

<b>CDSL</b>	Central Depository Services (India) Limited.
<b>CFL</b>	Canbank Factors Limited.
<b>CFHL</b>	Can Fin Homes Limited.
<b>CIBL</b>	Commercial Indo Bank LLC.
<b>CRAMC</b>	Canara Robeco Asset Management Company Limited.
<b>CRAR</b>	Capital to Risk weighted Assets Ratio.
<b>CRISIL</b>	Credit Rating Information Services of India Limited.
<b>CSR</b>	Corporate Social Responsibility.
<b>CVCFL</b>	Canbank Venture Capital Fund Limited.
<b>Canfina</b>	Canbank Financial Services Limited.
<b>Companies Act</b>	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.
<b>Debenture Trustee Regulations</b>	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time.
<b>Deemed Date of Allotment</b>	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.
<b>Depository</b>	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time.
<b>Depository Participant</b>	A depository participant as defined under Depositories Act.
<b>Disclosure Document or Information Memorandum</b>	Disclosure document dated 05.01.2016 in relation to the private placement of unsecured non-convertible redeemable Basel III compliant Bonds (Series II) for inclusion in Tier 2 Capital in the nature of debentures of face value Rs.10,00,000 each at par

	aggregating Rs. 900 crores by the Issuer.
<b>DP</b>	Depository Participant as defined under the Depositories Act.
<b>DRR</b>	Bond/ Debenture Redemption Reserve.
<b>ECGC</b>	Export Credit & Guarantee Corporation of India.
<b>ECS</b>	Electronic Clearing Service
<b>EGM</b>	Extraordinary General Meeting
<b>EPS</b>	Earnings Per Share.
<b>FIs</b>	Financial Institutions.
<b>Financial Year/ FY</b>	Period of twelve months ending March 31, of that particular year.
<b>GIR</b>	General Index Registration Number
<b>GOI</b>	Government of India/ Central Government.
<b>ICRA</b>	ICRA Limited
<b>IPO</b>	Initial Public Offering.
<b>IRR/ India Rating</b>	India Ratings & Research Private Limited.
<b>Issue</b>	Private placement of unsecured non-convertible Tier 2 Basel III compliant Bonds 2015-16 (Series II), for inclusion in Tier 2 Capital in the nature of debentures of face value Rs.10,00,000 each at par aggregating Rs 900 crores by the Issuer.
<b>Issuer/ Bank</b>	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.
<b>IT Act</b>	The Income Tax Act, 1961, as amended from time to time.
<b>Listing Agreement</b>	Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-5/2009 dated November 26, 2009 and Amendments to Simplified Debt Listing Agreement for Debt Securities issued by Securities and Exchange Board of

	India vide circular no. SEBI/IMD/DOF-1/BOND/Cir-1/2010 dated January 07, 2010, further amendment to debt listing agreement and disclosure issued by SEBI vide circular no. CIR/IMD/DF/18/2013, dated 29.10.2013 and vide SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 circular no. SEBI/LAD-NRO/GN/2015-16/013 dated September 2, 2015.
<b>MD &amp; CEO</b>	Managing Director and Chief Executive Officer of the Issuer.
<b>MSME</b>	Micro Small and Medium Enterprises
<b>NASSCOM</b>	National Association of Software and Services Companies.
<b>NECS</b>	National Electronic Clearing Service.
<b>NEFT</b>	National Electronic Funds Transfer.
<b>NRI</b>	Non-Resident Indian.
<b>NPA</b>	Non-performing asset.
<b>NSDL</b>	National Securities Depository Limited
<b>NSE</b>	National Stock Exchange of India Limited, being the stock exchange on which the Bonds are proposed to be listed.
<b>PAN</b>	Permanent Account Number.
<b>PONV</b>	Point of Non-Viability.
<b>PONV Trigger</b>	<p>The PONV Trigger event shall be the earlier of:</p> <p>a) a decision that the permanent write off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and</p> <p>b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority. Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</p> <p>For this purpose, the Bank will be considered non-viable if:</p> <p>The Bank which, owing to its financial and other difficulties, may</p>

	<p>no longer remain a going concern on its own in the opinion of the Reserve Bank of India unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 Capital of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures would include permanent write-off in combination with or without other measures as considered appropriate by the Reserve Bank of India (RBI).</p> <p>The Bank facing financial difficulties and approaching a PONV shall be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including write-off/public sector injection of funds are likely to:</p> <ul style="list-style-type: none"> <li>a) Restore confidence of the depositors/ investors;</li> <li>b) Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and</li> <li>c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</li> </ul> <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>
<b>Record Date</b>	Reference date for payment of interest/ repayment of principal.
<b>Rs./INR/ ₹</b>	Indian National Rupee
<b>RBI</b>	Reserve Bank of India
<b>RRB</b>	Regional Rural Bank
<b>RTGS</b>	Real Time Gross Settlement
<b>Registrar</b>	Registrar to the Issue, in this case being Canbank Computer Services Limited.
<b>SEBI</b>	The Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
<b>SEBI Debt</b>	Securities and Exchange Board of India (Issue and Listing of Debt

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

## II. ISSUER INFORMATION

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

	<p>Tel: 080- 2224 9989</p> <p>E Mail: <a href="mailto:fmwing@canarabank.com">fmwing@canarabank.com</a></p>	
<b>Trustees to the Bondholders</b>	<p>SBICAP Trustee Company Ltd Corporate Office, Apeejay House, 6<sup>th</sup> Floor 3 Dinshaw Wachha Road, Churchgate, Mumbai- 400 020</p> <p>Tel: 022-43025555 Fax: 022-22040465 Email: <a href="mailto:corporate@sbicaptrustee.com">corporate@sbicaptrustee.com</a></p>	
<b>Registrar to the Issue</b>	<p>Canbank Computer Services Limited R&amp;T Centre, #218, JP Royale, 1st Floor, 2nd Main, Sampige Road, (Near 14th Cross), Malleswaram, Bengaluru – 560 003</p> <p>Tel: (080) 23469661 Fax:( 080) 23469667</p> <p>E mail: <a href="mailto:canbankrta@ccsl.co.in">canbankrta@ccsl.co.in</a></p>	
<b>Credit Rating Agencies</b>	<p>CRISIL Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai 400076</p> <p>Tel No: 022 33423000</p> <p>Fax No: 022 33423001</p> <p>India Ratings and Research Private Limited Wockhardt Tower, Level 4, West Wing, Bandra Kurla Complex, Bandra East, Mumbai 400 051</p> <p>1. Tel No: 022 40001700</p> <p>Fax No. 022 4000 1701</p>	<p>ICRA Limited 1105, Kailash Building 11th Floor 26, Kasturba Gandhi Marg New Delhi 110 001</p> <p>Tel No: 011 23357940-50</p> <p>Fax No: 011 23357014</p>



<b>Auditors of the Issuer</b>	<p><b>M/s P Chopra &amp; Co</b> Chartered Accountants Firm Registration No: 0004957N 10 Duggal Colony Karnal 132 001, Haryana</p> <p>Tel No. : 0184-2253097, 0184-2273471 Fax 0184-4040100 Email: <a href="mailto:chopra.pkca@rediffmail.com">chopra.pkca@rediffmail.com</a> <a href="mailto:chopra.pkca@gmail.com">chopra.pkca@gmail.com</a></p> <p><b>M/s A R Das &amp; Associates</b> Chartered Accountants Firm Registration No: 306109E 1,2&amp;3 Woodburn Court Woodburn Road Kolkata 700 020</p> <p>Tel No. 033-22812976, 033-22904375, Fax 033-22812976 Email: <a href="mailto:ardsys2002@rediffmail.com">ardsys2002@rediffmail.com</a> <a href="mailto:syamal.nayak@gmail.com">syamal.nayak@gmail.com</a> <a href="mailto:swarnendu_c@yahoo.co.in">swarnendu_c@yahoo.co.in</a></p> <p><b>M/s. S C Vasudeva &amp; Co.</b> Chartered Accountants Firm Registration No: 000235N B-41, Panchsheet Enclave New Delhi- 110 017</p> <p>Tel No. : 011-26499111, 222, 444, 555 Fax: 011-41749444 Email: <a href="mailto:sanjay@scvasudeva.com">sanjay@scvasudeva.com</a> <a href="mailto:ashish@scvasudeva.com">ashish@scvasudeva.com</a> <a href="mailto:abhinav@scvasudeva.com">abhinav@scvasudeva.com</a> <a href="mailto:info@scvasudeva.com">info@scvasudeva.com</a></p> <p><b>M/s Vinay Kumar &amp; Co.</b> Chartered Accountants</p>
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	<p>Firm Registration No: 000719C 1st Floor, Chandra Shekhar Azad Mkt. 5, Sardar Patel Marg, Civil Lines Allahabad – 211 001 U.P</p> <p>Tel. No. 0532-2408602 Fax- 0532-2408839 Email: <a href="mailto:vinaykumarandco@gmail.com">vinaykumarandco@gmail.com</a> <a href="mailto:agvinay@hotmail.com">agvinay@hotmail.com</a> <a href="mailto:a_senroy@hotmail.com">a_senroy@hotmail.com</a> <a href="mailto:nikhilko@gmail.com">nikhilko@gmail.com</a></p> <p><b>M/s RamRaj &amp; Co.</b></p> <p>Chartered Accountants Firm Registration No: 002839 65, 4th Floor 29th A Cross Geetha Colony 4th Block Jayanagar Bangalore 560 011 Tel No: 080-22445567 E mail: <a href="mailto:ramraj12@gmail.com">ramraj12@gmail.com</a> <a href="mailto:gvrao12@gmail.com">gvrao12@gmail.com</a></p> <p>M/s V K Niranjana &amp; Co.</p> <p>Chartered Accountants Firm Registration No. 002468S Kurubara Sangha Building 202&amp;204 Kanakadasa Circle Gandhi Nagar Bangalore 560 009 Tel : 080-22267769 Fax 080-22910027 Email: <a href="mailto:vkNiranjana_co@yahoo.com">vkNiranjana_co@yahoo.com</a></p>
<b>Legal Counsel for the present issue of Tier 2 Bonds</b>	<p>Luthra &amp; Luthra Law Offices 20<sup>th</sup> Floor, Tower 2, Unit A2, India Bulls Finance Centre, Elphinstone Road, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013 PH: 91-22-43547000, 2266303600</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, 2015. The Bank is also one of the largest nationalised banks in India in terms of total advances and deposits, which amounted to ₹808283 Crores and we have over 696.2 lakh customers, as of September 30, 2015. The Government of India owned 66.30% of shareholding of the Bank, as on September 30, 2015, 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 **Global Visa Service Quality Performance Award, 2014**, for consistent and superior operating performance, **Dun & Bradstreet Banking Awards 2015** for Best Bank under Priority Sector Lending and Best Retail Growth performer amongst the PSBs, **National Awards for Excellence in CSR & Sustainability, 2015**, constituted by World CSR Congress under Best Overall Excellence in CSR category, **Pandit Madan Mohan Malaviya Gold Award** for the project Canara Sahara, a CSR activity in education and rehabilitation of physically challenged, **2<sup>nd</sup> Prize in Region 'C' under Rajbhasha Kirti Pursakar, 2014-15**, by Govt. of India, **Reserve Bank Rajbhasha Shield** for effective implementation of Official Language in Region 'C' for the year 2013-14, **36<sup>th</sup> rank in Brandz India's 50 Most Valuable Indian Brands 2015** compiled by the research agency Millward Brown and commissioned by WPP Plc, a worldwide communications service group, **Special Award for the Best Financial Institution – Gold, 2015**, by the Federation of Karnataka Chamber of Commerce & Industry (FKCCI), Bengaluru, **Order of Merit for SME Enablement during 2014-15** by SKOCH Group, **Golden Peacock Business Excellence Award 2015**, **MSME Banking Excellence Awards 2014-** organised by Chamber of Micro, Small and Medium Enterprises (CIMSMEs), **"Asia HRD Award"** under the category 'contribution to organisation' of the Asia HRD Congress Award 2014, **Ranked 1<sup>st</sup> among Public Sector Banks** in an article on India's Best Companies for CSR published in the "Corporate Dossier" of Economic Times.

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,