

**XVII. Debt Equity Ratio**

The Bank follows guidelines issued by RBI from time to time with regard to Capital Adequacy Ratio. Accordingly, the debt equity ratio shall not be applicable to the Bank.

**XVIII. Servicing behaviour of the existing debts**

The Bank is discharging all its liabilities in time and would continue doing so in future as well. The Bank has been paying regular interest and Principal for all its existing bond issues on the respective due dates

**XIX. Permission and consent from the Creditors**

The Bank is not required to obtain any consent from its creditors.

**XX. Name of the Trustee to the Issue**

**VIJAYA BANK**  
MERCHANT BANKING DIVISION  
HEAD OFFICE, 41/2 M.G.ROAD, BANGALORE-560001  
TEL: 080-25584066 FAX : 2558 4764  
EMAIL : [dpccell@vijayabank.co.in](mailto:dpccell@vijayabank.co.in).

Vijaya Bank has given its consent for its appointment under regulation 4 (4) is annexed here with.

**XXI. Rating Rationale adopted by Rating Agencies**

CRISIL Limited has assigned a **“AAA / Stable “**(pronounced ‘Triple A with Stable outlook’) rating to the captioned Debt programme of the Bank. This rating indicates highest degree of safety with regard to timely payment of Interest and principal on the instrument.

Brickwork Ratings has assigned **‘BWR AAA’** (Pronounced BWR Triple A) (Outlook: STABLE) rating to the captioned Debt issue programme of the Bank. Instruments carrying this rating are considered to offer the Best Credit Quality in terms of timely servicing of debt obligations.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future.

The rating rationale issued by CRISIL & Brickwork are annexed to the Disclosure Document.

**RATING DETAILS / DECLARATION**

**BRICKWORK RATINGS**

Assigned BWR AAA (Pronounced BWR Triple A) for Rs. 800 crore vide letter dated 23<sup>rd</sup> July 2010 is valid for a year.

**CRISIL RATINGS**

Assigned “AAA Stable (pronounced “Triple A with stable outlook) for Rs. 8.0 Billion vide letter dated July 23, 2010 is valid for 180 days.

**XXI. Listing of Bonds**

The **Perpetual Tier I (Series–III)** Unsecured, Nonconvertible Bonds are proposed to be listed on the Wholesale Debt Market Segment of The National Stock Exchange of India Limited (‘NSE’).

**XXIII. Term Sheet**

Issue Size	Rs.500 crore with a green shoe option
Issue Objects	Augmenting Tier I capital to strengthen the Capital Adequacy and enhancing long term resources of the Bank.
Instrument	Unsecured Non Convertible Subordinated Perpetual Bonds(Innovative Perpetual Debt Instruments Series III) in the nature of promissory Notes (Bonds)
Face Value	Rs.10,00,000 (Rupees Ten Lakhs only)
Issue Price	At par
Security	Unsecured
Rating	AAA(Stable) from CRISIL and BWR AAA from Brickwork Ratings
Tenor	Perpetual
Redemption Date	Perpetual -Not applicable
Put Option	No put option available.
Call Option	These Bonds shall have "Call option" which may be exercised after the instrument has run for at least 10 years & with the prior approval of RBI (DBOD).
Coupon Rate	9.05% p.a. for first 10 years

Step Up option	The Bonds shall have step-up option which shall be exercised only once during the whole life of the instrument, in conjunction with Call Option, after the lapse of 10 years from the date of issue. The Step up shall be 50 bps. In effect, the coupon rate on bonds shall be stepped up to 9.55% p.a. for subsequent years, If Call Option is not exercised by the Bank at the end of 10 <sup>th</sup> Year from the Deemed Date of Allotment
Lock in Clause	These Bonds shall be subjected to Lock in Clause in terms of which, the Bank shall not be liable to pay interest, if (a) the Bank's CRAR is below the minimum regulatory requirement prescribed by RBI or (b) the impact of such payment results in Bank's capital to risk assets ratios (CRAR) falling below or remaining below the minimum regulatory requirement prescribed by the Reserve Bank of India.
Interest Payments /Coupon	Annual, 3rd August every year( Subject to RBI Norms)
Interest on Application Money*	Interest on application money will be paid to investors at Coupon Rate from the date of realization of subscription money upto one day prior to the Deemed Date of Allotment. Such interest shall be payable within seven business days from the Deemed Date of Allotment.
Listing	Proposed to be listed on NSE
Trustees	Vijaya Bank, Bangalore
Registrar	Can bank Computers Services Limited
Depository	NSDL & CDSL
Issue Schedule	Issue Opens on : July 29, 2010 Issue Closes on : August 03, 2010
Pay in dates	From 29th July to 3rd August 2010
Deemed date of Allotment	August 03, 2010
Early Closing Option	On any date and time prior to the actual closing date at the sole discretion of the Bank
Nature of Bonds	These Bonds should be fully paid up, unsecured and free of any restrictive clauses. The Claims of the investors in these Bonds shall be (a) superior to the claims of investors in equity shares and (b) subordinated to the claims of all other creditors Issuance/Trading in Dematerialized Form.
Arrangers	A.K. Capital Services Ltd;Almondz Global Securities Ltd;Axis Bank Ltd;Darashaw & Co.Pvt.Ltd;Edelweiss Capital Limited;ICICI Bank;ICICI Securities Primary Dealership Ltd; SPA Merchant Bankers Ltd;Taurus Corporate Advisory Services Ltd;Trust Investment Advisors Pvt Ltd.

\* (Subject to deduction of tax as applicable)

#### DECLARATION

It is hereby declared that this disclosure document contains full disclosures in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide Circular No. LADNRO/ GN/2008/13/127878 dated June 06, 2008.

The issuer also confirms that this disclosure document does not omit disclosure of any material fact, which may make the statements made therein, in the light of the circumstance under which they are made, misleading. The disclosure document also does not contain any false or misleading statement.

The issuer accepts no responsibility for the statements made otherwise than in this disclosure document or in any other material issued by or at the instance of the issuer and that any one placing reliance on any other source of information would be doing so at his own risk.

Signed pursuant to the authority granted by the Board of Directors of the Company at its meeting held on 17 th July 2010.

For CANARA BANK

SRIVATHSAN  
DEPUTY GENERAL MANAGER  
Place: BANGALORE  
Date : 26.07.2010