

Ref.: SD:1565/1566/11/12::2020

11.11.2020

| | |
|--|--|
| The Vice President BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street MUMBAI - 400 001 | The Vice President Listing Department National Stock Exchange of India Ltd EXCHANGE PLAZA Bandra-Kurla Complex, Bandra [E] MUMBAI - 400 051 |
|--|--|

Dear Sir/Madam,

Sub: Outcome of the meeting of the Sub Committee of the Board - Capital Planning Process of the Bank

Ref: 1. Regulation 30 of the SEBI (LODR) Regulations, 2015

2. Our letters SD:1321/1322/11/12::2020 dated 10.07.2020 regarding Capital Raising Plan and SD:1453/1454/11/12::2020 dated 25.09.2020

The Exchanges are hereby informed that the Sub Committee of the Board - Capital Planning Process of the Bank at its meeting held today, i.e., on Wednesday, the 11th November 2020, has considered and approved the Proforma Financial Statements of the Amalgamated Bank as at 31st March 2020, 30th September 2019 and 30th June 2019 (i.e., post amalgamation of Syndicate Bank into Canara Bank w.e.f. 1st April 2020). Copies of the same are enclosed herewith.

This is for your information and records.

Yours faithfully,
कृते केनरा बैंक

For CANARA BANK

Vinay Mohita

सहायक महा प्रबंधक और कंपनी सचिव
Assistant General Manager & Company Secretary

**VINAY MOHTA
COMPANY SECRETARY**



सचिवीय विभाग
प्रधान कार्यालय
112, जे सी रोड बेंगलूर - 560002
E-Mail - hosecretarial@canarabank.com

Secretarial Department
Head Office
112 J C Road, Bangalore - 560002
www.canarabank.com

F +91 80 22248831
T +91 80 22100250

(Rs in Thousands)

| | Schedule | CANAR BANK | SYNDICATE BANK | Adjustment | Proforma Amalgamated as on Year Ended 31.03.2020 |
|---|----------|---------------------|---------------------|-------------------|--|
| | | 31.03.2020 | 31.03.2020 | | |
| CAPITAL AND LIABILITIES | | | | | |
| Capital | 1 | 1030 23 34 | - | 423 26 82 | 1453 50 16 |
| Share Application Money Pending For Allotment | 1 | - | - | - | - |
| Reserves And Surplus | 2 | 38262 73 12 | 9802 33 83 | 2240 69 47 | 50305 76 42 |
| Deposits | 3 | 625351 17 37 | 281269 82 28 | - | 906620 99 65 |
| Borrowings | 4 | 42761 76 72 | 20278 86 22 | - | 63040 62 94 |
| Other Liabilities And Provisions | 5 | 16468 83 98 | 12694 78 24 | - | 29163 62 22 |
| TOTAL | | 723874 74 53 | 324045 80 57 | 2663 96 29 | 1050584 51 39 |
| ASSETS | | | | | |
| Cash & Balances With Reserve Bank Of India | 6 | 22570 13 71 | 15370 54 99 | - | 37940 68 70 |
| Balances With Banks And Money At Call | | | | | |
| And Short Notice | 7 | 45701 32 74 | 37711 88 01 | - | 83413 20 75 |
| Investments | 8 | 176244 94 03 | 74964 26 33 | (19 76 07) | 251189 44 29 |
| Advances | 9 | 432175 20 48 | 184398 77 77 | - | 616573 98 25 |
| Fixed Assets | 10 | 8276 29 20 | 2567 68 48 | - | 10843 97 68 |
| Other Assets | 11 | 38906 84 37 | 11716 37 35 | - | 50623 21 72 |
| TOTAL | | 723874 74 53 | 326729 52 93 | (19 76 07) | 1050584 51 39 |
| Contingent Liabilities | 12 | 373497 97 25 | 96290 12 78 | | 469788 10 03 |
| Bills For Collection | | 35939 89 40 | 6901 53 24 | | 42841 42 64 |


P SANDEEP RAO
DEPUTY GENERAL MANAGER


UDAY SANKAR MAJUMDER
GENERAL MANAGER


V RAMCHANDRA
CHIEF GENERAL MANAGER


A. MANIMEKHALAI
EXECUTIVE DIRECTOR


DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR


M. V. RAO
EXECUTIVE DIRECTOR


L.V. PRABHAKAR
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E


(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012



HEAD OFFICE: Bangalore
Proforma statement of Profit and Loss for the year ended 31st March, 2020

(Rs in Thousands)

| | Schedule No. | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Year Ended 31.03.2020 |
|--|--------------|---------------------|---------------------|------------------|-------------------------|--|
| | | 31.03.2020 | 31.03.2020 | | | |
| I INCOME | | | | | | |
| Interest Earned | 13 | 48,93,49,902 | 21,91,52,114 | | | 70,85,02,016 |
| Other Income | 14 | 7,81,31,546 | 3,04,71,157 | | | 10,86,02,703 |
| TOTAL | | 56,74,81,448 | 24,96,23,271 | - | - | 81,71,04,719 |
| II EXPENDITURE | | | | | | |
| Interest Expended | 15 | 35,81,10,834 | 14,74,45,822 | | | 50,55,56,656 |
| Operating Expenses | 16 | 11,57,72,346 | 6,74,47,803 | | | 18,32,20,149 |
| Provisions and Contingencies | | 11,59,55,424 | 7,07,47,064 | | | 18,67,02,488 |
| TOTAL | | 58,98,38,604 | 28,56,40,689 | - | - | 87,54,79,293 |
| III PROFIT/(LOSS) | | | | | | |
| Net Profit/Loss for the Year | | -2,23,57,156 | -3,60,17,418 | - | - | -5,83,74,574 |
| Profit / (Loss) brought forward | | - | - | - | - | - |
| TOTAL | | -2,23,57,156 | -3,60,17,418 | - | - | -5,83,74,574 |
| IV APPROPRIATIONS: | | | | | | |
| Transfer to : | | | | | | |
| A Statutory Reserve | | - | - | | | - |
| B Capital Reserve | | - | 16,83,163 | | | 16,83,163 |
| C Profit & Loss | | -2,23,57,156 | -3,77,00,581 | | | -6,00,57,738 |
| D Special Reserve under section 36(1) (viii) of Income Tax Act, 1961 | | - | - | | | - |
| E Proposed Final Dividend | | - | - | | | - |
| F Tax on Proposed Final Dividend | | - | - | | | - |
| TOTAL | | -2,23,57,156 | -3,60,17,418 | | | -5,83,74,574 |
| ACCOUNTING POLICIES | 17 | | | | | |
| NOTES ON ACCOUNTS | 18 | | | | | |


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MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E


(JAGANNATH PRASAD MOHAPATRO)
PARTNER

Membership No.217012



| | | Canara Bank | Syndicate Bank | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Quarter Ended 31.03.2020 |
|-----|--|--------------------|--------------------|------------------|-------------------------|---|
| | | 31-03-2020 | 31-03-2020 | | | |
| I | INCOME | | | | | |
| | Interest Earned | 12047 44 00 | 5560 23 14 | | | 17607 67 14 |
| | Other Income | 2174 95 00 | 851 73 57 | | | 3026 68 57 |
| | TOTAL | 14222 39 00 | 6411 96 71 | | | 20634 35 71 |
| II | EXPENDITURE | | | | | |
| | Interest Expended | 8728 92 00 | 3792 02 22 | | | 12520 94 22 |
| | Operating Expenses | 3452 60 00 | 2248 89 03 | | | 5701 49 03 |
| | Provisions and Contingencies | 5300 20 00 | 3678 20 64 | | | 8978 40 64 |
| | TOTAL | 17481 72 00 | 9719 11 89 | | | 27200 83 89 |
| III | PROFIT/(LOSS) | | | | | |
| | Net Profit/Loss for the Year | -3259 33 00 | -3307 15 18 | | | -6566 48 18 |
| | Profit / (Loss) brought forward | - | - | | | - |
| | TOTAL | -3259 33 00 | -3307 15 18 | | | -6566 48 18 |
| IV | APPROPRIATIONS: | | | | | |
| | Transfer to : | | | | | |
| A | Statutory Reserve | - | - | | | |
| B | Capital Reserve | - | - | | | |
| C | Profit & Loss | -3259 33 00 | -3307 15 18 | | | -6566 48 18 |
| D | Special Reserve under section 36(1) (viii) of Income Tax Act, 1961 | - | - | | | |
| E | Proposed Final Dividend | - | - | | | |
| F | Tax on Proposed Final Dividend | - | - | | | |
| | TOTAL | -3259 33 00 | -3601 74 18 | | | -6861 07 18 |


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(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012



(Rs in Thousands)

| | CANAR BANK | SYNDICATE BANK | ADJUSTEMENT | Proforma Amalgamated as on Year Ended 31.03.2020 |
|--|------------------|------------------|------------------|--|
| | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2020 | |

SCHEDULE 1 - CAPITAL

| | | | | |
|---|------------|---|-----------|------------|
| I. Authorised Capital (300,00,00,000 Equity Shares of Rs.10/- each) | 3000 00 00 | - | - | 3000 00 00 |
| II. Issued, Subscribed and Paid up: i) 14,53,50,15,061 Equity Shares of Rs. 10/- each including Previous year 75,32,44,775 Equity share of Rs. 10/- each 114,17,09,678 Equity share of Rs. 10/- each held by Central Government | 1030 23 34 | - | 423 26 82 | 1453 50 16 |
| | 1030 23 34 | - | 423 26 82 | 1453 50 16 |
| III. Share application Money Pending for Allotment | - | - | - | - |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

SCHEDULE 2 - RESERVES AND SURPLUS

| | | | | |
|---|--------------------|-------------------|-------------------|--------------------|
| I Statutory Reserves | 8350 76 00 | 2731 42 34 | - | 11082 18 34 |
| II Capital Reserves | 2488 67 07 | 533 12 12 | - | 3021 79 19 |
| III Share Premium | 18302 55 81 | 9990 97 20 | - | 28293 53 01 |
| IV Revaluation Reserves | 6332 79 04 | 1645 19 69 | - | 7977 98 73 |
| V General Reserves | | 581 16 40 | - | 581 16 40 |
| VI Investment Reserve Account | 565 80 00 | | - | 565 80 00 |
| VII Revenue and other Reserves | 7302 11 39 | 2700 13 15 | - | 10002 24 54 |
| VIII Foreign Currency Translation Reserve | 190 81 43 | 26 48 71 | - | 217 30 14 |
| IX Special Reserve u/s 36 (1) (viii) of the Income Tax Act 1961. | 4000 00 00 | 1536 46 93 | - | 5536 46 93 |
| X Balance in Profit and Loss Account | (9270 77 62) | (9942 62 71) | - | (19213 40 33) |
| XI Amalgamation Reserve | | | 2240 69 47 | 2240 69 47 |
| TOTAL | 38262 73 12 | 9802 33 83 | 2240 69 47 | 50305 76 42 |



CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

| | | | | (Rs in Thousands) |
|----------------------------------|---------------------|---------------------|------------------|--|
| | CANARA BANK | SYNDICATE BANK | ADJUSTEMENT | Proforma Amalgamated as on Year Ended 31.03.2020 |
| | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2020 | |
| SCHEDULE 3 - DEPOSITS | | | | |
| A. I. DEMAND DEPOSITS | | | | |
| i. FROM BANKS | 310 92 90 | 1136 92 45 | - | 1447 85 35 |
| ii. FROM OTHERS | 26146 61 85 | 12721 78 46 | - | 38868 40 31 |
| Total | 26457 54 75 | 13858 70 91 | - | 40316 25 66 |
| II. SAVINGS BANK DEPOSITS | | | | |
| | 169748 99 30 | 80297 90 63 | - | 250046 89 93 |
| Total | 169748 99 30 | 80297 90 63 | - | 250046 89 93 |
| III. TERM DEPOSITS | | | | |
| i. FROM BANKS | 23371 21 86 | 12407 30 07 | - | 35778 51 93 |
| ii. FROM OTHERS | 405773 41 46 | 174705 90 67 | - | 580479 32 13 |
| Total | 429144 63 32 | 187113 20 74 | - | 616257 84 06 |
| TOTAL | 625351 17 37 | 281269 82 28 | - | 906620 99 65 |
| B. DEPOSITS OF BRANCHES | | | | |
| i. IN INDIA | 601664 19 83 | 268199 74 50 | - | 869863 94 33 |
| ii. OUTSIDE INDIA | 23686 97 54 | 13070 07 78 | - | 36757 05 32 |
| TOTAL | 625351 17 37 | 281269 82 28 | - | 906620 99 65 |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

SCHEDULE 4 - BORROWINGS

| | | | | |
|---|--------------------|--------------------|----------|--------------------|
| I. BORROWINGS IN INDIA | | | | |
| i. RESERVE BANK OF INDIA | 2291 00 00 | 3229 00 00 | - | 5520 00 00 |
| ii. OTHER BANKS | 2807 06 41 | 3645 81 88 | - | 6452 88 29 |
| iii. OTHER INSTITUTIONS AND AGENCIES | 11909 68 95 | 3200 57 87 | - | 15110 26 82 |
| iv. UNSECURED REDEEMABLE BONDS (IPDI AND SUB-ORDINATED DEBT) | 15149 30 00 | 7650 00 00 | - | 22799 30 00 |
| Total | 32157 05 36 | 17725 39 75 | - | 49882 45 11 |
| II. BORROWINGS OUTSIDE INDIA | | | | |
| i. OTHER BANKS | 10604 71 35 | 2553 46 47 | - | 13158 17 82 |
| ii. UNSECURED REDEEMABLE BONDS (SUB-ORDINATED DEBT) | | | | |
| Total | 10604 71 35 | 2553 46 47 | - | 13158 17 82 |
| TOTAL | 42761 76 72 | 20278 86 22 | - | 63040 62 94 |

SCHEDULE 5 - OTHER LIABILITIES & PROVISIONS

| | | | | |
|-----------------------------------|--------------------|--------------------|----------|--------------------|
| I. BILLS PAYABLE | 1120 01 36 | 5395 15 16 | - | 6515 16 52 |
| II. INTER OFFICE ADJUSTMENT (NET) | (1863 75 77) | - | - | (1863 75 77) |
| III. INTEREST ACCRUED | 2064 50 01 | 1098 62 22 | - | 3163 12 23 |
| IV. DEFERRED TAX LIABILITY | | | | |
| IV. OTHERS (INCLUDING PROVISIONS) | 15148 08 38 | 6201 00 86 | - | 21349 09 24 |
| TOTAL | 16468 83 98 | 12694 78 24 | - | 29163 62 22 |



CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

(Rs in Thousands)

| | CANARA BANK | SYNDICATE BANK | ADJUSTEMENT | Proforma Amalgamated as on Year Ended 31.03.2020 |
|---|--------------------|--------------------|------------------|--|
| | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2020 | |
| SCHEDULE 6-CASH AND BALANCES WITH RESERVE BANK OF INDIA | | | | |
| I. CASH IN HAND (Including Foreign Currency Notes) | 4598 34 77 | 1348 76 72 | - | 5947 11 49 |
| II BALANCES WITH RESERVE BANK OF INDIA IN CURRENT ACCOUNT IN OTHER ACCOUNTS | 17971 78 94 | 14021 78 27 | - | 31993 57 21 |
| Total | 22570 13 71 | 15370 54 99 | - | 37940 68 70 |
| SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE | | | | |
| I. IN INDIA | | | | |
| i. BALANCE WITH BANKS | | | | |
| a. IN CURRENT ACCOUNTS | 206 47 44 | 117 70 41 | - | 324 17 85 |
| b. IN OTHER DEPOSIT ACCOUNTS | - | 3441 30 21 | - | 3441 30 21 |
| Total | 206 47 44 | 3559 00 62 | - | 3765 48 06 |
| ii. MONEY AT CALL AND SHORT NOTICE | | | | |
| a. WITH BANKS | 8290 32 13 | 14550 00 00 | - | 22840 32 13 |
| b. WITH OTHER INSTITUTIONS | 13714 54 05 | - | - | 13714 54 05 |
| Total | 22004 86 18 | 14550 00 00 | - | 36554 86 18 |
| Total | 22211 33 62 | 18109 00 62 | - | 40320 34 24 |
| II. OUTSIDE INDIA | | | | |
| i. IN CURRENT ACCOUNTS | 6047 07 50 | 118 83 82 | - | 6165 91 32 |
| ii. IN OTHER DEPOSIT ACCOUNTS | 9768 34 59 | 578 14 50 | - | 10346 49 09 |
| iii. MONEY AT CALL AND SHORT NOTICE | 7674 57 03 | 18905 89 07 | - | 26580 46 10 |
| Total | 23489 99 12 | 19602 87 39 | - | 43092 86 51 |
| TOTAL | 45701 32 74 | 37711 88 01 | - | 83413 20 75 |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

SCHEDULE 8 - INVESTMENTS

| | | | | |
|---|---------------------|--------------------|-------------------|---------------------|
| I. INVESTMENTS IN INDIA : GROSS: | 176309 56 93 | 747780566 | (19 76 07) | 251067 86 52 |
| LESS: PROVISION FOR DEPRECIATION & NPI | 2165 37 31 | 15284552 | - | 3693 82 83 |
| NET INVESTMENT IN INDIA | 174144 19 62 | 73249 60 14 | (19 76 07) | 247374 03 69 |
| i. GOVERNMENT SECURITIES | 160879 23 72 | 66529 00 86 | - | 227408 24 58 |
| ii. OTHER APPROVED SECURITIES | 1 49 87 | 90 50 | - | 2 40 37 |
| iii. SHARES | 1973 40 47 | 228 40 85 | - | 2201 81 32 |
| iv. DEBENTURES AND BONDS | 7645 17 45 | 2932 12 16 | - | 10577 29 61 |
| v. SUBSIDIARIES AND/OR JOINT VENTURES | 765 10 60 | 23 46 05 | - | 788 56 65 |
| vi. OTHERS - MUTUAL FUNDS, C P, CD ETC | 2879 77 51 | 3535 69 72 | - | 6415 47 23 |
| Total | 174144 19 62 | 73249 60 14 | - | 247393 79 76 |
| II. INVESTMENTS OUTSIDE INDIA - GROSS | 2122 22 08 | 1769 79 79 | - | 3892 01 87 |
| LESS : PROVISION FOR DEPRECIATION | 21 47 67 | 55 13 60 | - | 76 61 27 |
| NET INVESTMENTS OUTSIDE INDIA | 2100 74 41 | 1714 66 19 | - | 3815 40 60 |
| i. GOVERNMENT SECURITIES (INCLUDING LOCAL AUTHORITIES) | 399 24 90 | - | - | 399 24 90 |
| ii. SUBSIDIARIES AND/OR JOINT VENTURES | 166 30 73 | 1,71,46,619.00 | - | 1880 96 92 |
| iii. OTHER INVESTMENTS | 1535 18 78 | 0 | - | 1535 18 78 |
| Total | 2100 74 41 | 1714 66 19 | - | 3815 40 60 |
| TOTAL | 176244 94 03 | 74964 26 33 | (19 76 07) | 251189 44 29 |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

| | (Rs in Thousands) | | | |
|---|---------------------|---------------------|------------------|--|
| | CANAR BANK | SYNDICATE BANK | ADJUSTEMENT | Proforma Amalgamated as on Year Ended 31.03.2020 |
| | As at 31.03.2020 | As at 31.03.2020 | As at 31.03.2020 | |
| SCHEDULE 9 - ADVANCES | | | | |
| I. ADVANCES IN INDIA | 407863 77 71 | 178714 47 15 | - | 586578 24 86 |
| II. ADVANCES OUTSIDE INDIA (DUE FROM OTHER THAN BANKS) | 24311 42 78 | 5684 30 62 | - | 5684 30 62 |
| TOTAL | 432175 20 48 | 184398 77 77 | - | 592262 55 48 |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

| | | | | |
|--|-------------------|-------------------|----------|--------------------|
| SCHEDULE 10 - FIXED ASSETS | | | | |
| I. PREMISES | 8240 50 23 | 2019 62 64 | - | 10260 12 87 |
| DEPRECIATION TO DATE | 1053 90 10 | 100 88 84 | - | 1154 78 94 |
| | 7186 60 13 | 1918 73 80 | - | 9105 33 93 |
| II. OTHER FIXED ASSETS (INCLUDING FURNITURE & FIXTURES) At Cost | 4191 73 99 | 2156 22 76 | - | 6347 96 75 |
| LESS: DEPRECIATION TO DATE | 3104 23 92 | 1513 90 73 | - | 4618 14 65 |
| | 1087 50 07 | 642 32 03 | - | 1729 82 10 |
| III. LEASED ASSETS | 2 19 00 | | - | 2 19 00 |
| IV. Capital Work in progress | - | 6 62 65 | - | 6 62 65 |
| TOTAL | 8276 29 20 | 2567 68 48 | - | 10843 97 68 |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

| | | | | |
|--|--------------------|--------------------|--|--------------------|
| SCHEDULE 11 - OTHER ASSETS | | | | |
| I. INTEREST ACCRUED | 5465 54 08 | 1425 86 40 | | 6891 40 48 |
| II. TAX PAID IN ADVANCE/TAX DEDUCTED AT SOURCE (NET) | 13042 91 32 | 3679 27 50 | | 16722 18 82 |
| III. STATIONERY AND STAMPS | 10 81 77 | 36 89 17 | | 47 70 94 |
| IV. NON BANKING ASSETS ACQUIRED IN SATISFACTION OF CLAIMS | 109 30 37 | 2 89 | | 109 33 26 |
| V. OTHERS | 16477 53 83 | 6562 39 24 | | 23039 93 07 |
| VI. DEFERRED TAX ASSETS (NET) | 3800 73 00 | | | 3800 73 00 |
| VII. Inter-Office Adjustments (Net) | - | 11 92 15 | | 11 92 15 |
| TOTAL | 38906 84 37 | 11716 37 35 | | 50623 21 72 |

CANARA BANK, HO, BENGALURU

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31st March, 2020

| | | | | |
|--|---------------------|--------------------|--|---------------------|
| SCHEDULE 12 - CONTINGENT LIABILITIES | | | | |
| I. CLAIMS AGAINST THE BANK NOT ACKNOWLEDGED AS DEBTS | 9537 61 21 | 393 02 67 | | 9930 63 88 |
| II. LIABILITY FOR PARTLY PAID INVESTMENTS | 36 00 | 26 39 29 | | 26 75 29 |
| III. LIABILITY ON ACCOUNT OF OUTSTANDING FORWARD EXCHANGE CONTRACTS | 300719 34 72 | 68479 97 00 | | 369199 31 72 |
| IV. GUARANTEES GIVEN ON BEHALF OF CONSTITUENTS | | | | |
| a. IN INDIA | 35174 28 89 | 12962 58 98 | | 48136 87 87 |
| b. OUTSIDE INDIA | 231 88 49 | 7 48 | | 231 95 97 |
| V. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS | 24890 32 44 | 6100 06 53 | | 30990 38 97 |
| VI. OTHER ITEMS FOR WHICH THE BANK IS CONTINGENTLY LIABLE | | 2 57 31 | | 2 57 31 |
| a. BILLS OF EXCHANGE REDISCOUNTED | | - | | - |
| b. OTHERS | 2944 15 50 | 8325 43 52 | | 11269 59 02 |
| TOTAL | 373497 97 25 | 96290 12 78 | | 469788 10 03 |



SCHEDULE-13 : INTEREST EARNED

(Rs in Thousands)

| | | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Year Ended 31.03.2020 |
|-----|--|--------------------|--------------------|------------------|-------------------------|--|
| | | 31.03.2020 | 31.03.2020 | | | |
| I | Interest / Discount on Advances / Bills | 36075 88 06 | 15485 82 25 | | | 51561 70 31 |
| II | Income on Investments | 11335 87 64 | 5396 47 45 | | | 16732 35 09 |
| III | Interest on balances with Reserve Bank of India and other inter bank funds | 1400 26 79 | 946 02 82 | | | 2346 29 61 |
| IV | Others | 122 96 53 | 86 88 62 | | | 209 85 15 |
| | TOTAL | 48934 99 03 | 21915 21 14 | | | 70850 20 17 |

SCHEDULE-14 : OTHER INCOME

(Rs in Thousands)

| | | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Year Ended 31.03.2020 |
|-----|---|-------------------|-------------------------|------------------|-------------------------|--|
| | | 31.03.2020 | 31.03.2020 | | | |
| I | Commission, Exchange and Brokerage | 1257 11 55 | 745 45 07 | | | 2002 56 62 |
| II | Profit on sale of Investments Less: Loss on sale of Investments | 759 47 36 | 634 82 48 | | | 1394 29 84 |
| III | Profit/(Loss) On Revaluation Of Investments | (1 74 18) | | | | (1 74 18) |
| IV | Profit on sale of Land, Buildings and Other Assets Less : Loss on sale of Land, Buildings and Other Assets | (1 34 11) | 1 97 41 (3 67 41) | | | 1 97 41 (5 01 52) |
| V | Profit on Exchange Transactions Less : Loss on Exchange Transactions | 1114 85 87 | 201 14 86 (57 14 16) | | | 1316 00 73 (57 14 16) |
| VI | Income earned by way of Dividends | 67 87 20 | | | | 67 87 20 |
| VII | Miscellaneous Income | 4616 91 77 | 1524 53 32 | | | 6141 45 09 |
| | TOTAL | 7813 15 46 | 3047 11 57 | | | 10860 27 03 |



SCHEDULE-15 : INTEREST EXPENDED

(Rs in Thousands)

| | | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Year Ended 31.03.2020 |
|-----|---|--------------------|--------------------|------------------|-------------------------|--|
| | | 31.03.2020 | 31.03.2020 | | | |
| I | Interest on Deposits | 33520 93 80 | 13100 78 11 | | | 46621 71 91 |
| II | Interest on Reserve Bank of India / Inter Bank borrowings | 1169 87 91 | 112 01 88 | | | 1281 89 79 |
| III | Others | 1120 26 63 | 1531 78 23 | | | 2652 04 86 |
| | TOTAL | 35811 08 34 | 14744 58 22 | | | 50555 66 56 |

SCHEDULE-16 : OPERATING EXPENSES

(Rs in Thousands)

| | | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Year Ended 31.03.2020 |
|------|---|--------------------|-------------------|------------------|-------------------------|--|
| | | 31.03.2020 | 31.03.2020 | | | |
| I | Payments to and Provisions for Employees | 7134 18 46 | 4596 50 34 | | | 11730 68 80 |
| II | Rent, Taxes and Lighting | 792 37 23 | 396 99 22 | | | 1189 36 45 |
| III | Printing and Stationery | 42 94 28 | 30 26 62 | | | 73 20 90 |
| IV | Advertisement and Publicity | 34 04 71 | 17 96 24 | | | 52 00 95 |
| V | Depreciation on Bank's Property | 432 16 02 | 215 20 80 | | | 647 36 82 |
| VI | Directors' Fees, Allowances and Expenses | 1 04 04 | 1 98 83 | | | 3 02 87 |
| VII | Auditors' Fees and Expenses (Including for Branch Auditors) | 55 91 29 | 39 05 35 | | | 39 05 35 55 91 29 |
| VIII | Law Charges | 71 10 65 | 60 69 10 | | | 131 79 75 |
| IX | Postage, Telegrams, Telephones etc. | 59 25 08 | 85 77 45 | | | 145 02 53 |
| X | Repairs and Maintenance | 320 54 96 | 247 53 53 | | | 568 08 49 |
| XI | Insurance | 550 15 19 | 266 25 49 | | | 816 40 68 |
| XII | Other Expenditure | 2083 51 55 | 786 55 06 | | | 2870 06 61 |
| | TOTAL | 11577 23 46 | 6744 78 03 | | | 18322 01 49 |



SCHEDULE – 17

SIGNIFICANT ACCOUNTING POLICIES

[1](a) Basis of Preparation:

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting on going concern basis, unless otherwise stated. They conform to Generally Accepted Accounting Principles (GAAP) in India, which comprises statutory provisions, regulatory norms / guidelines prescribed by Reserve Bank of India (RBI), Banking Regulation Act – 1949, Accounting Standards/ guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and the practices prevalent in the banking industry in India. In respect of foreign offices, statutory provisions and practices prevailing in respective foreign countries are complied with.

(b) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, expenses, income and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from estimates. Any revision to accounting estimates is recognized in current and future periods.

[2] Foreign Currency Translation / Conversion of Foreign Currencies

- 2.1 Foreign currency monetary items are initially recorded at a notional rate. Foreign currency monetary items are restated at the rate published by Foreign Exchange Dealers' Association of India (FEDAI) at the end of each quarter. Exchange difference arising on restatement of such items at the quarterly rates is recognised in Profit and Loss Account.
- 2.2 Transactions and balances of foreign branches are classified as non-integral foreign operations. Such transactions and balances are consolidated by the bank on a quarterly basis.

Assets and Liabilities (both monetary and non-monetary as well as contingent liabilities) are translated at the closing spot rate of exchange announced by Foreign Exchange Dealers' Association of India (FEDAI) as at the end of each quarter. Income and Expenditure items of the foreign branches are translated at the quarterly average rate published by FEDAI in accordance with Accounting Standard (AS) 11- "The effect of Changes in Foreign Exchange rates" issued by the Institute of Chartered Accountants of India (ICAI) and as

per the guidelines of Reserve Bank of India (RBI) regarding the compliance of the said standard.

The resultant exchange gain/loss is credited / debited to Foreign Currency Translation Reserve.

2.3 Forward Exchange Contracts

Premium or discount arising at the inception of all forward exchange contracts are amortized as expense or income over the life of the contract. Profit/Losses arising on cancellation of forward exchange contracts, together with unamortized premium or discount, if any, is recognized on the date of termination. Exchange differences on such contracts are recognized in the Profit & Loss account in the reporting period in which the exchange rates change.

2.4 Contingent liability in respect of outstanding forward exchange contracts, guarantees, acceptances, endorsements and other obligations are stated in the balance sheet at the closing rates published by FEDAI.

[3] Investments

3.1. Classification of investments is made as per the guidelines of the RBI. The entire investment portfolio of the bank is classified under three categories viz. 'Held to Maturity' (HTM), 'Available for Sale' (AFS) and 'Held for Trading' (HFT). Such classification is decided at the time of acquisition of securities.

Investments are disclosed in the Balance Sheet under six classifications viz: (a) Government securities (b) Other approved securities (c) Shares (d) Debentures & Bonds (e) Subsidiaries and Joint Ventures & Associates and (f) Others.

3.2. In determining the acquisition cost of investment:-

- (a) Cost such as brokerage, commission etc., relating to securities at the time of purchase are charged to Profit & Loss Account.
- (b) Broken period interest on debt instruments up to the date of acquisition / disposal is treated as revenue.

3.3 The valuation of Investments is done in accordance with the guidelines issued by the RBI as under:

a) HELD TO MATURITY

Investments under Held to Maturity category are carried at acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortized over the remaining period of maturity.



Investments in Subsidiaries and Joint Ventures & Associates are valued at carrying cost. Any diminution in the value other than temporary in nature is fully provided for.

Investment in sponsored Regional Rural Banks (RRB) and other Trustee Shares are valued at carrying cost.

Investment in units of Venture Capital Funds (VCFs) made after 23.08.2006 are classified under HTM category for initial period of three years and valued at cost. After period of three years from date of disbursement, it will be shifted to AFS and marked-to-market as per RBI guidelines

b) AVAILABLE FOR SALE

Investments classified under this category are mark to market on quarterly basis and valued as per Reserve Bank of India guidelines at the market rates available on the last day of each quarter (Balance Sheet date) from trades/quotes on the stock exchanges, prices/yields declared by the Fixed Income Money Market and Derivatives Association of India (FIMMDA). Unquoted securities are also valued as per the Reserve Bank of India guidelines.

The net depreciation under each category/classification is fully provided for whereas the net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after these are valued at mark to market basis.

Units of Venture Capital Funds (VCF) transferred from HTM category after a period of three years (Refer paragraph 3.3(a) are valued at NAV as per the audited financial statements of Venture Capital Funds. In case such audited financial statements are not available continuously for 18 months as on the date of valuation, units are valued at Re. 1 per VCF.

c) HELD FOR TRADING

Investments classified under this category are valued at rates based on market quotations, price/yields declared by FIMMDA on a weekly basis.

The net depreciation under each security held is fully provided for whereas the net appreciation, if any, is ignored. The book value of the individual securities does not undergo any change after marked to market.

3.4. Transfer of scrips from one category to another is carried on the following basis:

- (a) HTM to AFS/HFT category at acquisition price/book value. In case the investments under HTM category are placed at premium originally the transfer is made at amortised cost.
- (b) AFS/HFT to HTM category at lower of the book value or market value.



(c) AFS to HFT category or vice versa, at the carrying value. The accumulated depreciation, if any, to be transferred to the provision for depreciation against HFT securities and vice versa.

3.5. Non performing Investments Security Receipts issued by Securitisation / Reconstruction Company (SC/RC) in respect of financial assets sold by the Bank to the SC/RC are valued at the lower of the redemption value of the Security Receipt and the Net Book Value of the financial asset. The Investment is carried in the books at the price determined as above until its sale or realisation and on such sale or realisation, loss or gain is dealt with as below:

(a) If sale is at a price below Net Book Value (NBV), the shortfall is recognised as per Reserve Bank of India guidelines.

(b) If the sale is for a value higher than NBV, the excess provision is not reversed but utilized to meet shortfall/loss on account of sale of other financial assets to SC/RC.

3.6. Securities included in any of three categories where interest/principal is in arrears for a specified period, are classified as Non performing Investment. Interest Income on such securities is not reckoned and appropriate depreciation/provision in value of Investments is made. Depreciation in respect of such Non Performing Investments is not set off against appreciation in other performing securities.

3.7. Profit on sale of Investments

Profit on sale of Investments in respect of "Available for Sale" and "Held for Trading" categories is recognized in Profit & Loss Account.

Profit on sale of Investments in respect of "Held to Maturity" category is first taken to the Profit & Loss Account and an equivalent amount of Profit is appropriated to the Capital Reserve (net of taxes and amount required to be transferred to Statutory Reserve).

Loss on sale of Investments in all the three categories is recognized in Profit & Loss Account.

3.8. Accounting for Repo/Reverse Repo and Liquidity Adjustment Facility (LAF)

Securities sold/purchased with an agreement to repurchase/resale on the agreed terms under Repo/Reverse Repo including LAF with RBI are recognized as Borrowing/Lending.

Securities sold under Repo are continued to be shown under investments and Securities purchased under Reverse Repo are not included in investments. Costs and revenues are accounted for as interest expenditure / income, as the case may be.



[4] Derivative contracts

The Bank deals in Interest Rate Swaps and Currency Derivatives. The Interest Rate Derivatives dealt by the Bank are Rupee Interest Rate Swaps, Cross Currency Interest Rate Swaps and Forward Rate Agreements. Currency Derivatives dealt by the Bank are Options and Currency Swaps.

Such derivative contracts are valued as under:

- a. Derivative contracts dealt for trading are valued on mark to market basis, net depreciation is recognized while net appreciation is ignored.
- b. Derivative contracts undertaken for hedging are:
 - i. Derivative contracts designated as hedges are not marked to market unless their underlying asset is marked to market.
 - ii. Income / Expenditure is recognized on accrual basis for Hedging swaps.

[5] ADVANCES

- 5.1 Advances are classified as performing and non-performing assets in accordance with the prudential norms issued by RBI.
- 5.2 Advances are classified into Standard, Sub Standard, Doubtful and Loss assets borrower wise.
- 5.3 Provisions for domestic advances are made for performing/non -performing advances in accordance with the RBI Guidelines.
- 5.4 Provisions for performing/ non-performing advances with foreign branches are made as per regulations of host country or according to the norms prescribed by RBI, whichever is more stringent.
- 5.5 Advances stated in the Balance Sheet are net of provisions made for Non Performing Assets, claims received from Credit Guarantee Institutions and rediscount.
- 5.6 Partial recoveries in Non Performing Advances are apportioned first towards charges and interest, thereafter towards principal with the exception of non performing advances involving compromise settlements/ "Loan Past Due" advances where the recoveries are first adjusted towards principal.
- 5.7 In case of financial assets sold to SC/ RC, the valuation, income recognition etc are done as per RBI guidelines.
- 5.8 In addition to the specific provision on NPAs, general provisions are also made for standard assets as per extant RBI Guidelines.

[6] Fixed Assets

- 6.1. The premises of the Bank include freehold and leasehold properties. All the Fixed Assets are capitalized based on the date of put to use.



- 6.2. Land and Premises are stated at revalued cost and other fixed assets are stated at historical cost. The appreciation on revaluation, if any, is credited to the 'Revaluation Reserve' Account. Depreciation / Amortization attributable to the enhanced value have been debited to the Profit & Loss account. Equivalent amount has been transferred from Revaluation Reserve to Revenue Reserve.

[7] Depreciation

- 7.1. Fixed Assets are depreciated under Straight line Method at the rates as follows:

| SL No. | Particulars | Rates Per Annum |
|--------|---|-----------------|
| 1 | Freehold Properties (Excluding Land) | 1.67% |
| 2 | Other Fixed Assets (Including Furniture & Fixtures) | 10%/12.5%/20% |

The useful life of the respective assets is determined by the management except for the Computers where as per the guidelines of RBI, depreciation is charged under straight line method at 33.33%.

- 7.2 5 percent residual value has been kept for all the assets except for the assets with estimated useful life of 3 years or 5 years (Eg. computer, Servers and ATMs etc), where the entire cost of the asset is amortized over the useful life.
- 7.3 Depreciation on fixed assets in the year of capitalization is charged for the full year if the asset is used for more than 180 days during that financial year; else it is provided at 50 percent of the applicable rate. No depreciation is provided for in the year of sale/disposal.
- 7.4 Premium paid on leasehold properties is charged off over the lease period. Cost of leasehold land and leasehold improvements are amortised over the period of lease
- 7.5 In respect of fixed assets held at foreign offices, depreciation is provided as per the regulations / norms of the respective countries
- 7.6 Lease payments including cost escalation for assets taken on operating lease are recognised in the Profit and Loss Account over the lease term in accordance with the AS 19 (Leases) issued by ICAI.

[8] Impairment of Assets

An assessment is made at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, an estimate of the recoverable amount is made and impairment loss, if any, is provided for and charged off to Profit and Loss Account.

[9] Revenue Recognition

- 9.1. Income and expenditure are generally accounted on accrual basis, except the following:



- a) Interest on Non-Performing advances and non performing investments is recognized on receipt basis as per norms laid down by Reserve Bank of India.
- b) Interest on overdue bills, Commission (other than Government business), Exchange, Brokerage and rent on lockers are accounted on realization.
- c) Dividend Income is recognized when the right to receive the same is established.
- d) In case of suit filed accounts, related legal and other expenses incurred are charged to Profit & Loss Account and on recovery the same are accounted as Income.

[10] Employee Benefits

10.1 Defined Contribution Plans

Defined Contribution to Plans such as Provident / Pension fund are recognized as an expense and charged to Profit & Loss account.

The Bank operates a New Pension Scheme (NPS) for all officers/ employees joining the Bank on or after 01-08-2010, which is a defined contribution plan, such new joinees not being entitled to become members of the existing Pension Scheme. As per the scheme, the covered employees contribute 10% of their basic pay plus dearness allowance to the scheme together with a matching contribution from the Bank. The Bank recognizes such annual contributions as an expense in the year to which they relate.

10.2 Defined Benefit Plans

- a. **Gratuity:** The employee Gratuity Fund Scheme is funded by the Bank and managed by a separate trust who in turn manages their funds as per guidelines. The present value of the Banks obligation under Gratuity is recognized on actuarial basis as at the year end and the fair value of the Plan assets is reduced from the gross obligation to recognize the obligation on a net basis.
 - b. **Pension:** The employee Pension Fund Scheme is funded by the Bank and managed by a separate trust. The present value of the Banks obligations under Pension is recognized on the basis of actuary's report as at the year end and the fair value of the Plan assets is reduced from the gross obligation to recognize the obligation on a net basis.
- 10.3 The privilege leave is considered as a long term benefit and is recognized based on independent actuarial valuation
- 10.4 The cost of providing long term benefits under defined benefit Plans is determined using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains/ losses are immediately recognised in the Profit and Loss Account and are not deferred.



[11] Provision for Taxation

- a) Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 – “Accounting for Taxes on Income” respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.
- b) Deferred Tax adjustments comprises of changes in the deferred tax assets or liabilities during the year. Deferred Tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.
- c) Deferred tax assets are recognised and re-assessed at each reporting date, based upon management’s judgment as to whether their realisation is considered as reasonably certain or Virtual certain as the case may be.
- d) Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future profits. Deferred tax assets on the items other than above are recognized on the basis of reasonable certainty.

[12] Net Profit**12.1 Provisions, Contingent Liabilities and Contingent Assets**

- I. In conformity with AS 29, “Provisions, Contingent Liabilities & Contingent Assets” issued by the Institute of Chartered Accountants Of India, the bank recognizes provision only when :
 - a. It has a present obligation as a result of past event.
 - b. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and
 - c. A reliable estimate of the amount of the obligation can be made.
- II. **No provision is recognized:**
 - a. For any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the bank.
 - b. Where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - c. When a reliable estimate of the amount of obligation cannot be made.



Such obligations are recorded as Contingent Liabilities. These are assessed at regular intervals and only that part of the obligation for which the outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

III. Contingent Assets are not recognized in the financial Statements.

12.2 Net Profit

The Net Profit in the Profit & Loss Account is after:-

- a) Provision for depreciation on Investments.
- b) Provision for Taxation.
- c) Provision on Non Performing Advances
- d) Provision on Standard Assets.
- e) Provision for Non Performing Investments.
- f) Provision for other usual & necessary Items.

[13] Earning per share:

The Bank reports basic and diluted Earnings per Share in accordance with AS – 20 “Earnings Per Share”, issued by ICAI. Basic Earnings Per Share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding for the Year.

[14] Cash Flow Statement:

Cash flow from operating activities is reported by using indirect method.

[15] Segment Reporting:

The Bank recognise the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines & in compliance with AS-17 issued by ICAI.



Notes to Proforma Financial Statements

1. Basis for preparation of Proforma Financial Statements (PFS) of Canara Bank for the year ended 31st March, 2020 (consequent to the amalgamation of Syndicate Bank)

The PFS has been prepared by the Management of the Bank in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations 2018") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a significant amalgamation effective from 01st Apr, 2020 and as further set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements.

Consequent to the amalgamation of erstwhile Syndicate Bank (eSB) with Canara Bank (CB) effective from April 01, 2020, the Proforma Financial Statements (hereinafter referred to as "PFS") along with accounting policies and selective notes to PFS of the amalgamated entity for the year ended 31st March, 2020 is prepared by the management and adopted by the Sub Committee of Board on Capital Planning Process (hereinafter referred to as "SCB") in its meeting held on 11th Nov, 2020.

2. For the purpose of preparing the PFS, the carrying book values of assets and liabilities as per the audited financials as on March 31, 2020 of eSB has been incorporated with the carrying book value of assets and liabilities based on the audited financial statements of CB as on March 31, 2020 in accordance with the "Guide to reporting on Proforma Financial Statements" issued by The Institute of Chartered Accountants of India. The PFS has been prepared by aggregation of audited numbers of Balance Sheet, profit & loss account and do not entail any adjustments except to the extent of changes in Issued capital, Investments and amalgamation reserve consequent to the amalgamation. The adjustments made to Issued Share Capital, Amalgamation reserve and Investment consequent to amalgamation have been explained in Note 3, Note 4 and Note 5 below.
3. The amount of Share capital issued by Canara Bank amounting to Rs. 423.27 crores (423268155 equity shares of face value Rs.10 each issued at par) as consideration pursuant to the scheme has been adjusted in share capital of the PFS.
4. The Bank has adopted Pooling of Interest method prescribed under the Accounting Standard 14 on Accounting for Amalgamations to record amalgamation of eSB (the amalgamating bank) with the Bank with effect from April 1, 2020. Accordingly, the difference of Rs. 2240.69 crores between the net assets of the amalgamating banks and the amount of shares issued to the shareholders of the amalgamating banks has been recognized as Amalgamation Reserve.
5. The investment in eSB shares by Canara Bank amounting to Rs. 15.46 crore before amalgamation has been reduced from investments of PFS to give effect of the amalgamation. The PFS has also considered the adjustment of cash paid in lieu of fractional entitlement of shares Rs. 4.30 crores in the investment.
6. In view of the management, in following cases due to the nature of the change, it is not practicable to calculate the impact and give the effect of changes. Accordingly, no adjustment is made in the PFS.

HEAD OFFICE: Bangalore

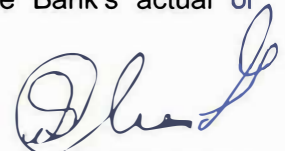
- a) Change in policy of commission on issuance of guarantees and depreciation policy on few categories of fixed assets. The net effect of such policy change (Cumulative reduction, as on 01.04.2020, in net income of Rs. 305.94 crore) has been given in the opening amalgamated balance sheet by adjusting against the carried forward accumulated profit & loss accounts. To this extent the PFS has not considered the effect in the periods prior to amalgamation.
 - b) Similarly, the PFS has not considered the cancellation of Inter Bank deposits (Rs. 1097.15 Crores as on the date of amalgamation i.e. 01.04.2020) in the earlier periods.
 - c) In pursuance of amalgamation approved by the Board of Directors and further directives by Reserve Bank of India, the bank has carried out the process of harmonisation of common borrowers with regard to impact of Divergence in Asset Classification across Canara bank and Syndicate bank as per extant IRAC norms as on 31.03.2020. Accordingly, an amount of Rs.340 Crore has been provided in Canara Bank and Rs. 156.93 Crores in eSyndicate Bank as on 31.03.2020. Similar effect, if any, has not been provided in the PFS of period prior to 31.03.2020.
7. The PFS has been prepared for inclusion in the investor presentation and offer documents to be filed with stock exchanges and other relevant authorities, in respect of the proposed fund raising exercise of the Bank and accordingly, the same is for illustrative purpose only and therefore, does not represent the Bank's actual or expected financial position or results.



P SANDEEP RAO
DEPUTY GENERAL MANAGER



UDAY SANKAR MAJUMDER
GENERAL MANAGER



V RAMCHANDRA
CHIEF GENERAL MANAGER



A. MANIMEKHALAI
EXECUTIVE DIRECTOR



DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR



M. V. RAO
EXECUTIVE DIRECTOR



L.V. PRABHAKAR
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E



(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012



PLACE: BENGALURU
DATE: 11.11.2020

Proforma statement of Balance sheet as on 30th Sept, 2019

(Rs in Thousands)

| | CANAR BANK | SYNDICATE BANK | Adjustment | Proforma Amalgamated as on Half Year Ended 30.09.2019 |
|--|---------------------|---------------------|-------------------|---|
| | 30.09.2019 | 30.09.2019 | | |
| CAPITAL AND LIABILITIES | | | | |
| Capital | 753 24 48 | - | 423 26 82 | 1176 51 30 |
| Share Application Money Pending For Allotment | 6571 00 00 | - | - | 6571 00 00 |
| Reserves And Surplus | 36260 73 68 | 13731 32 85 | 2240 69 47 | 52232 76 00 |
| Deposits | 609436 48 40 | 259442 79 73 | - | 868879 28 13 |
| Borrowings | 35624 43 12 | 26090 71 58 | - | 61715 14 70 |
| Other Liabilities And Provisions | 18777 69 56 | 13679 25 38 | - | 32456 94 94 |
| TOTAL | 707423 59 24 | 312944 09 54 | 2663 96 29 | 1023031 65 07 |
| ASSETS | | | | |
| Cash & Balances With Reserve Bank Of India | 32788 69 43 | 14625 19 22 | - | 47413 88 65 |
| Balances With Banks And Money At Call And Short Notice | 37981 34 39 | 4638 52 42 | - | 42619 86 81 |
| Investments | 161233 53 83 | 70717 46 34 | (19 76 07) | 231931 24 10 |
| Advances | 429318 58 31 | 208716 07 34 | - | 638034 65 65 |
| Fixed Assets | 8291 32 93 | 2541 18 11 | - | 10832 51 04 |
| Other Assets | 37810 10 35 | 14389 38 47 | - | 52199 48 82 |
| TOTAL | 707423 59 24 | 315627 81 90 | (19 76 07) | 1023031 65 07 |
| Contingent Liabilities | 329894 47 54 | 176916 41 88 | - | 506810 89 42 |
| Bills For Collection | 34183 79 61 | 6281 52 97 | - | 40465 32 58 |


P SANDEEP RAO
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UDAY SANKAR MAJUMDER
GENERAL MANAGER


V RAMCHANDRA
CHIEF GENERAL MANAGER


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EXECUTIVE DIRECTOR


DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR


M. V. RAO
EXECUTIVE DIRECTOR


L.V. PRABHAKAR
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E


(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012





HEAD OFFICE: Bangalore

Proforma statement of Profit and Loss for the Quarter & Half Year ended 30th Sept, 2019

| | | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Half Year Ended 30.09.2019 | Proforma Consolidated for the Period QUARTER Ended 30.09.2019 |
|-----|--|--------------------|--------------------|------------------|-------------------------|---|---|
| | | 30.09.2019 | 30.09.2019 | | | | |
| I | INCOME | | | | | | |
| | Interest Earned | 24592 66 45 | 10952 03 92 | | | 35544 70 37 | 17799 39 39 |
| | Other Income | 3931 45 54 | 1281 75 25 | | | 5213 20 79 | 2815 43 63 |
| | TOTAL | 28524 11 99 | 12233 79 17 | | | 40757 91 16 | 20614 83 02 |
| II | EXPENDITURE | | | | | | |
| | Interest Expended | 18222 28 88 | 7421 00 88 | | | 25643 29 76 | 12930 37 75 |
| | Operating Expenses | 5317 21 10 | 3046 69 71 | | | 8363 90 81 | 4183 48 89 |
| | Provisions and Contingencies | 4290 62 63 | 2495 49 56 | | | 6786 12 19 | 2884 99 23 |
| | TOTAL | 27830 12 61 | 12963 20 15 | | | 40793 32 76 | 19998 85 88 |
| III | PROFIT/(LOSS) | | | | | | |
| | Net Profit/Loss for the Year | 693 99 38 | -729 40 98 | | | -35 41 60 | 615 97 14 |
| | Profit / (Loss) brought forward | - | - | | | - | - |
| | TOTAL | 693 99 38 | -729 40 98 | | | -35 41 60 | 615 97 14 |
| IV | APPROPRIATIONS: | | | | | | |
| | Transfer to : | | | | | | |
| A | Statutory Reserve | - | - | | | | |
| B | Capital Reserve | - | - | | | | |
| C | Profit & Loss | 693 99 38 | -729 40 98 | | | -35 41 60 | 615 97 14 |
| D | Special Reserve under section 36(1) (viii) of Income Tax Act, 1961 | - | - | | | | |
| E | Proposed Final Dividend | - | - | | | | |
| F | Tax on Proposed Final Dividend | - | - | | | | |
| | TOTAL | 693 99 38 | -729 40 98 | | | -35 41 60 | -35 41 60 |

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DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR

M. V. RAO
EXECUTIVE DIRECTOR

L.V. PRABHAKAR
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E

(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012



PLACE: BENGALURU
DATE: 11.11.2020

Notes to Proforma Financial Statements

1. Basis for preparation of Proforma Financial Statements (PFS) of Canara Bank for the half year ended 30th Sept, 2019 (consequent to the amalgamation of Syndicate Bank)

The PFS has been prepared by the Management of the Bank in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations 2018") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a significant amalgamation effective from 01st Apr, 2020 and as further set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements.

Consequent to the amalgamation of erstwhile Syndicate Bank (eSB) with Canara Bank (CB) effective from April 01, 2020, the Proforma Financial Statements (hereinafter referred to as "PFS") along with accounting policies and selective notes to PFS of the amalgamated entity for the half year ended 30th Sept, 2019 is prepared by the management and adopted by the Sub Committee of Board on Capital Planning Process (hereinafter referred to as "SCB") in its meeting held on 11th Nov, 2020.

2. For the purpose of preparing the PFS, the carrying book values of assets and liabilities as per the reviewed financials as on 30th Sept, 2019 of eSB has been incorporated with the carrying book value of assets and liabilities based on the reviewed financial statements of CB as on 30th Sept, 2019 in accordance with the "Guide to reporting on Proforma Financial Statements" issued by The Institute of Chartered Accountants of India. The PFS has been prepared by aggregation of reviewed numbers of Balance Sheet, profit & loss account and do not entail any adjustments except to the extent of changes in Issued capital, Investments and amalgamation reserve consequent to the amalgamation. The adjustments made to Issued Share Capital, Amalgamation reserve and Investment consequent to amalgamation have been explained in Note 3, Note 4 and Note 5 below.
3. The amount of Share capital issued by Canara Bank amounting to Rs. 423.27 crores (423268155 equity shares of face value Rs.10 each issued at par) as consideration pursuant to the scheme has been adjusted in share capital of the PFS.
4. The Bank has adopted Pooling of Interest method prescribed under the Accounting Standard 14 on Accounting for Amalgamations to record amalgamation of eSB (the amalgamating bank) with the Bank with effect from April 1, 2020. Accordingly, the difference of Rs. 2240.69 crores between the net assets of the amalgamating banks and the amount of shares issued to the shareholders of the amalgamating banks has been recognized as Amalgamation Reserve.
5. The investment in eSB shares by Canara Bank amounting to Rs. 15.46 crore before amalgamation has been reduced from investments of PFS to give effect of the amalgamation. The PFS has also considered the adjustment of cash paid in lieu of fractional entitlement of shares Rs. 4.30 crores in the investment.
6. In view of the management, in following cases due to the nature of the change, it is not practicable to calculate the impact and give the effect of changes. Accordingly, no adjustment is made in the PFS.

HEAD OFFICE: Bangalore

- a) Change in policy of commission on issuance of guarantees and depreciation policy on few categories of fixed assets. The net effect of such policy change (Cumulative reduction, as on 01.04.2020, in net income of Rs. 305.94 crore) has been given in the opening amalgamated balance sheet by adjusting against the carried forward accumulated profit & loss accounts. To this extent the PFS has not considered the effect in the periods prior to amalgamation.
 - b) Similarly, the PFS has not considered the cancellation of Inter Bank deposits (Rs. 1097.15 Crores as on the date of amalgamation i.e. 01.04.2020) in the earlier periods.
 - c) In pursuance of amalgamation approved by the Board of Directors and further directives by Reserve Bank of India, the bank has carried out the process of harmonisation of common borrowers with regard to impact of Divergence in Asset Classification across Canara bank and Syndicate bank as per extant IRAC norms as on 31.03.2020. Accordingly, an amount of Rs.340 Crore has been provided in Canara Bank and Rs. 156.93 Crores in eSyndicate Bank as on 31.03.2020. Similar effect, if any, has not been provided in the PFS of period prior to 31.03.2020.
7. The PFS has been prepared for inclusion in the investor presentation and offer documents to be filed with stock exchanges and other relevant authorities, in respect of the proposed fund raising exercise of the Bank and accordingly, the same is for illustrative purpose only and therefore, does not represent the Bank's actual or expected financial position or results.



P SANDEEP RAO
DEPUTY GENERAL MANAGER



UDAY SANKAR MAJUMDER
GENERAL MANAGER



V RAMCHANDRA
CHIEF GENERAL MANAGER



A. MANIMEKHALAI
EXECUTIVE DIRECTOR



DEBASHISH MUKHERJEE
EXECUTIVE DIRECTOR



M. V. RAO
EXECUTIVE DIRECTOR



L.V. PRABHAKAR
MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E



(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012




PLACE: BENGALURU
DATE: 11.11.2020

Proforma statement of Balance sheet as on 30th June, 2019

(Rs in Thousands)

| | CANAR BANK | SYNDICATE BANK | Adjustment | Proforma Amalgamated as on Quarter Ended 30.06.2019 |
|---|---------------------|---------------------|-------------------|---|
| | 30.06.2019 | 30.06.2019 | | |
| CAPITAL AND LIABILITIES | | | | |
| Capital | 753 24 48 | - | 423 26 82 | 1176 51 30 |
| Share Application Money Pending For Allotment | - | - | - | - |
| Reserves And Surplus | 35852 39 82 | 13608 39 69 | 2240 69 47 | 51701 48 98 |
| Deposits | 610673 78 54 | 259223 22 85 | - | 869897 01 39 |
| Borrowings | 38655 84 31 | 21440 27 89 | - | 60096 12 20 |
| Other Liabilities And Provisions | 14387 27 75 | 7799 13 07 | - | 22186 40 82 |
| TOTAL | 700322 54 90 | 302071 03 50 | 2663 96 29 | 1005057 54 68 |
| ASSETS | | | | |
| Cash & Balances With Reserve Bank Of India | 30541 67 13 | 11120 21 91 | - | 41661 89 04 |
| Balances With Banks And Money At Call | - | - | - | - |
| And Short Notice | 40627 37 05 | 6158 80 45 | - | 46786 17 50 |
| Investments | 153923 27 72 | 70741 62 53 | (19 76 07) | 224645 14 18 |
| Advances | 432768 12 03 | 202631 31 87 | - | 635399 43 90 |
| Fixed Assets | 8343 89 40 | 2558 03 56 | - | 10901 92 96 |
| Other Assets | 34118 21 57 | 11544 75 53 | - | 45662 97 10 |
| TOTAL | 700322 54 90 | 304754 75 85 | (19 76 07) | 1005057 54 68 |
| Contingent Liabilities | 327160 82 45 | 179466 53 07 | - | 506627 35 52 |
| Bills For Collection | 37133 35 34 | 5986 47 53 | - | 43119 82 87 |


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HEAD OFFICE: Bangalore
Proforma statement of Profit and Loss for the Quarter ended 30th June, 2019

(Rs in Thousands)

| | | CANAR BANK | SYNDICATE BANK | GAAP Adjustments | Acquisition Adjustments | Proforma Amalgamated for the Quarter Ended 30.06.2019 |
|-----|--|--------------------|-------------------|------------------|-------------------------|---|
| | | 30.06.2019 | 30.06.2019 | | | |
| I | INCOME | | | | | |
| | Interest Earned | 12200 52 31 | 5544 78 67 | | | 17745 30 98 |
| | Other Income | 1861 86 82 | 535 90 34 | | | 2397 77 16 |
| | TOTAL | 14062 39 13 | 6080 69 01 | - | - | 20143 08 14 |
| II | EXPENDITURE | | | | | |
| | Interest Expended | 8959 91 30 | 3753 00 71 | | | 12712 92 01 |
| | Operating Expenses | 2662 46 59 | 1517 95 33 | | | 4180 41 92 |
| | Provisions and Contingencies | 2110 94 43 | 1790 18 52 | | | 3901 12 95 |
| | TOTAL | 13733 32 32 | 7061 14 56 | - | - | 20794 46 88 |
| III | PROFIT/(LOSS) | | | | | |
| | Net Profit/Loss for the Year | 329 06 81 | -980 45 55 | | | -651 38 74 |
| | Profit / (Loss) brought forward | - | - | | | - |
| | TOTAL | 329 06 81 | -980 45 55 | - | - | -651 38 74 |
| IV | APPROPRIATIONS: | | | | | |
| | Transfer to : | | | | | |
| A | Statutory Reserve | - | - | | | |
| B | Capital Reserve | - | - | | | |
| C | Profit & Loss | 329 06 81 | -980 45 55 | | | -651 38 74 |
| D | Special Reserve under section 36(1) (viii) of Income Tax Act, 1961 | - | - | | | |
| E | Proposed Final Dividend | - | - | | | |
| F | Tax on Proposed Final Dividend | - | - | | | |
| | TOTAL | 329 06 81 | -980 45 55 | - | - | -651 38 74 |


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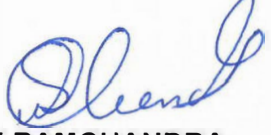
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6. In view of the management, in following cases due to the nature of the change, it is not practicable to calculate the impact and give the effect of changes. Accordingly, no adjustment is made in the PFS.



- a) Change in policy of commission on issuance of guarantees and depreciation policy on few categories of fixed assets. The net effect of such policy change (Cumulative reduction, as on 01.04.2020, in net income of Rs. 305.94 crore) has been given in the opening amalgamated balance sheet by adjusting against the carried forward accumulated profit & loss accounts. To this extent the PFS has not considered the effect in the periods prior to amalgamation.
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7. The PFS has been prepared for inclusion in the investor presentation and offer documents to be filed with stock exchanges and other relevant authorities, in respect of the proposed fund raising exercise of the Bank and accordingly, the same is for illustrative purpose only and therefore, does not represent the Bank's actual or expected financial position or results.


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For D. K. CHHAJER & CO.
Chartered Accountants
FRN : 304138E


(JAGANNATH PRASAD MOHAPATRO)
PARTNER
Membership No.217012





To,
The Sub Committee of the Board on Capital Planning Process
Canara Bank,
Bengaluru.

Independent Auditors' Report on Proforma Financial Statements in Connection with the investor presentation towards the proposed fund raising activities of the Bank

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 02.11.2020.

2. The accompanying Proforma Financial Statements (hereinafter referred to as the "Proforma Financial Statements") of Canara Bank (hereinafter referred to as the "Bank") comprising of the Proforma Balance Sheet as at 30/06/2019, 30/09/2019 and 31/03/2020 and the Proforma Statement of Profit and Loss for the quarter ended 30/06/2019, half year ended 30/09/2019 and year ended 31/03/2020, read with the notes thereto, has been prepared by the Management of the Bank in accordance with the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations 2018") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a significant amalgamation as on 01/04/2020 and as further set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements, which is initialed by us for identification purposes only.

3. We have examined the Proforma Financial Statements. For our examination, we have placed reliance on the following:

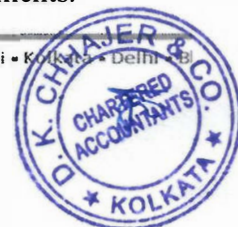
- the audited standalone financial information of the Bank for the year ended 31/03/2020 on which we have expressed an unmodified opinion in our reports dated 24/06/2020;

- the reviewed standalone financial statements of the Bank for the quarter ended 30/06/2019 and half year ended 30/09/2019 on which we have expressed an unmodified opinion in our reports dated 24/07/2019 and 06/11/2019 respectively;

- the audited standalone financial statements of the Syndicate Bank for the year ended 31/03/2020 on which other firms of Chartered Accountants have expressed an unmodified audit opinion dated 24/06/2020;

- the reviewed standalone financial statements of the Syndicate Bank for the quarter ended 30/06/2019 and half year ended 30/09/2019 on which another firm of Chartered Accountants have expressed an unmodified audit opinion in their reports dated 24/07/2019 and 31/10/2019 respectively ;

4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Financial Statements, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the Proforma Financial Statements.





Managements' Responsibility for the Proforma Financial Statements

5. The preparation of the Proforma Financial Statements, which is to be included in the Placement Document/ Offer Document, is the responsibility of the Management of the Bank and has been approved by the Sub Committee of Board on Capital Planning Process (hereinafter referred to as "SCB") in their meeting dated 11/11/2020. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Proforma Financial Statements. The Management is also responsible for identifying and ensuring that the Bank complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

6. Pursuant to the requirement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations 2018") it is our responsibility to express an opinion on whether the Proforma Profit & Loss Statement of the Bank for the quarter ended 30/06/2019, Proforma Financial Statements for the half year ended 30/09/2019 and year ended 31/03/2020, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Issuer Bank on the basis stated in the notes to the Proforma Financial Statements.

7. We conducted our engagement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

8. The purpose of the Proforma Financial Statements is to reflect the impact of a significant amalgamation effective from 01/04/2020, as set out in the basis of preparation paragraph included in the attached notes to the Proforma Financial Statements and solely to illustrate the impact of a significant event on the historical financial information of the Bank, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgements and assumptions of the Management of the Bank to reflect the hypothetical impact, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

- the standalone financial position of the Bank as at 30/09/2019 and 31/03/2020 or any future date; or
- the standalone results of the Bank for the quarter ended 30/06/2019, half year ended 30/09/2019 and year ended 31/03/2020 or any future periods.

9. Our work consisted primarily of comparing the respective columns in the Proforma Financial Statements to the underlying audited / reviewed historical financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of Proforma Financial Statements as explained in the attached notes to the Proforma Financial Statements provide a reasonable basis for presenting the significant effects directly attributable to the amalgamation and discussing the Proforma Financial Statements with the Management of the Bank.





10. We have not audited any financial statements of the Bank as of any date or for any period subsequent to 31/03/2020. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Bank as of any date or for any period subsequent to 31/03/2020.
11. We have not reviewed any financial statements of the Bank as of any date or for any period subsequent to 30/09/2020. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Bank as of any date or for any period subsequent to 30/09/2020.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.
14. This engagement did not involve independent examination of any of the underlying financial information.
15. We believe that the procedures performed by us provide a reasonable basis for our opinion.

Opinion

16. In our opinion the Proforma Financial Statements of the Bank for quarter ended 30/06/2019, half year ended 30/09/2019 and year ended 31/03/2020, as attached to this report, read with respective significant accounting policies and the notes thereto have been prepared by the Management of the Issuer Bank on the basis stated in the notes to the Proforma Financial Statements.

Restrictions on Use

17. This report is addressed to and is provided to enable the Sub Committee of Board on Capital Planning Process (hereinafter referred to as "SCB") of the Bank to include this report in the investor presentation in connection with the proposed fund raising activities of the Bank and to be filed by the Bank with the SEBI.

For D.K. Chhajjer & Co.,
Chartered Accountants
FRN.: 304138E

Jagannath Prasad Mohapatro
Partner
Membership No. 217012
UDIN: 20217012AAAAFS7833



Place: Bengaluru
Date: 11th Nov, 2020