

PLACEMENT MEMORANDUM
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IV. Summary Term Sheet of the Issue

1	Security Name	7.99% CANARA BANK Basel III Additional Tier I Bond 2022-23 Series II
2	Issuer/Bank	Canara Bank ("CB"/ the "Bank"/ the "Issuer")
3	Issue Size	Aggregate Total Issue size not exceeding Rs. 2000 crore with a base issue size of Rs 500 crore
4 a	Option to retain oversubscription	Rs 1500 crore
4 b	Accepted Amount	Rs. 2000 crore
5	Type of Instrument	Non-Convertible, Perpetual, Taxable, Subordinated, Fully paid-up, Unsecured Basel III Compliant Additional Tier 1 Bonds in the nature of debentures of Face value of Rs 1 Crore each
6	Nature of Instrument	<p>Unsecured, Subordinated Basel III Compliant Additional Tier I Bonds</p> <p>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 of the bondholder vis-à-vis other creditors of the Bank.</p> <p>The instrument has certain unique features which, inter-alia, grant the Bank, in consultation with RBI discretion in terms of writing down the principal / interest, to skip interest payments, to make an early recall etc. without commensurate right for investors to legal recourse, even if such actions of the Bank might result in potential loss to investors.</p>
7	Objects of the Issue	Augmenting Additional Tier I Capital (As per the terms defined in Basel III guidelines) and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources in accordance with RBI Guidelines.
8	Utilization of the Proceeds of the Issue	<p>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 augmenting Additional Tier 1 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long term resources in accordance with RBI/ SEBI/ Stock Exchange(s) Guidelines.</p> <p>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 RBI/SEBI/Stock Exchanges.</p>
9	Status of Bonds / Seniority of Claims	<p>The Claims of the Bondholders in respect of the bonds shall:</p> <ol style="list-style-type: none"> 1. Be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank, if any of the issuer; 2. Be subordinated to the claims of depositors, general creditors & subordinated debt of the Bank, other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the Basel III Guidelines); 3. Neither be secured nor covered by a guarantee of the Issuer nor related entity or any other arrangements that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank; 4. Unless the terms of any subsequent issuance of bonds/debentures (in the nature of AT1 instruments) by the Bank specifies that the claims of such subsequent bond holders are senior or subordinate to the bonds issued under this Placement Memorandum or unless the RBI specifies otherwise in its guidelines or regulations, the claims of the Bond holders shall be pari-passu with claims of holders of such subsequent debentures/bond issuances of the Bank; 5. Rank pari-passu without preference amongst themselves and other



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		<p>subordinated debt classifying as Additional Tier 1 Capital in terms of Basel III Guidelines.</p> <p>Additional Tier 1 Capital shall have the meaning ascribed to such terms under Basel III Guidelines.</p> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of “coupon discretion”, “loss absorbency”, permanent “write-off on PONV Trigger event” and “other events” mentioned in the Placement Memorandum and this Summary Term sheet.</p> <p>The instrument cannot contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p>
10	Listing	<p>Proposed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited (“NSE”).</p> <p>The issuer shall make listing application to NSE and seek listing permission within 4 working days from the issue closure date (being the date on which bids are accepted on the electronic bidding platform) of bonds.</p>
11	Credit Rating	<p>“CRISIL AA+/Stable” by CRISIL Ltd; “IND AA+/Stable” by India Ratings and Research Ltd</p>
12	Mode of Issue	Private Placement <u>through Electronic Bidding Platform (EBP).</u>
13	Issuance Mode	Only in dematerialized form
14	Type of Bidding	Closed Bidding; on Electronic Bidding Platform (EBP) of NSE (National Stock Exchange)
15	Manner of allotment	Uniform Coupon/Yield
16	Eligible Investors	<p>In terms of Chapter XIII of the SEBI NCS Operational Circular, only Qualified Institutional Buyers (QIBs) are allowed to participate in the issuance of AT1 instruments.</p> <p>Only those investors who are permitted to invest in this issue as per RBI guidelines and SEBI NCS regulation, applicable for issuance and listing of these bonds.</p> <p>The following class of investors who fall under the definition of Qualified Institutional Buyers under Regulation 2 (ss) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, are eligible to participate in the offer (being Eligible Investors);</p> <ol style="list-style-type: none"> A mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI; A foreign portfolio investor* other than individuals, corporate bodies and family offices; A public financial institution; A scheduled commercial bank; A multilateral and bilateral development financial institution; A state industrial development corporation; An insurance company registered with the Insurance Regulatory and Development Authority of India; A provident fund with minimum corpus of twenty five crore rupees; A pension fund with minimum corpus of twenty five crore rupees; National Investment Fund set up by resolution no. F. No. 2/3/2005-



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		<p>DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</p> <p>xi. Insurance Funds set up and managed by Army, Navy or Air Force of the Union of India; and</p> <p>xii. Insurance Funds set up and managed by the Department of Posts, India; and</p> <p>xiii. Systemically important non-banking financial companies.</p> <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly and are allowed to participate in terms of Chapter XIII of the SEBI NCS Operational Circular, are only eligible to participate.</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 Placement Memorandum (and/or any Transaction Document in relation thereto and/or any draft of the Transaction Documents and/or the Placement Memorandum) 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>Investment by FIIs in instruments raised in Indian Rupees shall be outside the ECB limit for rupee denominated corporate debt, as fixed by the Govt. of India from time to time, for investment by FIIs in corporate debt instruments. Investment in these instruments by FIIs and NRIs shall be within an overall limit of 49% and 24% of the issue, respectively, subject to the investment by each FII not exceeding 10% of the issue and investment by each NRI not exceeding 5% of the issue.</p> <p>*Investment by FPIs in the bonds raised in Indian Rupees shall be subject to compliance with terms and conditions stipulated by the RBI, SEBI or any other regulatory authorities on investment in these Bonds.</p> <p>The issuance being a private placement through the Electronic Bidding Platform of NSE, the investors who have bid on their own account or through their arrangers, if any, appointed by Issuer, in the issue through the said platform and in compliance with the SEBI NCS Operational Circular on the above subject and NSE EBP Operating Guidelines are only eligible to apply.</p> <p>Notwithstanding any acceptance of bids by the bank on and /or pursuant to the bidding process, on the electronic book platform, (a) if a person, in the bank's view, is not an eligible investor, the Bank shall have the right to refuse allotment of Bonds to such person and reject such person's application; (b) If after applying for subscription to these bonds and / or allotment of bonds to any person, such person(S) becomes ineligible and /or is found to have been ineligible to invest in / hold these bonds , the issuer shall not be responsible in any manner.</p>
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17	Trading Mode	Only in dematerialized form
18	a. Security	Unsecured
	b. Undertaking on creation of Security	Not Applicable. The Bonds are unsecured in nature and hence no permission or consent from any earlier creditor is required for security creation.
19	c. Convertibility	Non-Convertible
20	d. Face Value	Rs.1,00,00,000/- (Rupees One Crore only)
	e. Trading Lot	The minimum trading lot size shall be as required under Chapter XIII of the SEBI NCS Operational Circular as amended from time to time.
21	Issue Premium	Nil
22	Issue Discount	Nil
23	Issue Price	At par i.e. Rs 1,00,00,000 (Rupees One Crore Only) per Bond.
24	Minimum Application	1 Bond (i.e. Rs 1 crore) and in multiples of 1 bond thereafter
25	Tenor	Perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
26	Redemption date	Not applicable as the Bonds are perpetual and there shall be no redemption date.
27	Redemption Premium	Nil
28	Redemption Discount	Nil
29	Redemption Amount	Not applicable. However, in case of Redemption on account of exercise of Call Option or Otherwise, in accordance with RBI Guidelines, the Bonds shall be redeemed at Par along with Interest accrued till one day prior to the call option date, subject to adjustments and / Write Off on account of "Coupon Discretion", "Loss Absorbency", "Write-off on PONV Trigger event" and Other Events as mentioned in this Summary Term Sheet.
30	Mode of Redemption	Not Applicable
31	Coupon Rate	7.99% per annum subject to "Coupon Discretion", "Loss absorbency", "Write-off on PONV Trigger event" and "Other Events" mentioned in this Summary Term Sheet.
32	Coupon Reset	Not Applicable
33	Coupon Type	Fixed
34	Coupon Payment Frequency	Annual subject to "Coupon Discretion" and / or "Loss Absorbency" (as the case may be)
35	Cumulative or Non-Cumulative	Non-Cumulative subject to "Coupon Discretion", "Loss Absorbency", "Write-off on PONV Trigger Event" and "Other Events" mentioned in this Summary Term Sheet
36	Coupon Payment Dates	On the Anniversary of Deemed Date of Allotment i.e 15/09/2022 each year, subject to RBI regulations (up to Call option date, in case Call option is exercised by the Bank)
37	Computation of Interest/Day count Basis	The Interest for each of the interest periods shall be computed as per Actual/ Actual day count convention on the face value/ principal outstanding at the coupon rate rounded-off to the nearest rupee. (As per SEBI NCS Operational Circular dated August 10, 2021 bearing Reference No SEBI/HO/DDHS/P/CIR/2021/613) on the face value / Principal Outstanding after adjustments and write off on account of "Loss absorbency", "Write-off on PONV Trigger Event" and "Other events" mentioned in this Summary Term Sheet, at the Coupon rate Rounded off to the Nearest Rupee. The Interest period means each period beginning on (and including) the deemed date of allotment or any coupon payment date and ending on (but excluding) the next coupon payment date/ Issuer Call date, tax call date or regulatory call date (as defined later) (if exercised). In case of a leap year, if February 29 falls during the tenor of the bonds



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		then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for a whole 1 year period.
38	Step up /Step down Coupon rate	Not applicable
39	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:</p> <p>(i) Profit brought forward from previous years and/ or</p> <p>(ii) Reserves representing appropriation of net profits including statutory reserves and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation.</p> <p>The accumulated losses and deferred revenue expenditure, if any, shall be netted off from (i) and (ii) to arrive at the available balances for payment of coupon.</p> <p>If the aggregate of (a) profits in the current year; (b) profits brought forward from the previous years and (c) permissible reserves as at (ii) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of coupon, only then the bank shall make appropriation from the statutory reserves. In such a case, the Banks shall be required to report to the Reserve Bank of India within 21 days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act, 1949.</p> <p>However, payment of coupons on the Bonds from the reserves shall be subject to the Bank meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios including the additional capital requirement for Domestic Systemically Important Banks at all times and subject to the restrictions under capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer in terms of paragraph 15 and 17 respectively of the Basel III guidelines).</p> <p>g) 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.</p> <p>Non-payment of coupon will not constitute an event of default in</p>



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		<p>respect of the bonds.</p> <p>h) If Coupon is paid at a rate lesser than the prescribed rate, the unpaid amount will not be paid in future years, even if adequate profit is available and the level of CRAR conforms to the regulatory minimum.</p> <p>In the event the issuer determines that it shall not make a payment of coupon on the bonds, the issuer shall notify the trustee not less than 21 (twenty one) calendar days prior to the relevant coupon payment date of that fact and of the amount that shall not be paid.</p>
40	Dividend Stopper Clause	<p>The Bonds shall have a “dividend stopper arrangement” which shall oblige the Bank to stop dividend payments on equity/ common shares in the event of Bondholders not being paid Coupon. If any interest is cancelled, then from the date of which such cancellation has first been notified (a “Dividend Stopper Date”) the Bank will not:</p> <ol style="list-style-type: none"> 1) Declare or pay any discretionary distribution or dividend or make any other payment on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier I Capital (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date or where the terms of the instrument do not at the relevant time enable the bank to cancel or defer such payment); or 2) Pay discretionary interest of any other discretionary distribution on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or security ranking, as to the right of payment of dividend, distributions or similar payments, pari-passu with the bonds (excluding securities the terms of which stipulate mandatory redemption). <p>In each case unless or until 1) The occurrence of next coupon payment date, following the Dividend Stopper Date, on which payment of the coupon amount has resumed and such coupon (payable on such coupon payment date) has been paid in full, or 2) The prior approval of the bond holder has been obtained via an extraordinary resolution (as per the mechanism stipulated in the debenture trust deed). It is hereby clarified that coupon on the bonds shall not be cumulative. If coupon is cancelled or not paid or paid at a rate lesser than the coupon rate, such unpaid and/or cancelled coupon will not be paid in the future years.</p> <p>For avoidance of doubt, the dividend stopper will not:</p> <ol style="list-style-type: none"> a) Stop payment on another instrument where the payments on such an instrument are not fully discretionary; b) Prevent distribution to share holder for a period that extends beyond the point in time at which interest on the bonds is resumed; c) Impede the normal operation of the bank, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or d) Impede the full discretion that the bank has, at all times, to cancel the distributions or payments on the bonds nor act in a way that could hinder the recapitalization of the Bank. <p>Dividend stopper clause will be applicable to these bonds and it will stop dividend payments on common shares in the events the holders of these are not paid coupon.</p>



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		<p>In the event the holders of these bonds are not paid coupon, they shall not impede the full discretion that issuer has at all times to cancel distributions/payments on the bonds, nor will they impede/ hinder:</p> <ol style="list-style-type: none"> The re-capitalization of the issuer. The issuer's right to make payments on other instruments, where the payments on this other instruments were not also fully discretionary. The issuer's right to making distributions to share holders for a period that extends beyond the point in time that coupon/dividends on the bonds are resumed. The normal operation of the issuer or any restructuring activity (including acquisitions/disposals) <p>A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary share buybacks, if otherwise permitted.</p>
41	Record Date	<p>Reference date/ Record date for payment of coupon/ principal which shall be the date falling 15 (fifteen) days prior to</p> <ul style="list-style-type: none"> Each Coupon Payment Date on which coupon amount is due and payable and Call Option Due Date on which the Call Option is due and payable, if Call Option is exercised by the Bank.
42	Interest on Application Money	<p>This shall be paid at the coupon rate (subject to deduction of Income Tax as per the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the Application Money for the Bonds for the period starting from and including the date of realization of application money in Bank's Account up to one day prior to the Deemed Date of Allotment.</p> <p>The Bank shall not be liable to pay interest in case of invalid applications or applications liable to be rejected including application made by a person who is not an eligible Investor.</p> <p>If the pay-in date and deemed date of allotment fall on the same day, the interest on application money shall not be applicable. Further, no interest on application money will be payable in case the issue is withdrawn by the issuer in accordance with Operational Guidelines.</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>
43	Put Option	Not Applicable
44	Call Option Price	At par, along with interest accrued till one day prior to the Call Option Date subject to adjustments and/ or write-off on account of "Coupon Discretion", "Loss Absorbency", "Write-off on PONV Trigger Event" & "Other Events" mentioned in this Summary Term Sheet.



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45	Call Option date	On the fifth anniversary from the deemed date of allotment or any anniversary date thereafter with prior approval of RBI subject to Tax call/ Regulatory call. In case of Tax call or Regulatory call, the date may be specified in the notice to debenture trustees.
46	Call Notification Time	21 (Twenty One) calendar days prior to the date of exercise of Call Option
47	Condition for exercise of call option	The Call Option may be exercised subject to following conditions: 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: 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. Minimum refers to Common Equity Tier 1 of 8% of RWAs (including capital conservation buffer of 2.5% of RWAs) and Total capital of 11.5% of RWAs including additional capital requirements identified under Pillar 2.
48	Issuer Call Option	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.
49	Tax Call	If there is any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated there under) in India or any change in the official application of such laws, regulations or rulings (a "Tax Event") like the Issuer will no longer being entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds, Issuer may, at its option, redeem the Bonds, in whole but not in part, at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency", "Write-off on PONV trigger event" 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" 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.
50	Regulatory Call	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



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		<p>mentioned in this Summary Term Sheet, together with any accrued but unpaid interest (subject to Coupon Discretion) to (but excluding) the date fixed for exercising call option on such Bonds. Any redemption upon the occurrence of a Regulatory Event will be subject to the provisions described under “Call Notification Time” and conditions (ii) and (iii) enumerated under “Condition for exercise of Call Option”.</p> <p>RBI may permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Call at the time of issuance of the Bonds and if the Bank demonstrates to the satisfaction of RBI that the Bank’s capital position is well above the minimum capital requirements after the call option is exercised.</p> <p>A Regulatory Event is also deemed to have occurred if there is a downgrade of the bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier 1 Capital of the Issuer.</p>
51	Repurchase / Redemption / Buy-Back	<p>The outstanding Principal amount of the Bonds may be repaid (e.g. through repurchase or redemption) subject to prior approval of RBI. (This repurchase/buy-back/redemption of the principal amount shall be in a situation other than in the event of exercise of call option by the bank.</p> <p>a) The Bank may repurchase/ buy-back/ redeem the Bonds only if:</p> <p>(i) It replaces the Bonds with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or</p> <p>(ii) The Bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase/ buy-back/ redemption.</p> <p>b) The issuer has not assumed or created any market expectations that RBI approval for such repurchase/ redemption/ buy-back shall be given.</p> <p>c) Any other preconditions specified in the Basel III guidelines at such time have been satisfied.</p> <p>Such bonds may be held, reissued, resold, extinguished or surrendered, at the option of the Issuer.</p>
52	Depository	National Securities Depository Ltd (NSDL) & Central Depository Services (India) Ltd (CDSL)
53	Cross Default	Not Applicable
54	Settlement	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ National Electronic Clearing Service/ RTGS/ NEFT mechanism or any other permitted method at the discretion of the Issuer.
55	Settlement cycle for EBP	T+1 (Issuance)
56	Transaction Documents	<p>The Bank has executed / shall execute the documents including but not limited to the following in connection with the issue:</p> <ol style="list-style-type: none"> 1. Letter appointing M/s SBICAP Trustee Company Ltd as Trustees to the Bond Holders; 2. Debenture Trusteeship Agreement/ Bond Trusteeship agreement/Debenture Trust Deed; 3. Rating letter from Rating Agencies namely CRISIL and India Ratings; 4. Letter appointing Registrar and agreement entered into between the Issuer and the Registrar; 5. Tripartite agreement between the Issuer, Registrar to the Issue and NSDL for issue of Bonds in dematerialized form;



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		<p>6. Tripartite agreement between the Issuer, Registrar to the Issue 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. Placement Memorandum.</p>
57	Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer, subject to the following:</p> <ol style="list-style-type: none"> 1. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s); 2. Letter from NSE conveying its In-principle approval for listing and trading of Bonds. 3. Rating Letters from rating agencies not more than one month old from the date of issuance. 4. Letter from the Registrar conveying its consent to act as registrar to issue. 5. Any other document customary for this transaction.
58	Conditions subsequent to subscription of Bonds	<p>The Bank shall ensure that the following documents are executed/activities are completed as per terms mentioned in this Placement Memorandum:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment, 2. Making listing application to NSE within 4 days from the issue date (being the date on which bids are accepted on the electronic bidding platform) in pursuance of SEBI NCS Regulations 2021; 3. Besides, the issuer shall perform all the activities, whether mandatory or otherwise, as mentioned elsewhere in this Placement Memorandum.
59	Recapitalization	<p>The Bonds shall not have any features that hinder re-capitalization, such as provisions which require the Bank to compensate investors if a new instrument is issued at a lower price during a specified time frame</p>
60	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 Bank of India, Mumbai.</p>
61	Compliance with Reserve Requirements	<p>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.</p>
62	Conditions for breach of Covenants	<p>The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.</p>
63	Default Interest Rate	<p>In case of default in payment of Interest and / or principal redemption on the due dates, additional interest at 2% per annum over the Coupon Rate will be payable by the Issuer for the defaulting period.</p> <p>If the Bank fails to execute the trust deed within prescribed timeline from the closure of the issue, the Bank shall pay additional interest at 2% p.a. to the debenture holders, over and above the agreed coupon rate, till the execution of the trust deed.</p> <p>However any non payment of interest and / or principal on account of RBI guidelines on Basel III capital regulations, Coupon discretion, Loss absorbency, Write off on PONV Trigger and other events of this Summary term sheet, no such default interest shall be payable.</p>



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64	Issue Schedule : 1. Opening Date and time* 2. Closing Date and time *	14-09-2022, 11:00 AM 14-09-2022, 12:00 PM
65	Pay-In-Date*	15-09-2022
66	Deemed Date of Allotment*	15-09-2022
* 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.		
Loss absorption features of Additional Tier 1 (AT1) Instruments at the Pre-Specified Trigger and/or PONV		
67	Loss Absorption/ Loss Absorbency	<p>The Bonds may be classified as liabilities for accounting purposes. The Bonds (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent) are issued subject to loss absorbency features applicable for non-equity capital instruments issued in terms of Basel III Guidelines including in compliance with the requirements of Annex 4 thereof and are subject to certain loss absorbency features as described herein and required of Additional Tier 1 instruments at Pre-Specified Trigger Level and at the Point of Non Viability as provided for in Annex 16 of the aforesaid circular as amended from time to time.</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-down (temporary or permanent), in whole or in part in case event of Pre-Specified Trigger Level or written-off in case of event of Point of Non-Viability (PONV).</p>
68	Loss Absorption at Pre-Specified Trigger Level	<p>If the Common Equity Tier 1 of the Bank falls below 6.125% of risk weighted assets ("RWA"), each of the trigger levels referred to hereinabove is called the "Pre-Specified Trigger Level"</p> <p>A write-down of the Bonds may have the following effects:</p> <ol style="list-style-type: none"> Reduce the claim of the Bond (up to nil) in liquidation; Reduce the amount to be re-paid on the Bond when call is exercised (up to nil); 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> <ol style="list-style-type: none"> The pre-specified trigger for loss absorption through conversion / write-down of Additional Tier 1 instruments must be at least Common Equity Tier 1 capital of 6.125% of RWAs. 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). The aggregate amount to be written-down/converted 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. CET1 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. Further, the Bank shall have full discretion to determine the amount of AT1 Instruments (including the Bonds) to be converted /written-down subject to the amount of conversion/write-down not exceeding the amount which would be required to bring the



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		<p>CET1 ratio to 8% of RWAs (minimum CET1 of 5.5% + capital conservation buffer of 2.5%).</p> <p>d) When the bank breaches the pre-specified trigger of loss absorbency of AT1 and the equity is replenished either through conversion or 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 conversion / write-down may be allowed more than once in case a bank hits the pre-specified trigger level subsequent to the first conversion / write-down which was partial.</p> <p>f) When a paid-up instrument is fully and permanently written-down, it ceases to exist resulting in extinguishment of a liability of a bank (a non-common equity instrument) and creates CET1. A temporary write-down is different from a conversion and a permanent write-down i.e., the original instrument may not be fully extinguished. Generally, the par value of the instrument is written-down (decrease) on the occurrence of the trigger event and which may be written-up (increase) back to its original value in future depending upon the conditions prescribed in the terms and conditions of the instrument.</p> <p>g) The Bonds which have been written down can be written up (partially or fully) at the absolute discretion of the Bank and subject to compliance with extant guidelines.</p>
69	Loss Absorption at the Point of Non-Viability (PONV)	<p><u>Permanent Write Off on PONV Trigger Event</u></p> <p>The Bonds can be permanently written-off upon the occurrence of the PONV Trigger (as per the section “Write-off on Trigger Event” below). PONV trigger event shall be as defined in the aforesaid Basel III Guidelines and shall be determined by the RBI.</p> <p>RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise. In any case it should be noted that 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.</p> <p>Unless otherwise specified in this Placement Memorandum, 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 Additional Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.</p>
70	Write-off on Point of Non-Viability (“PONV”) Trigger	<p>The Bonds are issued subject to Basel III Guidelines on PONV as amended from time to time (including all claims, demands on the Bonds and interest thereon, whether accrued or contingent), and at the option of the RBI,</p>



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can
be permanently written-off upon the occurrence of the trigger event, called "Point of Non-Viability Trigger" ("PONV Trigger").

The PONV Trigger event is the earlier of:

- Decision that a conversion or full and permanent write-off without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and
- 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.

The amount of non-equity capital to be written-off will be determined by RBI.

The Bonds can be written off in case the Bank hits the PONV Trigger. The Bonds which have been written off (full and permanent write-off) shall not be written up.

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. The order of write-off of the Bonds shall be as specified in the order of seniority as per this Placement Memorandum and any other regulatory norms as may be stipulated by the RBI from time to time.

Such a decision would invariably imply that the write-off or issuance of any new shares as a result of conversion 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. The Bondholders shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following a trigger event and when conversion or write-off is undertaken.

In any case it should be noted that 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. Unless otherwise specified in this Placement Memorandum, 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 paripassu or subordinate, and whether an Additional Tier 1 capital or otherwise shall not be required before the write-off of any of the Bonds and there is no right available to the Bondholder hereof or any other person claiming for or on behalf of or through such holder to demand or seek that any other regulatory capital be subject to prior or simultaneous write-off or that the treatment offered to holders of such other regulatory capital be also offered to the Bondholders.

For these purposes, the Bank may be considered as non-viable if:
The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank



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		<p>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 / conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the RBI.</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 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 of Bonds/ public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> Restore depositors'/investors' confidence; Improve rating /creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. <p>The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p>
71.	Criteria to determine the PONV	<p>RBI may in its imminence alter or modify the PONV trigger whether generally or in relation to the Bank or otherwise, in accordance with applicable laws. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p>
72.	Treatment of AT1 Instruments in the event of Winding-Up, Amalgamation, Acquisition, Re-Constitution, etc. of the Bank ("Other Events")	<ol style="list-style-type: none"> If the Bank goes into liquidation before the AT1 instruments have been written-down, these instruments shall absorb losses in accordance with the order of seniority indicated in the Placement Memorandum and as per usual legal provisions governing priority of charges If the Bank goes into liquidation after the AT1 instruments have been written-down, the holders of these instruments shall have no claim on the proceeds of liquidation. Amalgamation of a banking company: (Section 44 A of BR Act, 1949 as amended from time to time) <ol style="list-style-type: none"> If the Bank is amalgamated with any other bank before the AT1 instruments have been written-down, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. If the Bank is amalgamated with any other bank after the AT1 instruments have been written-down temporarily, the amalgamated entity can write-up these instruments as per its discretion. If the Bank is amalgamated with any other bank after the non-equity regulatory capital instruments have been written-down permanently, these cannot be written-up by the amalgamated entity. Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949 as amended from time to time) <p>If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of BR Act, 1949, then the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the</p>



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		point of non-viability for write-off of AT1/Tier II Instruments will be activated. Accordingly, the Bonds will be fully written-off permanently before amalgamation / reconstitution in accordance with these rules.
73.	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> <ol style="list-style-type: none"> Superior to the claims of investors in equity/ common shares, perpetual non-cumulative preference shares and other regulatory capital instruments eligible for inclusion in Tier 1 capital of the Bank. However, claims of Perpetual Debt Instruments eligible for inclusion in Additional Tier 1 capital shall be on paripassu basis amongst themselves irrespective of the date, amount or terms of issue; Subordinated to the claims of <ol style="list-style-type: none"> all depositors; general creditors; subordinated debt other than subordinated debt qualifying as Additional Tier 1 capital; subordinated debt eligible for inclusion in hybrid Tier 1 capital under the then prevailing Basel III guidelines (to the extent permitted under the RBI guidelines); Debt Capital Instruments eligible for inclusion in Tier 2 capital issued and to be issued in future by the Bank; perpetual cumulative preference shares; redeemable non-cumulative preference shares; redeemable cumulative preference shares eligible for inclusion in Tier 2 capital issued and to be issued in future by the Bank. 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; Claims of holders of perpetual non-cumulative preference shares shall be superior to the claims of holders of equity/ common shares; <p>Notwithstanding anything to the contrary stipulated herein, the claims of the Bondholders shall be subject to the provisions of Coupon Discretion, Loss Absorbency and Other Events mentioned in this Placement Memorandum.</p> <p>The Bonds shall not contribute to liabilities exceeding assets of the Bank if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.</p> <p>Once the Basel III Compliant Additional Tier 1 instruments are written-down, the Bondholders shall have no claim on the proceeds of liquidation.</p>
74	Treatment in Bankruptcy/ Liquidation/Insolvency	The Bond will not contribute to liabilities exceeding assets of the Bank if such a balance sheet forms part of a requirement to prove insolvency under any law or otherwise
75	Prohibition on 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.



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OTHER GENERAL TERMS		
76	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.
77	Applicable RBI Guidelines	<p>The present issue of Bonds is being made in pursuance of Master circular no. DOR.CAP.REC.3/21.06.201/2022-23 dated Apr 01, 2022 which consolidates all instructions on the matter of Basel III Capital Regulations (“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.</p> <p>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, supremacy of the provisions of the Master Circular over the IM 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>
78	Events of Default	<p>The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer. It is further clarified that cancellation of discretionary payments or any exercise of Coupon Discretion, Write-off on PONV Trigger Event, Loss Absorbency and Other Events shall not be deemed to be an event of default.</p> <p>The Issuer or the Debenture Trustee may call for meeting of Bondholders as per the terms of the Debenture Trust Deed (to be executed). E-voting facility may be provided, if applicable subject to compliance with regulatory guidelines. In case of any decision that requires a special resolution at a meeting of the Bondholders duly convened and held in accordance with provisions contained in Debenture Trust Deed (to be executed) and applicable law, the decision shall be passed by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll is demanded or e-voting facility is used, by a majority representing not less than three-fourths in value of the votes cast on such poll. Notwithstanding anything contained above, if any regulations/ circular/ guidelines issued by SEBI/RBI or any other relevant regulator require the voting to be held in a particular manner, the provisions contained in such regulations/ circular/ guidelines shall prevail. The Debenture Trust Deed (to be executed) shall contain the provisions for the meetings of the Bondholders and manner of voting. Subject to applicable law and regulatory guidelines, a meeting of the Bondholders, may consider the proposal for joining the inter creditor agreement, if applicable, and the conditions for joining such inter creditor agreement, if applicable, will be made part of the meeting agenda and the Trustee will follow the process laid down vide SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020.</p> <p>In case of default in payment of Coupon and/or principal redemption on the due dates as per the terms set out under this Placement Memorandum, additional interest at 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. However, it is</p>

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		<p>clarified that any non-payment of interest and / or principal on account of Basel III Guidelines, Coupon Discretion, Loss Absorbency and other events of this Summary Term Sheet, shall not be deemed to be an event of default and no such default interest shall be payable.</p> <p>If the trust deed in relation to the Issue is not executed within SEBI prescribed timelines, without prejudice to any liability arising on account of violation of the provisions of the SEBI Act and all other applicable SEBI regulations, the Issuer shall also pay interest of two percent per annum to the Bondholders, over and above the Coupon Rate, till the execution of the trust deed.</p> <p>The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (Coupon or principal) except in bankruptcy and liquidation of the Issuer.</p>
79	Trustees	SBICAP TRUSTEESHIP COMPANY LTD.
80	Registrars	CAMEO Corporate Services Limited
81	Compliance Officer	Company Secretary of the Bank
82	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 NCS Regulations, the Securities and Exchange Board of India (Debentures Trustees) Regulation, 1993, the Debenture Trusteeship Agreement, Placement Memorandum 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 Listing Agreement issued by SEBI 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> <p>The Debenture Trustee shall be vested with the requisite powers for protecting the interest of the Bondholders. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall disclose the information to the Bondholders and the general public by issuing a press release and placing on the websites of the Debenture Trustee, the Bank and NSE in the following events:</p> <p>(a) Non-payment of interest on the Bonds by the Bank (whether in pursuance of RBI Regulations or otherwise);</p> <p>(b) Revision in credit rating assigned to the Bonds.</p>
83	Risk factors pertaining to the Issue	The Bonds issued are subject to the "Coupon Discretion", "Loss Absorbency", "Write-off on PONV Trigger Event" and "Other Events" mentioned in this Summary Term Sheet.
84	Convention	"Business Day" shall be all days (excluding Sundays, Public Holidays and Saturdays on which the Bank is not open) on which commercial banks are open for business in the city of Bengaluru, Karnataka and when the money market is functioning in Mumbai.
85	Effect of Holiday	If any coupon payment date, other than the ones falling on the redemption date, falls on a day that is not a business day, the payment shall be made by the issuer on the immediately succeeding business day, which becomes the coupon payment date for that coupon. However, the future coupon payment dates would be as per the schedule originally



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		<p>stipulated at the time of issuing the debentures. In other words, the subsequent coupon payment dates would not be changed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non business day.</p> <p>If the Call Option Due Date (also being the last Coupon Payment Date, in case call option is exercised) of the Bonds falls on a day that is not a Business Day, the Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.</p>
86	Additional Covenants	<p>Delay in Listing: The Issuer shall complete all formalities and seek listing permission within 4 trading days from the issue closure date (being the date on which bids are accepted on the electronic bidding platform). In the event of delay in listing of Bonds beyond 4 days from the issue closure date, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate 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 4 days from the date of closure of issue, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Placement Memorandum along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of 4 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 4 days from the date of closure of issue, 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.</p>
87	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.
88	Issue Procedure	In pursuance of Chapter VI of the SEBI NCS Operational Circular dealing with Electronic Book Provider Platform, it is mandatory that a private placement of debt securities of over Rs. 100 crore, including green shop option, be undertaken through the EBP Platform.
89	Recovery Expense Fund	The issuer shall create a recovery expense fund in the manner and use it for the purpose as maybe specified by SEBI from time to time.
90	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 mentioned in the allotment letter from the EBP platform.

Note: The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the Issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

DISCLOSURES PERTAINING TO WILLFUL DEFAULT

- Name of the bank declaring the entity as a willful defaulter: NIL
- The year in which the entity is declared as a willful defaulter: Not Applicable
- Outstanding amount when the entity is declared as a willful defaulter: Not Applicable
- Name of the entity declared as a willful defaulter: Not Applicable
- Steps taken, if any, for the removal from the list of willful defaulters: Not Applicable
- Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: NIL
- Any other disclosure as specified by the Board: NIL



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DISCLOSURES ALONGWITH THE LISTING APPLICATION TO THE STOCK EXCHANGE

The issuer shall ensure that it files the following disclosures along with the listing application to the stock exchange:

- a. The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time and necessary resolutions for allotment of the Debentures.
- b. Copies of audited annual reports of the last three years.
- c. Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- d. Copy of the Board Resolution authorizing the borrowing and list of authorized signatories.
- e. Any other particulars or documents that the Stock Exchange may call for as it deems fit.

DISCLOSURES TO THE TRUSTEE

The issuer shall submit the following disclosures to the trustee in electronic form (softcopy) at the time of allotment of the Bonds:

- a. The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time and necessary resolution(s) for the allotment of the Bonds.
- b. Copy of last three years' audited annual reports.
- c. Statement containing particulars of, dates of, and parties to all material contracts and agreements.
- d. Latest Audited / Limited Review Half Yearly Consolidated (wherever available) and Standalone Financial Information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- e. An undertaking to the effect that the Issuer would, till the redemption of the Bonds, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing Bondholder within two working days of their specific request.

V. UNDERTAKING BY THE ISSUER

- i) "Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 1 under the section 'General Risks'."
- ii) "The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer 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 make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."
- iii) "The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.
- iv) The Issuer declares that the PAN, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Numbers of the promoters and PAN of Directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document/Placement Memorandum.

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VI. DECLARATION

General Risk

Investment in non-convertible securities involves a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section Risk Factors of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

The Issuer confirms that:

- (i) The issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Act, and the rules and regulations made thereunder.
- (ii) The compliance with the Act and the rules does not imply that payment of interest or coupon or repayment of these bonds, is guaranteed by the Central Government.
- (iii) The monies received under the offer shall be used only for the purposes and objects indicated in the Offer document;
- (iv) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained.

Signed pursuant to internal authority granted.

For Canara Bank

B Sudhakar Kotary
General Manager, Authorized Signatory
Place: Bengaluru, Karnataka
Date: 14/Sep/2022

