/15	31/Dec/25	CRISIL AAA/NEGATIV E ICRA AAA (hyb) IND AAA	Unsecured	Not Applicable

Debtenture Series	Tenor/ Period of Maturity (in months)	Coupon	Amount in Crores	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
Basel III Compliant Tier II Bonds 2015-16 (Series II)	120	8.40	900.00	07/Jan/16	07/Jan/26	CRISIL AAA/NEGATIVE ICRA AAA (hyb) IND AAA	Unsecured	Not Applicable
Basel III Compliant Tier II Bonds 2016-17	120	8.40	3000.00	27/Apr/16	27/Apr/26	CRISIL AAA/NEGATIVE ICRA AAA (hyb) IND AAA	Unsecured	Not Applicable
UPPER TIER 2 SERIES II	180	10.00	500.00	23/Mar/07	23/Mar/22	AAA/NEGATIVE BY CRISIL	Unsecured	Not applicable
UPPER TIER 2 SERIES III	180	8.62	1000.00	29/Sept/10	29/Sept/25	AAA/NEGATIVE BY CRISIL & BWR AAA+ by BRICKWORK	Unsecured	Not applicable
PERPETUAL - TIER1(SERIES I)	Perpetual	9.00	240.30	30/Mar/09	PERPETUAL & Call option on 30.03.2019	AAA/NEGATIVE BY CRISIL & BWR AAA+ by BRICKWORK	Unsecured	Not applicable
PERPETUAL - TIER1(SERIES I)	Perpetual	9.10	600.00	21/Aug/09	PERPETUAL with call option on	AAA/NEGATIVE BY CRISIL & BWR AAA+ by	Unsecured	Not applicable

Debtenture Series	Tenor/ Period of Maturity (in months)	Coupon	Amount in Crores	Date of Allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
II)					21.08.2019	BRICKWORK		
PERPETUAL - TIER1(SERIES III)	Perpetual	9.05	749.30	03/Aug/10	PERPETUAL with Call option on 03.08.2020	AAA/NEGATIVE by CRISIL & BWR AAA+ by BRICKWORK	Unsecured	Not applicable
BASEL III COMPLAINT ADDITIONAL TIER 1	Perpetual	9.55	1500.00	05/Mar/15	PERPETUAL with Call option from 05.03.2025	[ICRA]AA(hyb) by ICRA Limited & IND AA by India Ratings	Unsecured	Not applicable

iv. **List of top 10 debenture-holders (as on November 04, 2016)**

S. No.	DPID Client ID	Name of the Holder	Total face value amount of debentures held (In INR crores)
1	IN30152430030387	CBT EPF-05-C-DM	1752.60
2	IN30152430030346	CBT EPF-05-A-DM	1668.90
3	IN30152430030338	CBT EPF-11-A-DM	784.30
4	IN30611490175703	COAL MINES PROVIDENT FUND ORGANISATION	784.00
5	IN30152430030320	CBT EPF-05-D-DM	670.00
6	IN30152430030362	CBT EPF-05-B-DM	589.50
7	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	550.00
8	IN30152430040191	CBT-EPF-05-E-DM	477.00
9	IN30016710125683	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE BANKING AND PSU DEBT FUND	410.00
10	IN30152430030354	CBT EPF-11-D-DM	319.80

v. **Amount of corporate guarantee issued by the Issuer**

- Guarantee issued in favour of Bombay Stock Exchange on behalf of M/s Canfin Homes Ltd amounting to Rs.1.39 Crores.
- Guarantee issued in favour of the Registrar, High Court of Karnataka on behalf of Canbank Factors Ltd amounting to Rs.4.05 Crores.

vi. **Certificate of Deposits issued by the Issuer as on 30.09.2016**

CD Maturity Profile	Face Value (Rs in Cr)	Book Value (Rs in Cr)
Maturing in the month of December 2016	3 100.00	2 930.71
Maturing in the month of March 2017	6 275.00	5 816.63
Total	9 375.00	8 747.34

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**

- (a) 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.
- (b) 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.
- (c) 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.
- (d) 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 outstanding borrowings/ debt securities issued for consideration other than cash whether in whole or part, at a premium or 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, at a premium or discount or in pursuance of an option since inception.

H. **Details of Promoters of the Bank**

i. **Details of promoter holding as on September 30, 2016**

S. No.	Name of Shareholders	Total number of equity shares	Number of shares held in demat form	Total shareholding as a % of total No of equity share	No of equity shares pledged	% of equity shares pledged with respect to shares owned
1.	President of India	359991054	359991054	66.30	Nil	Not Applicable

I. **Abridged version of the Audited Standalone & Consolidated Financial Information of the Issuer for the last three years and auditors qualification**

i. **Standalone Statement of Profit & Loss**

Sr No	Parameters	Rs. in Crore		
		FY 2015-16	FY 2014-15	FY 2013-14
I	Income			

Sr No	Parameters	FY	FY	FY
		2015-16	2014-15	2013-14
a.	Interest Earned	44022.13	43750.04	39547.61
b.	Other Income	4875.23	4550.25	3932.76
	Total Income	48897.36	48300.29	43480.37
II	EXPENDITURE			
a.	Interest Expended	34258.77	34086.37	30603.16
b.	Operating Expenses	7491.93	7263.55	6081.01
c.	Provisions and Contingencies	9959.48	4247.74	4358.00
	Total Expenditure	51710.18	45597.66	41042.17
III	PROFIT FOR THE YEAR	-2812.82	2702.62	2438.19
	Profit brought forward	0	0	0.00
IV	APPROPRIATIONS			
	Transfer to Statutory Reserves	0	680.00	650.00
	Transfer to Revenue & Other Reserves	0	387.70	1107.08
	Transfer to Investment Reserve Account	0	360.80	0.00
	Transfer from/to Special Reserves-Currency Swap	0	0	0.00
	Transfer to Special reserve U/s 31(1) (viii) of Income tax Act,1961	0	500	0.00
	Transfer to Capital Reserve	0	122.40	87.50
	Proposed Dividend	0	540.96	507.38
	Tax on Dividend	0	110.76	86.23
	Balance Carried over to Balance Sheet	0	0	0.00
	TOTAL		2702.62	2438.19
	Earnings Per Share (Basic & Diluted) (in Rs.)	-53.61	58.59	54.48

ii. **Consolidated Statement of Profit & Loss**

Sr No	Parameters	FY	FY	FY
		2015-16	2014-15	2013-14
I	Income			
a.	Interest Earned	44039.49	43813.37	39570.16
b.	Other Income	5131.25	4733.45	4143.68
	Total Income	49170.74	48546.82	43713.84
II	EXPENDITURE			
a.	Interest Expended	34262.99	34133.12	30605.54
b.	Operating Expenses	7591.94	7266.03	6116.25
c.	Provisions and Contingencies	9986.11	4289.65	4402.53
	Total Expenditure	51841.04	45688.80	41124.32
	Share of Earnings/(Loss) in Associates	135.17	73.03	82.74
	Consolidated Net Profit/(Loss) for the Year before deducting	-2535.12	2931.05	2672.26
	Minorities Interest			
	Less: Minorities Interest	71.89	66.39	42.09
III	PROFIT FOR THE YEAR attributable to the Group	-2607.01	2864.67	2630.17
	Profit brought forward	0	0.00	0.00
	TOTAL			
IV	APPROPRIATIONS			
	Transfer to Statutory Reserves	0.45	682.97	652.20
	Transfer to Revenue & Other Reserves	0	546.77	1295.04
	Transfer to Investment Reserve Account	0	360.80	0.00
	Transfer from/to Special Reserves-Currency Swap	0	0.00	0.00
	Transfer to Special reserve U/s 31(1) (viii) of Income tax Act,1961	0	500.00	0.00
	Transfer to Capital Reserve	0	122.40	87.50
	Proposed Dividend	0	540.97	507.38
	Tax on Dividend	0	110.76	88.04
	Balance Carried over to Balance Sheet	-2607.46	0.00	0.00

Sr No	Parameters	FY	FY	FY
		2015-16	2014-15	2013-14
	TOTAL	-2607.01	2864.67	2630.17
	Earnings Per Share (Basic & Diluted) (in Rs.)	-49.69	62.10	58.77

iii. **Standalone Balance Sheet**

(Rs. in crore)

Sr no	Parameters	As on	As on	As on
		31/03/2016	31/03/2015	31/03/2014
I	CAPITAL & LIABILITIES			
a.	Capital	542.99	475.20	461.26
b.	Reserves & Surplus	31060.21	31384.04	29158.85
c.	Deposits	479791.56	473840.10	420722.82
d.	Borrowings	26873.32	25671.56	27230.64
e.	Other Liabilities and Provisions	14692.70	16629.66	14348.28
	Total	552960.78	548000.56	491921.85
II	ASSETS			
a.	Cash & Balances with Reserve Bank of India	20664.05	21971.95	22153.78
b.	Balances with Banks and Money at Call & Short Notice	36069.61	26669.14	22674.93
c.	Investments	142309.30	142061.42	126828.26
d.	Advances	324714.83	330035.51	301067.48
e.	Fixed Assets	7198.10	6949.45	6641.56
f.	Other Assets	22004.89	20313.08	12555.85
	Total	552960.78	548000.56	491921.85

iv. **Consolidated Balance Sheet**

(Rs. in crore)

Sr No	Parameters	As on	As on	As on
		31/03/2016	31/03/2015	31/03/2014
I	CAPITAL & LIABILITIES			
a.	Capital	542.99	475.20	461.26
b.	Reserves & Surplus	31866.68	32016.51	29715.00
c.	Minority Interest	449.23	378.65	313.55

Sr No	Parameters	As on	As on	As on
		31/03/2016	31/03/2015	31/03/2014
d.	Deposits	479748.94	473724.99	420603.68
e.	Borrowings	26963.42	25762.82	27309.73
f.	Other Liabilities and Provisions	24153.66	26199.38	22686.37
	Total	563724.92	558557.55	501089.59
II	ASSETS			
a.	Cash & Balances with R B of India	20665.03	21976.76	22161.03
b.	Balances with Banks and Money at Call & Short Notice	36078.71	26670.80	22710.55
c.	Investments	152469.80	152121.70	135445.35
d.	Advances	324992.37	330293.87	301326.02
e.	Fixed Assets	7205.77	6969.99	6661.98
f.	Other Assets	22313.25	20524.43	12784.66
	Total	563724.92	558557.55	501089.59

v. **Standalone Cash Flow Statement**

Particulars	Year ended	Year ended	Year ended
	31/03/2016	31/03/2015	31/03/2014
A. Cash Flow from Operating Activities:			
Net Profit after Taxes	-2812.82	2702.63	2438.19
Adjustments for:			
Provision for income tax	-372.95	795.00	625.00
Depreciation on Fixed Assets	169.96	427.06	228.47
Profit/ (Loss) on sale of Fixed Asset	0.58	-1.36	-1.10
Provision for Other Items	384.42	227.40	433.46
Interest on Tier 1 and Tier 2 Bonds	1053.08	937.15	820.34
Provision for NPA	10139.45	3729.46	2128.72
Loss on revaluation of Investments	0	103.48	160.75
Provision for Standard Assets	-459.20	153.73	478.41
Income from Investment in Subsidiaries	-63.14	-81.16	-70.25
Income from Investment (Appreciation)/Depreciation	267.75	-657.85	692.42
Sub total	11119.95	5632.91	5496.22

Particulars	Year ended	Year ended	Year ended
	31/03/2016	31/03/2015	31/03/2014
Adjustments for:			
Increase / (Decrease) in Deposits	5951.46	53117.28	64866.83
Increase / (Decrease) in Borrowings	-367.09	-2360.21	4522.72
Increase / (Decrease) in Other Liabilities and Provisions	-837.52	482.99	1078.23
(Increase) / Decrease in Investments	-515.63	-17833.48	-6518.92
(Increase) / Decrease in Advances	-4768.10	-32722.55	-60897.19
(Increase) / Decrease in Other Assets	-191.80	-2872.48	-250.88
Direct Taxes (Paid) / Refund	-1500	-1600.00	-1200.00
Sub total	-2228.68	-3788.45	1600.79
Net Cash Flow from Operating Activities (A)	6078.45	4547.09	9535.20
B. Cash Flow from Investing Activities :			
Net Inflow / Outflow from Sale /Purchase of Fixed Assets	-380.38	-825.99	-541.20
Investment in Subsidiaries/ Joint Ventures/	0	-130.07	-29.68
Income from Investment in Subsidiaries	63.14	81.16	70.25
Net Cash Flow from Investing Activities (B)	-317.24	-874.90	-500.63
C. Cash Flow from Financing Activities:			
Payment on redemption of Bonds / Sub. Debts			
Dividend (Interim & Final) Paid	-651.72	-293.80	-1024.77
Interest Paid on IPDI, Sub. &, Upper Tier 2 Bonds	-1053.08	-937.15	-820.34
Increase in paid up capital	67.79	13.94	18.26
Share Premium recd. on new issue of share capital	2399.53	556.06	481.74
Proceeds from Issue of Upper Tier 2 bonds	1568.84	801.14	2424.55

Particulars	Year ended	Year ended	Year ended
	31/03/2016	31/03/2015	31/03/2014
Proceeds from Issue of Perpetual Bonds			
Net Cash Flow from Financing Activities (C)	2331.36	140.19	1079.44
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	8092.57	3812.38	10114.01
Cash /Equivalents as at the beginning of the year	48641.09	44828.71	34714.70
Cash / Equivalents as at the end of the year	56733.66	48641.09	44828.71

vi. Consolidated Cash Flow Statement

(Rs. in crore)

Particulars	Year ended	Year ended	Year ended
	31/03/2016	31/03/2015	31/03/2014
A. Cash Flow from Operating Activities:			
Net Profit after Taxes	-2607.01	2864.67	2630.17
Adjustments for:			
Provision for income tax	-378.52	825.26	652.49
Depreciation on Fixed Assets	172.03	428.91	229.89
Profit/ (Loss) on sale of Fixed Asset	-998.15	-15.26	-2.33
Provision for Other Items	914.79	256.30	428.10
Interest on Tier 1 and Tier 2 Bonds	1053.08	937.15	820.34
Provision for NPA	9641.37	3780.92	2152.72
Loss on on revaluation of Investments	0	103.49	160.75
Provision for Standard Assets	-459.28	155.32	478.64
Profit on sale of Investment	-998.15	-1167.08	-672.11
Provision (Appreciation)/Depreciation for on Investment	267.75	-728.16	692.42
Sub total	7606.64	7441.51	7571.08
Adjustments for:			

Particulars	Year ended	Year ended	Year ended
	31/03/2016	31/03/2015	31/03/2014
Increase / (Decrease) in Deposits	6023.95	53121.31	64919.04
Increase / (Decrease) in Borrowings	2769.44	-745.77	9379.19
Increase / (Decrease) in Other Liabilities and Provisions	-11380.10	-1397.08	-352.45
(Increase) / Decrease in Investments	742.73	-18718.48	-7370.78
(Increase) / Decrease in Advances	5301.51	-28967.85	-58890.26
(Increase) / Decrease in Other Assets	-279.55	-2843.53	136.13
Increase / (Decrease) Minority Interest	70.58	65.10	81.40
Direct Taxes (Paid) / Refund	-1509.28	-1611.47	-1229.02
Sub total	1739.28	-1097.76	6673.25
Net Cash Flow from Operating Activities (A)	9345.92	6343.75	14244.33
B. Cash Flow from Investing Activities :			
Net Inflow / Outflow from Sale / Purchase of Fixed Assets	-369.57	-814.06	-540.53
Investment in Subsidiaries/ Joint Ventures/	-92.68	-179.04	-29.68
(Increase) / Decrease in other reserves	-22.62	-44.43	74.22
Net Cash Flow from Investing Activities (B)	-484.87	-1037.53	-495.99
C. Cash Flow from Financing Activities:			
Share Capital	67.79	13.94	18.26
Share Premium	2399.53	556.06	481.74
Increase /(Decrease) of Bonds including subordinated Debts	-1568.84	-801.14	-2424.55
Dividend (Interim & Final) Paid	-651.73	-295.61	-1026.59
Interest Paid on IPDI, Subordinated Bonds, Upper Tier 2 Bonds	-1053.08	-937.15	-820.34
Net Cash Flow from Financing Activities (C)	-806.33	-1463.90	-3771.48
Cash flow on account of exchange fluctuation (D)			

Particulars	Year ended	Year ended	Year ended
	31/03/2016	31/03/2015	31/03/2014
Cash generated on account of exchange fluctuation	41.46	-66.35	115.51
Net Increase in Cash & Cash Equivalents (A)+(B)+©+(D)	8096.18	3775.97	10092.37
Cash and Cash Equivalents as at the beginning of the year	48647.56	44871.58	34779.21
Cash and Cash Equivalents as at the end of the year	56743.75	48647.56	44871.58

vii. **Auditors' Qualifications**

Financial Year	Auditors' Qualifications
2015-16	Nil
2014-15	Nil
2013-14	Nil

J. a) **Limited Review Half Yearly Standalone Financial Information of the Issuer as of Sep 30, 2016**

(Rs. in crore)

Sr. No.	Particulars	Half Year ended	Half Year ended	Year ended
		30.09.2016	30.09.2015	31.03.2016
		(Reviewed)	(Reviewed)	(Audited)
1.	Interest Earned (a+b+c+d)	20607.05	22407.15	44022.13
a)	Interest/ discount on advances/ bills	14941.32	16226.71	31377.25
b)	Income from Investments	5117.90	5689.41	11047.79
c)	Interest on balances with Reserve Bank of India and other Inter Bank Funds	472.99	387.64	879.50
d)	Others	74.84	103.39	357.59
2.	Other Income	3366.42	2323.44	4875.23
3.	Total Income (1+2)	23973.47	24730.59	48897.36
4.	Interest Expended	15857.30	17244.15	34258.77
5.	Operating Expenses (i)+(ii)+(iii)	4156.53	3538.77	7491.93
(i)	Employees Cost	2425.11	2166.59	4445.88

Sr. No.	Particulars	Half Year ended	Half Year ended	Year ended
		30.09.2016	30.09.2015	31.03.2016
		(Reviewed)	(Reviewed)	(Audited)
(ii)	Rent, Taxes and Lighting	409.66	372.76	778.13
(iii)	Other Operating Expenses	1321.76	999.42	2267.92
6.	Total Expenditure (4)+(5) (excluding Provisions and Contingencies)	20013.83	20782.92	41750.70
7.	Operating Profit before provisions & contingencies (3-6)	3959.64	3947.67	7146.66
8.	Provisions (other than tax) and Contingencies	3078.66	2572.04	10332.43
9.	Exceptional Items	0	0	0
10.	Profit (+)/ Loss (-) from Ordinary Activities before Tax (7-8-9)	880.98	1375.63	(3185.77)
11.	Tax Expense- Current Year	295.12	367.93	(372.95)
12.	Profit (+)/ Loss (-) from Ordinary Activities after Tax (10-11)	585.86	1007.70	(2812.82)
13.	Extraordinary Items (net of tax expense)	0	0	0
14.	Net Profit (+)/ Loss (-) for the period (12-13)	585.86	1007.70	(2812.82)
15.	Paid-up Equity Share Capital (Face Value of each share- Rs.10/-)			
16.	Reserves excluding revaluation reserves (as per	542.99	542.99	542.99
	balance sheet of previous accounting year)			
		25615.55	25978.18#	25615.55

b) Limited Review Half yearly Consolidated Financial Information of the Issuer as of September 30, 2016

(Rs. in crore)

Sr. No.	Particulars	Half Year ended**	Half Year ended**	Year ended
		30.09.2016	30.09.2015	31.03.2016
		(Reviewed)	(Reviewed)	(Audited)
1.	Interest Earned (a+b+c+d)	20610.42	22386.49	44039.48

Sr. No.	Particulars	Half Year ended**	Half Year ended**	Year ended
		30.09.2016	30.09.2015	31.03.2016
		(Reviewed)	(Reviewed)	(Audited)
a)	Interest/ discount on advances/ bills	14932.44	16197.86	31334.74
b)	Income from Investments	5121.99	5798.56	11458.61
c)	Interest on balances with Reserve Bank of India and other Inter Bank Funds	475.08	390.59	884.37
d)	Others	80.91	-0.52	361.76
2.	Other Income	3458.30	2502.34	5131.26
3.	Total Income (1+2)	24068.72	24888.83	49170.74
4.	Interest Expended	15869.29	17240.74	34262.99
5.	Operating Expenses (i)+(ii)+(iii)	4203.25	3703.91	7591.94
(i)	Employees Cost	2447.63	2187.52	4489.52
(ii)	Rent, Taxes and Lighting	414.12	376.18	785.32
(iii)	Other Operating Expenses	1341.50	1140.20	2317.10
6.	Total Expenditure (4)+(5) (excluding Provisions and Contingencies)	20072.54	20944.64	41854.93
7.	Operating Profit before provisions & contingencies (3-6)	3996.18	3944.18	7315.81
8.	Provisions (other than tax) and Contingencies	3097.56	2583.26	10364.63
9.	Exceptional Items	0	0	0
10.	Profit (+)/ Loss (-) from Ordinary Activities before Tax (7-8-9)	898.62	1360.92	-3048.82
11.	Tax Expense- Current Year	295.90	373.96	-378.52
12.	Profit (+)/ Loss (-) from Ordinary Activities after Tax (10-11)	602.72	986.96	-2670.30
13.	Share of Earnings in Associates	98.84	55.98	135.18
14.	Less:Minority Interest	3.56	4.05	71.89
15.	Extraordinary Items (net of tax expense)	0	0	0
16.	Net Profit (+)/ Loss (-) for the period (12+13-14)	698.00	1038.89	-2607.01
17.	Paid-up Equity Share Capital (Face Value of each share-	542.99	542.99	542.99

Sr. No.	Particulars	Half Year ended**	Half Year ended**	Year ended
		30.09.2016	30.09.2015	31.03.2016
		(Reviewed)	(Reviewed)	(Audited)
	Rs.10/-)			
18.	Reserves excluding revaluation reserves (as per balance sheet of previous accounting year)	26422.02	26610.66	26422.02

** Half yearly consolidation excludes Insurance & Non-financial subsidiaries viz HSBC OBC LIFE INSUREANCE and Canara Bank Computer Services Ltd.

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 October 21, 2016. 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 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.

iii. Application process

Investors are advised to comply with the following General Instructions:

1. Instructions for filling in Application Forms

Application for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English as per the instructions contained therein.

2. Applications under Power of Attorney or by Authorized Representatives

A certified copy of the Power of Attorney and/or the relevant authority, as the case may be, along with the names and specimen signatures 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. Future modifications/additions in the Power of Attorney or Authority should also be notified with the Registrar of Issue along with necessary documentary proof.

3. PAN of the Applicant

All the applicants should mention their Permanent Account Number (PAN) allotted under the I.T. Act. In case PAN has not been allotted, or the Applicant is not assessed to Income Tax, the appropriate information should be mentioned in the space provided. Application Forms without this information will be considered incomplete and are liable to be rejected.

4. Bank Account Details and RTGS/ NEFT particulars

The applicant must fill in the relevant column in the application form giving particulars of its Bank Account number and name of the bank with whom such account is held, to enable the Registrars to the Issue to print the said details in the redemption / interest warrant. This is in the interest of the applicant for avoiding misuse of the redemption / interest warrant. Furnishing this information is mandatory and applications not containing such details are liable to be rejected. The applicants should also fill in RTGS/ NEFT particulars of their bank accounts to enable the Bank to remit redemption/ interest payments by RTGS/ NEFT. Canara Bank may also download the bank particulars in respect of beneficial ownership position as available with the depositories on the Record Date for this purpose.

5. Eligible Investors

The following categories of applicants are eligible to apply for this Issue of Bonds. However, the prospective subscribers must make their own independent evaluation and judgement regarding their eligibility to invest in the Issue.

- a. Mutual Funds;
- b. Public Financial Institutions as defined under the Companies Act.
- 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.

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.

The issue is restricted 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 herself/himself/itself that 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) 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.

6. Documents to be provided by investors

Investors need to submit the certified true copies of the following documents, along with the application form, as applicable:

- Memorandum and Articles of Association/Constitution/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 PAN 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;
- Certified true copy of the power of attorney;
- SEBI Registration Certificate (for Mutual Funds); and
- Demat details (DP ID & Client ID)

7. Terms of Payment

The full amount of issue price of the Bonds applied for should be paid along with the application.

8 Payment Instructions.

The remittance of application money should be made by electronic transfer of funds through RTGS/NEFT mechanism for credits as per details given:

Name of the Banker	Canara Bank
Account Name	Canara Bank A/c – Additional Tier I (AT 1) Bonds 2016-17 - Series 1
Credit into Current A/c No.	2426201100317
IFSC Code	CNRB0002426
Address of the Branch	Canara Bank, Stock And Commodity Exchange Branch 115, Atlanta Bldg, 11th Floor, Near Hotel Status, Nariman Point, Mumbai – 400021
Narration	Application Money for the Bond Issue

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail. The entire amount of Rs.10,00,000 (Rupees Ten Lakhs Only) per Bond is payable on application.

9. Submission of Completed Application Forms

Applications duly completed and accompanied by credit of application money (by RTGS/NEFT) should be sent to the, Treasury and Investments Division, Integrated Treasury Wing, Mumbai on the same day.

10. Acknowledgements

No separate receipts will be issued for the application money. However, the Bankers to the issue receiving the duly completed application form will acknowledge receipt of the application by stamping and returning to the applicant the acknowledgement slip at the bottom of each application form.

11. Basis of Allocation/ Allotment

Beginning from the issue opening date and until the day immediately prior to the issue closing date, full and firm allotment against all valid applications for the Bonds will be made to applicants on a first-come-first-served basis, subject to the limit of the Issue size, in accordance with applicable laws. If and to the extent, the Issue is fully subscribed prior to the issue closing date, no application shall be accepted once the Issue is fully subscribed.

Allotment will be done on "day-priority basis". In case of oversubscription over and above the issue size, the allotment of such valid applications received on the closing day shall be on pro rata basis to the applicants in the ratio in which they have applied regardless of category of investors. If the proportionate allotment of Bonds to such applicants is not a minimum of one Bond or in multiples of one Bond (which is the market lot), the decimal would be rounded off to the next higher whole number if that decimal is 0.5 or higher and to the next lower whole number if that decimal is lower than 0.5. All successful applicants on the issue closing date would be allotted the number of Bonds arrived at after such rounding off.

12. Letter(s) of Allotment/ Bond Certificate(s)/ Refund Order(s)/ Issue Of Letter(s) of Allotment

The beneficiary account of the applicant(s) with the Depositories/ DP will be given initial credit within two working days from the Deemed Date of Allotment. The initial credit in the account will be akin to the Letter of Allotment. On completion of the all statutory formalities, such credit in the account will be akin to a Bond Certificate.

13. Issue of Bond Certificate(s)

Subject to the completion of all statutory formalities within time frame prescribed in the relevant regulations/ act/ rules etc, the initial credit akin to a Letter of Allotment in the Beneficiary Account of the applicant would be replaced with the number of Bonds allotted. The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depositories Act, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by

National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL)/ DP from time to time and other applicable laws and rules notified in respect thereof. The Bonds shall be allotted in dematerialized form only.

14. Depository Arrangements

The Bank has appointed CCSL as the Registrar for the Issue. The Bank has entered into necessary depository arrangements for dematerialization of the Bonds offered under the present Issue, in accordance with the Depositories Act and regulations made there under. In this context, the Bank has signed two tripartite agreements as under:

- (a) Tripartite Agreement between the Bank, NSDL and the Registrar for dematerialization of the Bonds offered under the present Issue.
- (b) Tripartite Agreement between the Bank, CDSL and the Registrar for dematerialization of the Bonds offered under the present Issue.

Bondholders can hold the bonds only in dematerialised form and deal with the same as per the provisions of the Depositories Act as amended from time to time.

15. Procedure for Applying for Demat Facility

- (a) Applicant(s) must have a Beneficiary Account with any DP of NSDL or CDSL, prior to making the applications.
- (b) The applicant(s) must specify their beneficiary account number and DP ID in the relevant columns of the Application Form.
- (c) For subscribing the bonds, names in the application form should be identical to those appearing in the account details in the depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the depository.
- (d) If incomplete/ incorrect beneficiary account details are given in the Application Form which does not match with the details in the depository system, it will be deemed to be an incomplete application and the same be held liable for rejection at the sole discretion of the Bank.
- (e) The Bonds shall be directly credited to the beneficiary account as given in the Application Form and after due verification, allotment advice/ refund order, if any, would be sent directly to the applicant by the Registrars to the Issue but the confirmation of the credit of the Bonds to the applicant's depository account will be provided to the Applicant by the DP of the applicant.
- (f) Interest or other benefits with respect to the Bonds would be paid to those bondholders whose names appear on the list of beneficial owners given by the depositories to the Bank as on the Record Date. In case, the beneficial owner is not identified by the depository on the Record Date due to any reason whatsoever, the Bank 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 Bank. On receiving such intimation, the Bank shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation, without liability for making payment for penal interest for the intervening period.

- (g) Applicants may please note that the Bonds shall be allotted and traded on the stock exchange(s) only in dematerialized form.

16. Fictitious Applications

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447.”

The liability prescribed under section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

17. Market Lot

The market lot will be one Bond (“Market Lot”). Since the Bonds are being issued only in dematerialized form, the odd lots will not arise either at the time of issuance or at the time of transfer of Bonds.

18. Right to accept or reject applications

The Bank reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on application money will be paid from the date of credit till one day prior to the date of refund. The application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of bonds applied for is less than the minimum application size;
- b. Applications exceeding the issue size;

- c. Bank account details not given, particularly, account name and number from which money has been remitted to the Issuer;
- d. Details for issue of Bonds in electronic/ dematerialized form not given;
- e. PAN/GIR and IT Circle/Ward/District not given;
- f. In case of applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

19. Interest in case of delay

- a. In case of delay in execution of the Bond Trust Deed, the Bank will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% per annum over the coupon rate till these conditions are complied with at the option of the Investor;
- b. In case of delay in listing of the Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% per annum over the coupon rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the Bonds, to the Investor.

II. TERMS OF ISSUE

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

October 14, 2016.

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

Unsecured Non-Convertible Perpetual Basel III compliant Additional Tier 1 Bonds for inclusion in Tier 1 Capital 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 ("Master circular") covering terms and conditions for issue of Perpetual Debt instruments ("PDI") for inclusion in Additional Tier I Capital (Annex 4 of the Master circular) and minimum requirement to ensure loss absorbency of Additional Tier I 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 RBI Guidelines, the provisions of the RBI guidelines shall prevail.

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

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

4. Objects of the Issue

The proposed Issue is being made for augmenting overall capital of the Bank for strengthening its capital adequacy as per Basel III Regulations, for future growth and for enhancing long-term resources.

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

Rs. 1000 crores (Rupees One Thousand crores only) through private placement.

8. Authority for the Issue

The present issue of Bonds is being made pursuant to the resolution of the Board of Directors dated 14.10.2016 authorizing issue of Bonds offered under terms of this Disclosure Document.

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 Reserve Bank of India on Basel III capital regulation and Clarification issued thereof vide Circular No DBR No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016 ("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 requirement to ensure loss absorbency of Additional Tier I 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 RBI guidelines, the provisions of RBI guidelines shall prevail.

The Bank can issue the Bonds proposed by it in view of the present approvals and no further internal or external permission/ approval(s) is/are required by it 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.

9. Terms of raising securities

Unsecured, non-convertible, Perpetual Basel III-compliant Tier 1 Bonds – Series 1 in dematerialized form for inclusion in Additional Tier 1 capital.

10. Paid in status

Fully paid in

11. Maturity period

The bonds are perpetual 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

Put option is not available to the bond holders. The Bank has the right to exercise a call option at its discretion after the fifth anniversary to the deemed date of allotment or on a coupon date payment thereafter in accordance with Basel III Regulations.

14. Minimum Subscription

10 (ten) Bonds (i.e. a minimum application size of Rs.1,00,00,000 (Rupees one crore only) and in multiples of 1 (one) Bond thereafter.

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 claims of the Bondholders shall:

- a) be superior to the claims of Investors in equity shares and perpetual non cumulative preference shares of the Bank if any ;
- b) be subordinate to the claims of depositors, general creditors and subordinated debt of the Bank and
- c) be neither secured nor covered by a guarantee of the Bank nor related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank.
- d) 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 bond issued under this Disclosure Document or unless the RBI specifies otherwise in its guidelines, the claims of the Bond holders shall be pari passu with claims of holders of such subsequent debentures/bond issuances of the Bank;
- e) rank pari passu without preference amongst themselves.

Please refer to the Summary Term Sheet (appearing in this Disclosure Document) for more details.

17. Loss Absorption Features

The Bonds shall have principal loss absorption at an objective pre-specified trigger point and at the Point Of Non Viability (PONV) through write-down mechanism which shall allocate losses to the Bonds.

The write-down shall have the following effects:

- a) reduce the claim of the Bonds in liquidation:
- b) reduce the amount repaid when call option is exercised; and
- c) partially or fully reduce coupon payments on the Bonds.

Please refer to the Summary Term Sheet (appearing in this Disclosure Document) for more details.

18. PONV Trigger

Please refer to the Summary Term Sheet (appearing in this Disclosure Document).

19. Pre-Specified Trigger

Please refer to the Summary Term Sheet (appearing in this Disclosure Document).

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/NEFT for the full value of Bonds applied for.

Face Value per Bond	Minimum Application Size	Amount Payable on Application per Bond
Rs.10 lakhs	10 Bonds and in multiples of 1 Bond thereafter	Rs.10 lakhs

22. Deemed Date of Allotment

All benefits under the Bonds including payment of interest will accrue to the Bondholders from and including 13.12.2016 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/ redemption will be made 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 Bonds shall carry a fixed rate of interest at the Coupon Rate from, and including, the Deemed Date of Allotment up to, but excluding the Redemption date, payable on the "Coupon payment date" on the outstanding principal amount of bonds till Redemption Date subject to "Coupon Discretion" and "Loss Absorption" clauses as specified in the Term Sheet.

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 order/ Demand Draft.

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.

Interest payable subsequent to the Deemed Date of Allotment of Bonds shall be treated as "Interest on Securities" as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under section 193 of the IT Act, 1961, if any, with the Registrar, or to such other person(s) at such other address(es) as the Bank may specify from time to time through suitable communication, at least 45 days before the payment becoming due. However with effect from 01.06.2008, tax is not to be deducted at source under the provisions of section 193 of IT Act, if the following conditions are satisfied.

- a) interest is payable on any security issue by a Company;
- b) such security is in dematerialized form; and
- c) such security is listed on a recognized Stock Exchange in India.

Present issue of Bonds fulfils the above conditions and therefore, no Tax would be deducted on the interest payable. However, the Bank shall pursue the provisions as amended from time to time with respect to applicability of TDS at the time of payment of interest on Bonds. Regarding deduction of Tax at source and the requisite declaration forms to be submitted, applicants are advised to consult their own tax consultant(s).

28. Redemption:

The Bonds are perpetual hence non redeemable.

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.

The Bonds shall be taken as discharged on payment of the redemption amount by the Bank on the Redemption Date to the list of Beneficial Owners as provided by NSDL/ CDSL/ Depository Participant as on Record Date. Such payment will be a legal discharge of the liability of the Bank towards the Bondholders. On such payment being made, the Bank shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL/ CDSL/ Depository Participant shall be adjusted.

The Bank's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further the Bank will not be liable to pay any interest or compensation from the Redemption Date. On the Bank's dispatching/ crediting the amount to the Beneficiary(ies) as specified above in respect of the Bonds, the liability of the Bank shall stand extinguished.

30. Effect of Holidays

If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day along with interest for such additional period. Further, coupon for such additional period so paid, shall be deducted out of the interest payable on the next coupon payment date.

If the call option due date (also being the last coupon 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 day along with interest accrued on the Bonds until but excluding the date of such payment.

In the event of 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 maturity, 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 (fifteen) 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. However, the prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the Issue.

- (a) Mutual Funds;
- (b) Public Financial Institutions as defined under Section 4A of 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.

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 Issue, the eligible investors who have been addressed through this communication directly, only are eligible to apply. Applications for the Bonds must be in the prescribed form and completed in BLOCK LETTERS in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by the Bank, at any of the designated collection centres, accompanied by the credit of application money by way of RTGS/NEFT. The original Application Forms (along with all necessary documents as detailed in this Disclosure Document), pay-in slip and other necessary documents should be sent to the Treasury and Investments Division, , Integrated Treasury Wing, Mumbai of the Bank on the same day.

The remittance of application money should be made by electronic transfer of funds through RTGS/NEFT mechanism for credits as per details given hereunder:

Name of the Banker	Canara Bank
Account Name	Canara Bank A/c – Additional Tier I (AT 1) Bonds 2016-17-Series 1
Credit into Current A/c No.	2426201100317
IFSC Code	CNRB0002426
Address of the Branch	Canara Bank, Stock And Commodity Exchange Branch 115, Atlanta Bldg, 11th Floor, Near Hotel Status, Nariman Point, Mumbai – 400021
Narration	Application Money for the Bond Issue

Cheque(s), demand draft(s), money orders, postal orders will not be accepted. The Bank assumes no responsibility for any applications lost in mail. The entire amount of Rs.10 lakhs per Bond is payable on application.

Applications should be for the number of Bonds applied by the Applicant. Applications not completed in the said 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.

The applicant or in the case of an application in joint names, each of the applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the applicant should mention his PAN/GIR No. 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 Forms without this information will be considered incomplete and are liable to be rejected.

All applicants are requested to tick the relevant column "Category of Investor" in the Application Form. Public/ Private/Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring "approved security" status for making investments.

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 Summary Term Sheet and the Application Form (Annexure VII hereof).

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. Application by Provident Funds, Superannuation Funds and Gratuity Funds

The applications must be accompanied by certified true copies of (i) Trust Deed/Bye Laws/Resolutions, (ii) Resolution authorising investment and (iii) specimen signatures of the authorised signatories. Those desirous of claiming tax exemptions on interest on application

money are compulsorily required to submit a certificate issued by the Income Tax Officer along with the Application Form. For subsequent interest payments, such certificates have to be submitted periodically.

39. 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.

40. 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.

41. Nomination Facility

As per Section 72 of the companies act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

42. Right of Bondholder(s)

Bondholder is not and shall not be construed as a shareholder of the Bank. 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 and other applicable laws and regulations, 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.

43. 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.

44. 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.

45. 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 allottee 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" and "Payment on Redemption" 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.

46. 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.

47. 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.

48. Investor Relations And Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible, the Bank 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 Corporate office of the Bank. 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.

49. Credit Rating for the Bonds

CRISIL Limited, vide their letter, CANBANK/166050/BOND/051501332/1 dated November 4, 2016 (revalidated vide letter dated December 7, 2016) have assigned a credit rating of "CRISIL AA/Negative" (pronounced "CRISIL double AA rating with negative outlook) rating for the Bank's issuance of Tier 1 Bond (under Basel III Regulations) aggregating up to Rs 2500 crores. 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. A copy of the rating letters from CRISIL Limited is enclosed in Annexure I in this Disclosure Document.

India Ratings & Research Private Limited vide their letter dated December 7, 2016 has assigned a credit rating of 'IND AA' for the Bank's issuance of Tier 1 Bond (under Basel III regulation) aggregating up to Rs 2500 crores. The outlook is stable. A copy of the rating letter from India Ratings & Research Private Limited is enclosed in Annexure II in this Disclosure Document.

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.

50. 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 Trustee for the current issue of Bonds is enclosed in Annexure III 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, 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 and further, the Bank shall submit to the Trustee such other information required to be furnished by the Bank pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 within the timelines specified therein. 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.

51. 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/93250 dated 09.11.2016.

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;
- (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 or redemption amount;
 - (ii) revision of the credit rating assigned to the Bonds.
- (f) 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.

52. 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. The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time.
- b. Board resolution dated October 14, 2016, authorizing issue of Bonds offered under terms of this Disclosure Document.
- c. Letter of consent from the Trustees for acting as trustees for and on behalf of the holder(s) of the Bonds.
- d. Letter of consent from the Registrars for acting as Registrars to the Issue.
- e. Application made to the NSE for grant of in-principle approval for listing of Bonds
- f. Letter from CRISIL Limited conveying the credit rating for the Bonds.
- g. Letter from India Ratings & Research Limited conveying the credit rating for the Bonds.
- h. Tripartite Agreement between the Bank, NSDL and Registrars for issue of Bonds in dematerialised form.
- i. Tripartite Agreement between the Bank, CDSL and Registrars for issue of Bonds in dematerialised form.

C. Disclosure of cash flows: Cash Flow (as per SEBI CIR/IMD/DF/18/2013 dated 29/10/2013):

Please see Annexure VI hereof.

III. Disclosure Pertaining to Wilful 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 removal 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	8.60% CANARA BANK Additional Tier I Bond 2016-17 - Series 1
2.	Issuer	Canara Bank ("CB"/ the "Bank"/ the "Issuer")
3.	Issue Size	Rs 1000 Crores (Rupees One thousand crores)
4.	Option to retain oversubscription	Nil
5.	Type of Instrument	Non-Convertible, Unsecured, Subordinated, Fully Paid-Up, Basel III Compliant Perpetual Debt Instruments in the nature of Debentures eligible for inclusion in Additional Tier 1 Capital of the Issuer ("Bonds")
6.	Nature of Instrument	Unsecured Additional Tier I Bonds 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 and over all capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources.
8.	Utilization of the Proceeds of the Issue	The funds being raised by the Bank through the present Issue are not meant for financing any particular project. The Bank shall utilize the proceeds of the Issue for its regular business activities. The Bank undertakes that proceeds of the Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ Stock Exchanges.
9.	Status of Bonds / Seniority of Claims	Claims of the investors in this instrument shall : <ol style="list-style-type: none"> 1. be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Bank , if any; 2. be subordinate 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 secured nor covered by a guarantee of the Bank nor related entity or any other arrangement 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 bond issued under this Disclosure Document or unless the RBI specifies otherwise in its guidelines, 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
10.	Listing	Proposed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited ("NSE").
11.	Credit Rating	India Ratings & Research Private Limited has assigned a credit rating of 'IND AA' to Bank's issuance of the Bonds. The outlook is stable. CRISIL Limited has assigned a credit rating of "CRISIL AA/Negative" (pronounced "CRISIL double AA rating with negative outlook) rating for the Bank's issuance of the Bonds.
12.	Mode of Issue	Private Placement.
13.	Issuance Mode	Only in dematerialized form
14.	Trading Mode	Only in dematerialized form
15.	Security	Unsecured
16.	Convertibility	Non-Convertible
17.	Face Value	Rs.10,00,000/- (Rupees Ten Lakh) per Bond
18.	Issue Premium	Nil
19.	Issue Discount	Nil
20.	Issue Price	At par i.e Rs 10,00,000 (Rupees Ten Lakhs) per Bond.
21.	Minimum Application	10 (Ten Bonds i.e Rs 1 crore) and in multiples of One Bond i.e Rs 10 lakhs thereafter.
22.	Tenor	Perpetual i.e there is no maturity date and there are no step-ups or other incentives to redeem.
23.	Redemption date	Not applicable as the Bonds are perpetual and there shall be no redemption date.
24.	Redemption Premium	Nil
25.	Redemption Discount	Nil
26.	Redemption Amount	Not applicable
27.	Coupon Rate	8.60% per annum
28.	Coupon Reset	Not Applicable
29.	Coupon Type	Fixed

30.	Coupon Payment Frequency	Annual subject to "coupon Discretion" and / or "Loss Absorbency" (as the case may be)
31.	Coupon Payment Dates	On the Anniversary of Deemed Date of Allotment each year, subject to RBI regulations (up to Call Option Date, in case if Call Option is exercised by the Bank)
32.	Computation of interest	Actual / Actual. Coupon and interest on application money shall be computed on an "actual/actual basis"
33.	Step up /Step down Coupon rate	Not applicable
34.	Coupon Discretion	<p>a) The Bank shall have full discretion at all times to cancel Coupon either in part or full. 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) 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 sufficient revenue reserves (those which are not created for specific purposes by the Bank) and/ or credit balance in profit and loss account, if any.</p> <p>g) However, payment of Coupons on the Bonds from the revenue reserves shall be subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios (as stipulated in the Basel III Regulations and/or other relevant guidelines issued by the RBI from time to time) at all times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer,</p>

		<p>countercyclical capital buffer and Domestic Systemically Important Banks).</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. 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>
35.	Dividend Stopper	<p>The Bonds do not carry a 'dividend stopper' feature i.e. in the event the Coupon on the Bonds is not paid (in full or part), the Bank shall not be restricted from paying/declaring any discretionary distribution or dividend or make payments in relation to any of its other instruments.</p> <p>For the avoidance of doubt, it is hereby specified that in the event the Bondholders are not paid dividend / coupon (whether in full or part), the Bank shall not be restricted from exercising its full discretion, at all times, to cancel distributions / payments on these Bonds, nor will they impede / hinder:</p> <p>a) recapitalisation of the Bank;</p> <p>b) Bank's right to make payments on any other instruments;</p> <p>c) Bank's right to make distributions to its share holders for a period that extends beyond point in time at which Coupon on the Bonds is resumed.</p> <p>d) the normal operation of the Bank, including actions in connection with employee share plans or any restructuring activity including acquisitions and disposals.</p>
36.	Record Date	<p>Date falling 15 (fifteen) days prior to</p> <ul style="list-style-type: none"> the each Coupon Payment Date on which coupon amount is due and payable and the Call Option Due Date on which the Call Option Price is due and payable, if Call Option is exercised by the Bank.
37.	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 upto one day prior to the Deemed</p>

		<p>Date of Allotment.</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>
38.	Put Option	Not Applicable
39.	Call Option Price	At par i.e. Rs. 10,00,000 (Rupees Ten lakhs) per Bond
40.	Call Notification Time	21 (twenty one) calendar days prior to the date of exercise of Call Option
41.	Conditions for Exercise of Call Option	<p>The Call Option may be exercised subject to following conditions:</p> <ul style="list-style-type: none"> i) Such Call Option, if exercised, shall only be after the expiry of 5 (five) years from the Deemed Date of Allotment; ii) To exercise the Call Option, the Bank must receive prior approval of RBI (Department of Banking Regulation); iii) The Bank shall not exercise Call Option unless: <ul style="list-style-type: none"> a) 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 b) The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.
42.	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 21 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 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.</p>
43.	Tax Call	If there is any change in, or amendment to, the laws

		<p>affecting taxation (or regulations or rulings promulgated thereunder) 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>
44.	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, 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 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>
45.	Repurchase / Redemption / Buy-Back	<p>a) Principal amount of the Bonds may be repaid (e.g. through repurchase or redemption) only with prior approval of RBI (this repurchase/</p>

		<p>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>b) 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 above the minimum capital requirements after the repurchase/ buy-back/ redemption.</p>
46.	Depository	National Securities Depository Ltd (NSDL) & Central Depository Services (India) Ltd (CDSL)
47.	Cross Default	Not Applicable
48.	Settlement	<p>The Bank shall make payment of coupon, interest on application money, Call Option Price (in case of exercise of Call Option), 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>
49.	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 Trustees to the Bond Holders; 2. Bond Trusteeship agreement/Bonds Trust Deed; 3. Rating letter from Rating Agencies; 4. Letter appointing Registrar and agreement

		<p>entered into between the Issuer and the Registrar;</p> <p>5. Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form;</p> <p>6. Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</p> <p>7. Application made to NSE for seeking its in-principle approval for listing of bonds;</p> <p>8. Listing Agreement with NSE.</p> <p>9. Disclosure document.</p>
50.	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> <p>1. Rating letter(s) from the aforesaid rating agencies not being more than one month old from the issue opening date;</p> <p>2. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);</p> <p>3. Letter to NSE for seeking its In-principle approval for listing and trading of Bonds.</p>
51.	Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed / activities are completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <p>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,</p> <p>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;</p> <p>3. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
52.	Recapitalization	<p>The Bonds shall not have any features that hinder re-capitalisation, 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.</p>
53.	Reporting of Non-payment of Coupons	<p>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</p>

		Bank of India, Mumbai.
54.	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.
55.	Default interest rate	Not applicable
56.	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.
57.	Issue Schedule : 1. Opening Date* 2. Closing Date*	13.12.2016 13.12.2016
58.	Pay-In-Date*	13.12.2016
59.	Deemed Date of Allotment*	13.12.2016
<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>		
60.	Loss Absorption	<p>The Bonds may be classified as liabilities for accounting purposes (not for the purpose of insolvency as indicated above). 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> <p>(i) Pre-Specified Trigger Level</p>

		<p>(ii) Point of Non-Viability (PONV)</p> <p>The write-down shall have the following effects:</p> <ul style="list-style-type: none"> a) reduce the claim of the Bonds in liquidation; b) reduce the amount re-paid when Call Option is exercised; and c) partially or fully reduce coupon payments on the Bonds.
61.	Loss Absorption at Pre-Specified Trigger Level	<p>Each of the following shall be referred to as the “Pre-Specified Trigger Level”:</p> <ul style="list-style-type: none"> (i) If the CET1 of the Bank falls below 5.5% of RWA before 31st March, 2019; and (ii) If the CET1 of the Bank falls below 6.125% of RWA on or after 31st March 2019. <p>A write-off of the Bonds may have the following effects:</p> <ul style="list-style-type: none"> (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 <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 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>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.</p> <p>f) 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).</p>
62.	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> <ul style="list-style-type: none"> (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. <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 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 nonfinancial 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.</p> <p>In relation to Loss Absorption at PONV Trigger, the following may be noted:</p> <ol style="list-style-type: none"> 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
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		<p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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.
63.	Criteria to determine the PONV	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.
64.	Treatment of AT1 Instruments in the event of Winding-Up, Amalgamation, Acquisition, Re-Constitution, etc. of the Bank	<ul style="list-style-type: none"> a) 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 b) If the Bank goes into liquidation after the AT1 instruments have been written-down, the holders of these instruments shall have no

		<p>claim on the proceeds of liquidation.</p> <p>c) Amalgamation of a banking company: (Section 44 A of BR Act, 1949 as amended from time to time)</p> <p>(i) 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.</p> <p>(ii) 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.</p> <p>(iii) 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.</p> <p>d) Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949 as amended from time to time)</p> <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>
65.	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 be:</p> <p>a) 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</p>

		<p>inclusion in Additional Tier 1 capital shall be on pari passu basis amongst themselves irrespective of the date, amount or terms of issue;</p> <p>b) subordinated to the claims of (i) all depositors; (ii) general creditors; (iii) subordinated debt other than subordinated debt qualifying as Additional Tier 1 capital; (iv) subordinated debt eligible for inclusion in hybrid Tier 1 capital under the then prevailing Basel II guidelines (to the extent permitted under the RBI guidelines); (v) Debt Capital Instruments eligible for inclusion in Tier 2 capital issued and to be issued in future by the Bank; (vi) perpetual cumulative preference shares; (vii) redeemable non-cumulative preference shares; (viii) redeemable cumulative preference shares eligible for inclusion in Tier 2 capital issued and to be issued in future by the Bank.</p> <p>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;</p> <p>d) Claims of holders of perpetual non-cumulative preference shares shall be superior to the claims of holders of equity/ common shares;</p> <p>Once the Basel III Compliant Additional Tier 1 instruments are written-off, the Bondholders shall have no claim on the proceeds of liquidation.</p>
66.	Treatment in Insolvency	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.
67.	Purchase/ Funding of Bonds	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.
OTHER GENERAL TERMS		
68.	Eligible Investors	<p>a) Mutual Funds;</p> <p>b) Public Financial Institutions as defined under the Companies Act;</p> <p>c) Scheduled Commercial Banks;</p>

		<p>d) Insurance Companies;</p> <p>e) Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;</p> <p>f) Co-operative Banks;</p> <p>g) Regional Rural Banks authorized to invest in bonds / debentures;</p> <p>h) Companies and Bodies Corporate authorized to invest in bonds / debentures;</p> <p>i) Trusts and Societies authorized to invest in bonds / debentures and</p> <p>j) Statutory Corporations / Undertakings established by Central / State legislature authorized to invest in bonds / debentures etc.</p> <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 these Bonds, the Bank shall not be responsible in any manner.</p> <p>The following class of investors are not eligible to participate in the offer:</p> <p>Resident Individual Investors, Foreign Nationals, any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards), Persons resident outside India, Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the partners, Hindu Undivided Families through Karta, Person ineligible to contract under applicable statutory/ regulatory requirements.</p> <p>*Investment by FIIs in these Bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by SEBI/other regulatory</p>
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		authorities on investment in these instruments and shall be within an overall limit of 49% of the Issue, respectively subject to the investment by each FII not exceeding 10% if the Issue.
69.	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.
70.	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 ("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>
71.	Applicable SEBI 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.
72.	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.
73.	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.

74.	Trustees	SBICAP Trustee Company Ltd.
75.	Registrars	Canbank Computer Services Ltd.
76.	Compliance Officer	Company Secretary of the Bank
77.	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>
78.	Business Day Convention	"Business Day" shall be all days (excluding Sundays and 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.
79.	Effect of Holiday	<p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day along with interest for such additional period. Further, coupon for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.</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</p>

		<p>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>
80.	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 30 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>
81.	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.
82.	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") and Frequently Asked Questions issued in relation thereof, the requirement of using electronic book platform ("EBP") is mandatory for debt issues of over Rs. 500 crore, including green shoe option. However EBP route is optional for issues which have a single investor and where the coupon rate is fixed.
83.	Payment Mode	The remittance of application money should be made by electronic transfer of funds through RTGS/NEFT mechanism for credit to an Account as furnished below:

		Name of the Banker	CANARA BANK
		Account Name	Canara Bank A/c Additional Tier I (AT1) Bonds 2016-17 Series I
		Credit into Current A/c No.	2426201100317
		IFSC Code	CNRB0002426
		Address of the Branch	Canara Bank, Stock And Commodity Exchange Branch 115, Atlanta Bldg, 11th Floor, Near Hotel Status, Nariman Point, Mumbai – 400021
		Narration	Application money for the Bond issue

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.

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, Authorised Signatory



Place: Bengaluru, Karnataka

Date: 07.12.2016

Annexure – I

CRISIL Rating Letter

Ratings

CONFIDENTIAL

CRISIL
AnS&P Global Company

CANBANK/166050/BOND/051501332/1
November 04, 2016

Mr. D Suresh Pai
General Manager- Treasury & Investment Division
Canara Bank
Canara Bank Building
2nd Floor, B Wing, C-14, G Block
Bandra Kurla Complex- Bandra East
Mumbai 400051

Dear Mr. D Suresh Pai,

Re: CRISIL Rating on the Rs.25.0 billion Tier-I bonds (under Basel III) of Canara Bank

We refer to your request for a rating for the captioned Debt instrument.

CRISIL has, after due consideration, assigned a “**CRISIL AA/Negative**” (pronounced “CRISIL double A rating with Negative outlook”) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook 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.

Further, in view of your decision to accept the CRISIL Rating, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. 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 the latest SEBI circular¹ 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,


Rajat Bahl
Director - CRISIL Ratings


Nivedita Shibu
Associate Director - CRISIL Ratings



¹ Please refer to SEBI circular (bearing reference number: CIR/IMD/DF/17/2013) on Centralized Database for Corporate bonds/ Debentures dated October 22, 2013

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. 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: L67120MH1987PLC042363

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5800
www.crsil.com

Ratings



Annexure
Details of the Rs.25.0 Billion Tier-I bonds (under Basel III) of
Canara Bank

	1st tranche		2nd tranche		3rd tranche	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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. 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.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

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www.crisil.com

Ratings

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CRISIL

An S&P Global Company

CANBANK/166050/BOND/051501332/14081
December 07, 2016

Mr. D Suresh Pal
General Manager- Treasury & Investment Division
Canara Bank
Canara Bank Building
2nd Floor, B Wing, C-14, G Block
Bandra Kurla Complex- Bandra East
Mumbai 400051

Dear Mr. D Suresh Pal,

Re: CRISIL Rating for the Rs.25 Billion 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 letters dated November 4, 2016, bearing Ref Numbers CANBANK/166050/BOND/051501332/1

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

S.No.	Instrument	Rated Amount (Rs. in Billion)	Rating Outstanding
1	Tier I Bonds (Under Basel III)	25	CRISIL AA/Negative


As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to suspend, withdraw, or revise the rating / outlook 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.


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 the latest SEBI circular¹ on centralized database for corporate bonds/debtsecurities, 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/debtsecurities issued 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,


Rajat Bahl
Director - CRISIL Ratings


Nivedita Shibu
Associate Director - CRISIL Ratings



¹ Please refer to SEBI circular (bearing reference number: CIR/102/DF/17/2011) on Centralized Database for Corporate bonds/Debtsecurities dated October 22, 2011

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. 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 / participants / 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 Helpline at 1800-267-7301.

Classification: EXTERNAL

Corporate Identity Number: L67120MH1987PLC042303

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 3000 | Fax: +91 22 4040 5600
www.crsil.com

Annexure – II

India Ratings & Research Rating Letter

**IndiaRatings
& Research**

Fitch Group

Canara Bank
Mr. D Suresh Pai
6th Floor, C14, G Block,
BKC, Bandra (E),
Mumbai – 400051

December 07, 2016

Kind Attention: Mr. D Suresh Pai, General Manager, Canara Bank

Dear Sir,

Re: Rating of Canara Bank's INR25bn Basel III Additional Tier I Bonds

India Ratings communicates 'IND AA' to Canara Bank's INR25bn Basel III Additional Tier I Bonds. The outlook is stable.

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 or in a given jurisdiction.

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 the jurisdiction in which the rated security is offered and sold and/or the issuer is located, 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

India Ratings & Research Private Limited A Fitch Group Company

Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra (E), Mumbai 400 051

Tel: +91 22 4000 1700 | Fax: +91 22 4000 1701 | CIN/LLPIN: U67100MH1995FTC140049 | www.indiaratings.co.in



IndiaRatings
& Research

Fitch Group

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.

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 is 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 us at +91 22 4000 1700.

Sincerely,
India Ratings



Ananda Bhoulmik
MD & Chief Analytical Officer



Abhishek Bhattacharya
Director

Annexure – III

Consent Letter from Debenture Trustee

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



**SBICAP Trustee
Company Ltd.**

No. 0119/2016-2017/CL - 1665
Date: 21st October, 2016.

Canara Bank
T & I Division, Integrated Treasury Wing,
6th Floor, B-Wing, C-14, G-Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400051

Attn: Mr. Sandeep Rao – Assistant General Manager

Proposed Private placement by Canara Bank (the "Company") of Basel III compliant Additional Tier I bonds (the "Bonds") aggregating to Rs. 2,500 Crores (the "Issue").

We the undersigned, hereby give our consent to act as Debenture Trustee for the proposed captioned private placement of debentures and to include our name as Debenture Trustee in the Schedule I as per the Securities and Exchange Board of India guidelines.

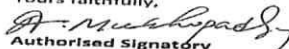
We hereby authorise you to deliver this letter of consent to the stock exchange(s) or any other regulatory authority as may be required by law.

The following details with respect to us may be disclosed:

Name	: SBICAP Trustee Company Limited
Address	: Apeejay House, 6 th floor 3, Dinshaw Wacha Road, Churchgate, Mumbai 400 020.
Telephone No.	: 022-43025555
Fax No.	: 022- 22040465
E-mail	: corporate@sbicaptrustee.com
Website	: www.sbicaptrustee.com
Contact Person	: Mr. Ajit Joshi (Company Secretary & Compliance Officer) Tel No. 022- 43025503
SEBI Registration No.	: IND000000536

We confirm that we are registered with SEBI and that such registration is valid for permanent.

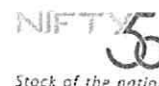
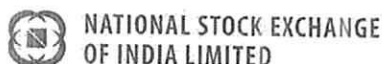
Yours faithfully,


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

In Principle Listing Approval from NSE



Ref. No: NSE/LIST/93250

November 09, 2016

The Company Secretary
Canara Bank
112, J.C. Road,
Bengaluru-560 002

Kind Attn.: Mr. B. Nagesh Babu

Dear Sir,

Sub : In-principle approval for listing of upto 25,000 (Twenty Five Thousand) Unsecured, Non-Convertible, Basel III Compliant Additional Tier 1 Perpetual Bonds (Hereinafter referred to as the "Series I 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. 2,500 crores (Rupees Two Thousand Five Hundred Crores) issued by Canara Bank on a private placement basis.

This is with reference to your mail dated November 09, 2016 for In-principle approval for listing on the Debt Market segment of the Exchange of upto 25,000 (Twenty Five Thousand) Unsecured, Non-Convertible, Basel III Compliant Additional Tier 1 Perpetual Bonds (Hereinafter referred to as the "Series I 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. 2,500 crores (Rupees Two Thousand Five Hundred Crores) issued by Canara Bank on a private placement basis. In this regard, the Exchange is pleased to grant in-principle approval for the said issue.

Kindly 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.

Yours faithfully,
For National Stock Exchange of India Limited

Kautuk Upadhyay
Manager

Regd. Office: Exchange Plaza, Plot No C71, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051 India. CIN: 192001NL00092PLC069769 Tel: +91 22 26598235/36, 26598346, 26598459/26598458 Web site: www.nseindia.com



Signer : Kautuk Rohit Upadhyay
Date: Wed, Nov 9, 2016 19:05:50 GMT+05:30
Location: NSC

Annexure – V

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 : 91-80-23469661/62 & 23469664/65 • Fax : 91-80-23469667 • E-mail: canbankrta@ccsl.co.in • www.canbankrta.com

CIN : U85110KA1994PLC016174

REF : CCSL/RnT/CB-TIER I - BONDS/KR/1904/2016 - 17

Date : 24th October, 2016

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

BY COURIER.

Kind attn : Mr. Sandeep Rao
Asst. General Manager

Dear Sir,

**SUB : ISSUE OF PRIVATE PLACEMENT BASEL – III COMPLAINT
ADDITONAL TIER – I (AT 1) BONDS FOR Rs . 2500 Cr**


REF : YOUR LETTER NO. T&ID:ITW:MUM:68:2016 -17 DATED 20.10.2016

We acknowledge with thanks your letter 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,


P. RADHAKRISHNAN NAIR
Executive Vice President

Annexure – VI

Illustration of Cash Flow

Name of the Issuer	CANARA BANK		
Face Value (Rs)	1000000 per Bond		
Deemed Date of Allotment	13/12/2016		
Call option date	The Issuer may, at its sole discretion, with prior approval of the RBI, and having notified the Debenture Trustee not less than 21 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. The Call Option, which shall be exercisable at the sole discretion 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.		
Redemption date	Not Applicable		
Coupon Rate	8.60%		
Interest Payment Frequency	Annual		
Day count convention	Actual /Actual		

Scenario 1	Call option not exercised		
Cash Flow	Date	Number of days in coupon period	Amount (in Rupees)
1st Coupon	Wed 13/Dec/2017	365	86000.00
2nd Coupon	Thu 13/Dec/2018	365	86000.00
3rd Coupon	Fri 13/Dec/2019	365	86235.62
4th Coupon	Sun 13/Dec/2020	366	85765.03
5th Coupon	Mon 13/Dec/2021	365	86000.00
6th Coupon	Tue 13/Dec/2022	365	86000.00
And so on till perpetuity			

Scenario 2	Call option exercised after 5 years (dates below are only for the purpose of illustration)		
Cash Flow	Date	Number of days in coupon period	Amount (in Rupees)
1st Coupon	Wed 13/Dec/2017	365	86000.00
2nd Coupon	Thu 13/Dec/2018	365	86000.00

3rd Coupon	Fri 13/Dec/2019	365	86235.62
4th Coupon	Sun 13/Dec/2020	366	85765.03
5th Coupon	Mon 13/Dec/2021	365	86000.00
Principal	Mon 13/Dec/2021	Not applicable	1000000

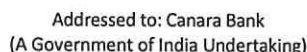
Notes:

1. Coupon payment is subject to Coupon Discretion and other terms & conditions mentioned in the term sheet.
2. If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Bank on the immediately succeeding Business Day along with interest for such additional period. Further, coupon for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date. 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.
3. The interest payment and Principal Repayment on redemption, the respective payments will be made on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.

Annexure – VII

Application Form

(appended separately in the next page)



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

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((For Office Use Only))

To,

CANARA BANK

Dear Sir,

Having read, understood and agreed to the contents and terms and conditions of CANARA BANK's Disclosure Document dated 07.12.2016, I/we hereby apply for allotment to us, of the unsecured, non-convertible, Basel III compliant Additional Tier 1 Perpetual bonds 2016-17 Series 1 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

Face Value/ Issue Price	Rs. 10,00,000/- (Rupees Ten Lacs Only) per Bond
Minimum Application	10 Bonds and in multiples of 1 thereafter
Tenure	Perpetual i.e there is no maturity date and there are no step-ups or other incentives to redeem.
Coupon Rate	8.60%
Interest Payment	Annual, subject to "Coupon Discretion" and / or "Loss Absorbancy" (as the case may be)
Amount payable per Bond (i)	10, 00, 000/-
No. of Bonds Applied For (ii)	
Total Amount Payable (Rs.) (in fig) (i) x (ii)	
Total Amount Payable (Rs in words)	

DP Details

Depository Name (Please tick)	NSDL / CDSL
Depository Participant Name	
DP ID	
Client ID	
Beneficiary Account Number	
Applicant category (Tick whichever is applicable)	
Scheduled commercial Bank	Mutual fund
Financial Institution	Company/ Body corporate
Insurance company	Provident/Gratuity/Superannuation/ Pension Fund
Primary/State/district/central Cooperative bank	Others (Please Specify)
Regional Rural Bank	

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

Sole/First Applicant's Name in Full

Signature/Authorised signatory

Only/First Applicant's Name in Full <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	Signature/Authorised signatory <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
Second Applicant's Name <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
Third Applicant's Name <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	

Full Address (Do not repeat name)

Pincode				Telephone No				Fax No				E mail id			
Applicant's Income Tax Details & Bank Details															
				Applicant 1				Applicant 2				Applicant 3			
PAN / GIR NO (Enclose Copy)												RTGS dated			
I.T Circle/Ward/District no												UTR Number			
Bank Name, Branch, City & IFSC CODE												Name of the Bank			
Type of account (SB/CA/OD)												Branch Name & Address			
Bank Account Number															

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:-- / -- / 2016

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

Acknowledgment Slip

Application Form Serial No.: []

<p>CANARA BANK 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) 26725061 / 26725062; Fax No: (022) 26725250 Email ID: tidmum@canarabank.com; Website: www.canarabank.com</p>		
<p>(To be filled in by the Applicant) Received from _____ Address _____ _____ an application for _____ Bonds vide UTR No. _____ Drawn on _____ Dated _____ amounting to _____ Rs.</p>		<p>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</p>

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
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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 A/c – Additional Tier I (AT 1) Bonds 2016-17 -Series 1
Credit into Current A/c No.	2426201100317
IFSC Code	CNRB0002426
Address of the Branch	Stock And Commodity Exchange Branch, 115, 11th Floor, Atlanta Building, Nariman Point, Mumbai 400021
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 enclose a copy of the same.
6. The application would be accepted as per the terms outlined in the Disclosure Document dated December 07, 2016.
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.