

**Summary Term Sheet:**

Security Name	8.10% SBI BASEL III AT1 BONDS
Series	Series 2023 - 1
Issuer/Bank	State Bank of India
Issue Size	Aggregate total issue size not exceeding Rs. 10,000 crores with a base issue size of Rs. 3,000 crores and a green-shoe option to retain oversubscription upto Rs. 7,000 crores.
Type of Instrument	Non-convertible, Taxable, Perpetual, Subordinated, Unsecured, Fully Paid-up Basel III compliant Additional Tier 1 Bonds in the nature of debentures of face value Rs.1 Crore each
Nature of Instrument	<p>Unsecured, Subordinated Basel III compliant Additional Tier 1 Bonds</p> <p>The Bonds are neither secured nor covered by a guarantee of the Bank or related entity or other arrangements that legally or economically enhance the seniority of the claim of the Bondholder vis-à-vis other creditors of the Bank.</p>
Seniority	<p>The claims of the Bondholders in respect of the Bonds shall–</p> <ul style="list-style-type: none"><li>(i) be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank;</li><li>(ii) be subordinated to the claims of all depositors, general creditors and subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital;</li><li>(iii) neither be secured nor covered by any guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis -à-vis creditors of the Bank; and</li><li>(iv) rank pari passu without preference amongst themselves and other Additional Tier 1 Bonds issued for inclusion in Additional Tier 1 Capital.</li></ul> <p>Additional Tier 1 Capital shall have the meaning ascribed to such terms under RBI 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", "Write-down on PONV Trigger Event", and "Other Events" mentioned in this placement memorandum (the "<b>Placement Memorandum</b>") and this Summary Term Sheet.</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>
Mode of Issue	Private Placement through EBP platform
EBP Platform	BSE



Manner of Bidding	Closed Bidding
Manner of Allotment	Uniform Yield
Eligible Investors	<p>Only those investors who are permitted to invest in this issue as per RBI Guidelines and SEBI Debt Regulations, 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 "<b>Eligible Investors</b>"):</p> <ul style="list-style-type: none"> <li>(i) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI</li> <li>(ii) a foreign portfolio investor ("FPIs") other than Individuals, corporate bodies and family offices,</li> <li>(iii) a Public Financial Institution;</li> <li>(iv) a Scheduled Commercial Bank</li> <li>(v) a multilateral and bilateral developmental financial institution</li> <li>(vi) a state industrial development corporation</li> <li>(vii) an Insurance Company registered with the Insurance Regulatory and Development Authority of India</li> <li>(viii) a Provident Fund with minimum corpus of Rs. 25 crores</li> <li>(ix) a Pension Fund with minimum corpus of Rs. 25 crores</li> <li>(x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India</li> <li>(xi) insurance funds set up and managed by army, navy or air force of the Union of India</li> <li>(xii) insurance funds set up and managed by the Department of Posts, India; and</li> <li>(xiii) systemically important non-banking financial companies.</li> </ul> <p>The following class of investors are not eligible to participate in the offer:</p> <ul style="list-style-type: none"> <li>(i) Resident Individual Investors;</li> <li>(ii) Foreign Nationals;</li> <li>(iii) Persons resident outside India, other than FPIs;</li> <li>(iv) Overseas Corporate Bodies;</li> <li>(v) Partnership firms formed under applicable laws in India in the name of the partners;</li> <li>(vi) Hindu Undivided Families through Karta; and</li> </ul>



	<p>(vii) Person ineligible to contract under applicable statutory/ regulatory requirements.</p> <p>*Investment by FPIs in these Bonds raised in Indian Rupees shall be within an overall limit of 49% of the issue size subject to the restriction that investment by each FPI shall not exceed 10% of the issue size.</p> <p>Further, investment by FPIs in these 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 EBP Platform, the investors who have bid on its own account or through arrangers, if any, appointed by Issuer, in the issue through the said platform and in compliance with SEBI circulars on the above subject and EBP Platform operating guidelines are only eligible to apply. Any other application shall be at the sole discretion of the Issuer.</p> <p>Further, notwithstanding anything contained above, only eligible investors who have been addressed through the application form are eligible to apply.</p> <p>Prior to making any investment in these Bonds, each Eligible 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 Eligible 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 this 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>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 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>
Anchor Portion	No



Total Anchor Portion	NA
Anchor Investors and Quantum allocated to each Anchor Investor	NA
Listing	<p>Proposed on the Wholesale Debt Market (WDM) Segment of NSE and BSE. The Issuer has received in-principle approval for listing of these Bonds from NSE vide their letter Ref. No.: NSE/LIST/6568 dated 10<sup>th</sup> July 2023 and BSE vide their letter DCS/COMP/R&lt;/IP-PPDI/162/23-24 dated 10<sup>th</sup> July 2023. Please refer to Annexure IV and V for a copy of the letters from NSE and BSE.</p> <p>The Issuer shall make listing application to BSE and NSE as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing approval from BSE and NSE within 3 (three) working days from the Bidding Date.</p> <p>Designated Stock Exchange for the Issue is: NSE</p>
Credit Rating	"CRISIL AA+/Stable" by CRISIL and "[ICRA] AA+ Stable by ICRA
Minimum Subscription	Not Applicable
Objects of the Issue/ Purpose for which there is requirement of funds	<p>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 Guidelines.</p> <p>The funds being raised by the Bank through this Issue are not meant for financing any particular project. The Bank shall utilise the proceeds of the issue for its regular business activities.</p>
Details of Utilization of funds	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 Guidelines.
Coupon Rate	8.10% p.a. subject to "Coupon Discretion", "Loss Absorbency", "Write-down on PONV Trigger Event" and "Other Events" mentioned in this Summary Term Sheet.
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual
Coupon Payment Dates	First coupon payment shall be made on 14 <sup>th</sup> July 2024 and every year thereafter, as per the coupon payment frequency mentioned above, till the redemption of the bonds.
Coupon Type (Fixed, floating or other structure) / Interest Rate Parameter	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable



Cumulative or Non-Cumulative	Non-Cumulative subject to "Coupon Discretion", "Loss Absorbency", "Write-down on PONV Trigger Event" and "Other Events" mentioned in this Summary Term Sheet.
Day Count Basis	<p>The Coupon for each of the interest periods shall be computed as per Actual / Actual day count convention (as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613) on the face value/principal outstanding at the Coupon Rate rounded off to the nearest Rupee.</p> <p>The Interest Period means each period beginning on (and including) the Deemed Date of Allotment(s) or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date. It is clarified that in case of Coupon payment in a leap year, the same shall be calculated taking the number of days as 366 (three hundred and sixty-six) days (as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613).</p> <p>Illustrative interest calculation is provided in this Placement Memorandum.</p>
Working Day Convention/ Effect of Holidays	<p>'Working Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. If the date of payment of interest/redemption of principal does not fall on a Working Day, the payment of interest/principal shall be made in accordance with as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613.</p> <p>If any of the Coupon Payment Date(s), other than the ones falling on the redemption date, falls on a day that is not a Working Day, the payment shall be made by the Issuer on the immediately succeeding Working Day, which becomes the coupon payment date for that coupon. However, the future coupon payment date(s) would be as per the schedule originally stipulated at the time of issuing the Bonds. In other words, the subsequent coupon payment date(s) 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-Working Day.</p> <p>If the redemption date of the Bonds falls on a day that is not a Working Day, the redemption amount shall be paid by the Issuer on the immediately preceding Working Day which becomes the new redemption date, along with interest accrued on the Bonds.</p>
Interest on Application Money	Interest at the Coupon Rate (subject to deduction of income tax under 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 the Issuer's bank account up to one day prior to the Deemed Date of Allotment. The Bank shall not be



	<p>liable to pay any interest in case of invalid applications or applications liable to be rejected including applications made by person who is not an Eligible Investor. If the Pay-In Date and the Deemed Date of Allotment fall on the same date, 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 the Operational Guidelines.</p> <p>The Interest on the application money will be computed as per Actual/Actual day count convention. Income Tax at Source (TDS) will be deducted at the applicable rate on the Interest on application money.</p>
Default Interest Rate	<p>In case of default (including delay) in payment of Interest and/or principal redemption on the due dates, additional interest at 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period.</p> <p>The Issuer shall make listing application to BSE and/or NSE as per the SEBI Operational Circular dated August 10, 2021 bearing reference SEBI/HO/DDHS/P/CIR/2021/613 and receive listing approval from BSE and/or NSE within timelines mentioned in the SEBI Operational Circular. In case of delay in listing of the Bonds beyond the timelines mentioned in the SEBI Operational Circular, the Issuer shall pay penal interest at the rate of 1% p.a. over the coupon rate for the period of delay to the investor.</p> <p>If the Bank fails to execute the trust deed within the prescribed timelines under the applicable law, the Bank shall also pay interest of 2% p.a. to the investors, over and above the agreed coupon rate, till the execution of the trust deed.</p>
Tenor	<p>Perpetual</p> <p>The Bonds are perpetual and there is no maturity date.</p>
Redemption Date	Not Applicable
Redemption Amount	<p>Not Applicable</p> <p>In case of redemption due to 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/or write-off on account of "Coupon Discretion", "Loss Absorbency", "Write-down on PONV Trigger Event" &amp; "Other Events" as mentioned in this Summary Term Sheet.</p>
Premium/Discount on redemption	Nil
Issue Price	At par (Rs.1 crore per Bond)
Discount at which security is issued and the effective yield as a result of such discount.	Nil



Put Option	Not Applicable
Put Option Date	Not Applicable
Put Option Price	Not Applicable
Issuer Call Option	The Bank may, at its sole discretion but subject to the "Condition for exercise of Call Option", elect to exercise a call on the Bonds (in whole) on 14 <sup>th</sup> July 2033 [being the 10 <sup>th</sup> anniversary of the Deemed Date of Allotment] or any anniversary date thereafter (the "Issuer Call Date").
Tax Call	<p>If there is any change in, or amendment to, the laws affecting taxation (or regulations or rulings promulgated thereunder) in India or any change in the official application of such laws, regulations or rulings (a "<b>Tax Event</b>") Issuer may, at its option, redeem the Bonds, in whole at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency", "Write-down on PONV Trigger Event" and "Other Events" mentioned in this Summary Term Sheet, together with any accrued but unpaid interest to (but excluding) the date fixed for exercising call option on such Bonds. Any redemption upon the occurrence of a Tax Event will be subject to the provisions described under "Call Notification Time" and conditions (ii) and (iii) enumerated under "Condition for exercise of Call Option".</p> <p>RBI may permit the Issuer to exercise the Tax Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event 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>
Regulatory Call	<p>If there is a change in the regulatory classification of the Bonds that occurs on or after the issue date of the Bonds (a "<b>Regulatory Event</b>"), Issuer may, at its option, redeem the Bonds, in whole at a redemption price equal to outstanding principal amount subject to adjustment on account of "Loss Absorbency" and "Other Events" mentioned in this Summary Term Sheet, together with any accrued but unpaid interest 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". 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 Event 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>



	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.
Condition for exercise of Call Option	<p>Exercise of Issuer call option by the Bank will be subject to the conditions mentioned below:</p> <ul style="list-style-type: none"> <li>(i) The call option can be exercised only after a minimum of five years from the Deemed Date of Allotment;</li> <li>(ii) To exercise a call option the Bank shall require prior approval of RBI; and</li> <li>(iii) Bank shall not exercise a call unless: <ul style="list-style-type: none"> <li>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</li> <li>b) The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.</li> </ul> </li> </ul>
Call Option Date	<p>14<sup>th</sup> July 2033, or any anniversary date thereafter, subject to Tax Call / Regulatory Call.</p> <p>In case of Tax Call or Regulatory Call, the date may be as specified in the notice to Trustee.</p>
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-down on PONV Trigger Event" & "Other Events" mentioned in this Summary Term Sheet.
Put Notification Time (Timelines by which the Issuer need to intimate investor before exercising the put)	Not Applicable.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Any redemption of the Bonds on account of exercise of Call Option i.e., Issuer Call, Tax call and Regulatory Call shall be subject to the Issuer giving not less than twenty-one (21) calendar days prior notice to the Bondholders and Trustee.
Face Value	Rs. 1 crore per Bond.
Minimum Application and in multiples of Bonds thereafter / Minimum Bid Lot	1 Bond and in multiples of 1 Bond thereafter.
Trading Lot	1 Bond.
Description regarding Security	Unsecured and Subordinated
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.
<b>Issue Timing</b> Bid Opening Bid Closing Date Issue Opening/ Closing Date Pay-in Date	13 <sup>th</sup> July 2023 13 <sup>th</sup> July 2023 13 <sup>th</sup> July 2023 14 <sup>th</sup> July 2023



Deemed Date of Allotment	14 <sup>th</sup> July 2023
Date of earliest closing of the issue, if any.	Not Applicable
Issuance mode	In Demat mode only.
Trading Mode	In Demat mode only.
Settlement Mode of the Instrument	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. The pay-in of subscription money for the Bonds shall be made as per EBP guidelines through clearing corporation.
Settlement Cycle for EBP	T+1 (issuance)
Depository	National Securities Depository Limited and Central Depository Services (India) Limited.
Record Date	15 calendar days prior to each Coupon Payment Date / Call Option Date or the Redemption Date (as the case may be). In the event the Record Date falls on a day which is not a Working Day, the succeeding Working Day will be considered as Record Date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	Other than as mentioned in this summary term sheet and Debenture Trust Deed there are no additional covenants of the Issue.
Transaction documents	<p>The Issuer 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"> <li>1. Letter appointing Axis Trustee Services Limited as Trustee to the Bondholders;</li> <li>2. Debenture Trustee Agreement/ Bond Trustee Agreement / Debenture Trust Deed (as required);</li> <li>3. Rating Letter from rating agency CRISIL and ICRA;</li> <li>4. Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>5. Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>6. Listing Agreement with BSE and NSE; and</li> </ol> <p>The Placement Memorandum with the application form.</p>
Conditions precedent to subscription of Bonds	<p>The subscription from applicants shall be accepted for allocation and allotment by the Bank, subject to the following:</p> <ol style="list-style-type: none"> <li>a) Rating Press Release from CRISIL and ICRA;</li> <li>b) Consent Letter from the Trustee to act as Trustee to the Bondholder(s);</li> <li>c) In-principle approval for listing of bonds from BSE</li> <li>d) In-principle approval for listing of bonds from NSE</li> <li>e) Consent letter from the RTA; and</li> </ol> <p>And any other documents customary for this transaction</p>
Conditions subsequent to subscription of Bonds	The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Placement Memorandum:



	Making application to BSE and/or NSE within the timelines prescribed by SEBI.
Creation of recovery expense fund	The Issuer has created the Recovery Expense Fund in accordance with SEBI Debenture Trustee Master Circular.
Events of Default  (including manner of voting /conditions of joining Inter Creditor Agreement)	<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-down 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 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>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	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.
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.
Prohibition on Purchase / Funding of Bonds	Neither the Bank nor any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor 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.
Provisions related to Cross Default	Not Applicable
Role and Responsibilities of Trustee to the Issue	The Trustee shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws, provided that, the provisions of Section 20 of the Indian Trusts Act, 1882, shall not be



	<p>applicable to the Trustee. The Trustee shall carry out its duties and perform its functions as required to discharge its obligations under the terms of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and all other applicable SEBI Regulations, the Debenture Trustee Agreement, Placement Memorandum and all other related Transaction Documents, with due care, diligence and loyalty.</p>
Risk factors pertaining to the Issue	<p>The Bonds issued are subject to the "Coupon Discretion", "Loss Absorbency", "Write-down on PONV Trigger Event" and "Other Events" mentioned in this Summary Term Sheet.</p> <p>Please refer to the section on Risk Factors on page no. 36 of the Placement Memorandum for risks related to this issue of Bonds.</p>
Coupon Discretion	<p>(i) The Bank shall have full discretion at all times to cancel Coupon either in part or full in order to meet the eligibility criteria for perpetual debt instruments under RBI Guidelines. 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>(ii) 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>(iii) Cancellation of Coupon shall not be an event of default.</p> <p>(iv) Bank shall have full access to cancelled Coupon to meet obligations as they fall due.</p> <p>(v) Cancellation of Coupon shall not impose any restrictions on the bank except in relation to distributions to common stakeholders.</p> <p>(vi) Coupons, unless cancelled by the Bank, shall be paid out of distributable items as defined in RBI Guidelines. 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> <ol style="list-style-type: none"> <li>Profits brought forward from previous years, and/or</li> <li>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.</li> </ol> <p>The accumulated losses and deferred revenue expenditure, if any, shall be netted off from (a) and (b) to arrive at the available balances for payment of Coupon.</p> <p>If the aggregate of: (i) profits in the current year; (ii) profits brought forward from the previous years and (iii) permissible reserves as at (b) 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 cases, banks shall report to the Reserve Bank within twenty-one 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 is subject to the Bank meeting minimum regulatory requirements for Common Equity Tier 1, Tier 1 and Total Capital ratios including the additional capital requirements for Domestic Systemically Important Banks at all times and subject to the restrictions under the capital buffer frameworks (i.e., capital conservation buffer and counter cyclical capital buffer in terms of paragraphs 15 and 17 respectively of the Basel III Guidelines.)</p> <p>(vii) 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>
Dividend Stopper	<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 Coupon is cancelled, then from the date of which such cancellation has first been notified (a "Dividend Stopper Date"), the Bank will not:</p> <p>(i) Declare or pay any discretionary distribution or dividend or make any other discretionary payment on, or directly or indirectly exercise its discretionary right to redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier 1 Capital (other than to the extent that any such distribution, dividend or other payment or right is declared or exercised 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 exercise of right); or</p> <p>(ii) Pay discretionary interest or any other discretionary distribution on, or directly or indirectly exercise its discretionary right to redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or securities 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> <p>in each case unless or until (A) the occurrence of the next Coupon Payment Date, following the Dividend Stopper Date, on which payment of Coupon amount has resumed and such Coupon (payable on such Coupon Payment Date) has been paid in full, or (B) the prior approval of the Bondholders has been obtained via an extraordinary resolution (as per the mechanism stipulated in the Debenture Trust Deed, when executed).</p> <p>For the avoidance of doubt, the Dividend Stopper will not:</p> <p>(i) stop payment on another instrument where the payments on such an instrument are not fully discretionary;</p> <p>(ii) prevent distributions to shareholders for a period that extends beyond the point in time at which interest on the Bonds is</p>



	<p>resumed;</p> <p>(iii) impede the normal operation of the Bank, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or</p> <p>(iv) impede the full discretion that the Bank has, at all times, to cancel distributions or payments on the Bonds nor act in a way that could hinder the recapitalization of the Bank.</p>
Loss Absorbency	<p>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 capital instruments at the Pre-Specified Trigger level and at the Point of Non Viability as provided for in Annex 15 of the aforesaid circular as amended from time to time.</p> <p>Accordingly, the Bonds and the Bondholders claim, if any, against Bank, wherever situated, may be written-off, in whole or in part, upon the occurrence of the following trigger events:</p> <p>(i) Pre-Specified Trigger Level (ii) Point of Non-Viability ("<b>PONV</b>").</p> <p><b>(i) Loss Absorption at Pre-Specified Trigger Level</b></p> <p>If the Common Equity Tier 1 of the Bank falls below 6.125% of Risk Weighted Assets ("<b>RWA</b>") referred to hereinabove is called the "<b>Pre-Specified Trigger Level</b>".</p> <p>A write-off of the Bonds may have the following effects:</p> <p>a) reduce the claim of the Bond in liquidation; b) reduce the amount to be re-paid on the Bond when call is exercised; c) partially or fully reduce Coupon payments on the Bond.</p> <p>The write-down of any Common Equity Tier 1 capital shall not be required before a write-down of any AT1 instruments (including the Bonds). The Bank shall have full discretion to determine the amount of AT1 Instruments (including the Bonds) to be written down subject to the amount of write-down not exceeding the amount which would be required to bring Common Equity Tier 1 ratio to minimum required levels under RBI Guidelines. Further, the aggregate amount to be written-down for all AT1 Instruments on breaching the trigger level shall be at least the amount needed to immediately return the bank's Common Equity Tier 1 ratio to the trigger level (i.e., Common Equity Tier 1 from write-down generated under applicable Indian Accounting Standards or RBI instructions net of contingent liabilities, potential tax liabilities etc.,</p>



	<p>if any) or, if this is not possible the full principal value of the instruments. When the Bank breaches a Pre-Specified Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained total common equity ratio of 8% without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes. The Bank shall have the discretion to write-down the Bonds multiple times in case the Bank hits Pre-Specified Trigger Level subsequent to the first write-down. The Bonds which have been written off can be written up (partially or full) at the absolute discretion of the Bank and subject to compliance with RBI instructions (including permission, consent if any).</p> <p><b>(ii) Loss Absorption at Point of Non-Viability ("PONV").</b></p> <p>The Bonds can be permanently written down upon the occurrence of the PONV Trigger (as per the section "Write-down 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>
Write-down 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).</p>



and at the option of the RBI, can be permanently written down upon the occurrence of the trigger event, called "Point of Non-Viability Trigger" ("**PONV Trigger**").

The PONV Trigger event is the earlier of:

- a. a decision that a permanent write-off without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; and
- b. the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non-viable, as determined by the relevant authority.

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

When the Bank breaches a PONV Trigger Level and the equity is replenished through write-down, such replenished amount of equity will be excluded from the total equity of the Bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the Bank has attained total common equity ratio of 8% without counting the replenished equity capital that point onwards, the Bank may include the replenished equity capital for all purposes.

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.

The Bonds can be written-down multiple times in case the Bank hits the PONV Trigger Level subsequent to the first write-down. The Bonds which has been written off shall not be written up.

Such a decision would invariably imply that the write-off consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The Bondholders shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following any trigger event.

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.



	<p>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 <i>pari passu</i> 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.</p> <p>For these purposes, the Bank may be considered as non-viable if:</p> <p>The Bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the RBI unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by the Bank should be such that these are likely to result in financial losses and raising the Common Equity Tier 1 capital of the Bank should be considered as the most appropriate way to prevent the Bank from turning non-viable. Such measures would include write-off / 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"> <li>Restore depositors'/investors' confidence;</li> <li>Improve rating /creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and</li> <li>Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</li> </ol> <p>The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p>
Other Events	<p><i>Treatment of Bonds in the event of Winding-Up:</i></p> <p>Subject to the provisions of The State Bank of India Act, 1955 as amended from time to time</p> <ol style="list-style-type: none"> <li>If the Bank goes into liquidation before the Bonds have been written-down, the Bonds will absorb losses in</li> </ol>



	<p>accordance with the order of Seniority as specified in the Placement Memorandum and as per usual legal provisions governing priority of charges.</p> <p>b) If the Bank goes into liquidation after the Bonds have been written-down, the holders of these instruments will have no claim on the proceeds of liquidation.</p> <p><i>Amalgamation of a banking company: (Section 44 A of Banking Regulation Act, 1949)</i></p> <p>Subject to the provisions of the State Bank of India Act, 1955 and/or Banking Regulation Act, 1949 as amended from time to time</p> <p>(a) If the Bank is amalgamated with any other bank before the Bonds have been written-down, the Bonds will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>(b) If the Bank is amalgamated with any other bank after the Bonds have been written-down temporarily, the amalgamated entity can write-up these Bonds as per its discretion.</p> <p>(c) If the Bank is amalgamated with any other bank after the Bonds have been written-down permanently, these Bonds cannot be written up by the amalgamated entity.</p> <p><i>Scheme of reconstitution or amalgamation of a banking company</i></p> <p>Subject to the provisions of the State Bank of India Act, 1955 and/or Banking Regulation Act, 1949 as amended from time to time:</p> <p>If the relevant authorities decide to reconstitute the Bank or amalgamate the Bank with any other bank under the Section 45 of Banking Regulation Act, 1949, the Bank will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the trigger at the point of non-viability for write-down of AT1/Tier 2 instruments will be activated. Accordingly, the Bonds may be written-down permanently before amalgamation / reconstitution in accordance with these rules.</p>
Order of claim of Additional Tier 1 instruments	<p>The order of claim of various types of Regulatory capital instruments issued by the Bank and that may be issued in future shall be as under:</p> <p>Additional Tier 1 instruments shall be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares issued by the Bank and subordinate to the claims of all depositors, general creditors and subordinate debt of the Bank other than any subordinate debt qualifying as Additional Tier 1 capital of the Bank. Additional Tier 1 debt instruments will</p>



	<p>rank pari passu without preference amongst themselves and other debt instruments irrespective of the date of issue classifying as Additional Tier 1 Capital in terms of Basel III Guidelines and shall be on pari-passu ranking with holders of other Additional Tier 1 instruments issued by the Bank.</p> <p>Provided, however, the aforesaid seniority shall vary and shall be subject to change, if so, specified in the RBI Guidelines.</p> <p>However, the claims of the Bondholders shall be subject to the provisions of Coupon Discretion, Loss Absorbency, Write-down on PONV Trigger Event and Other Events mentioned above.</p>
Repurchase/Buy-Back/ Redemption	<p>The outstanding principal amount of the Bonds (e.g., through repurchase or redemption) can be repaid subject to the prior approval of RBI. The Bank shall repurchase/ buy-back / redeem the Bonds only if:</p> <ul style="list-style-type: none"> <li>a) The Bonds are 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</li> <li>b) The Bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase/buy-back / redemption.</li> <li>c) Conditions specified in the RBI Guidelines at such time have been satisfied</li> </ul>
Re-capitalization	Nothing contained in this Summary Term Sheet or in any other Transaction Documents shall hinder re-capitalization by the Bank by any manner whatsoever.
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 courts of Mumbai, Maharashtra.

\*Note: The Bank reserves its sole and absolute right to modify (pre -pone/ postpone) the above issue schedule without giving any reasons or prior notice. The Bank also reserves its sole and absolute right to change the Deemed Date of Allotment of the above issue without giving any reasons or prior notice. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Call Option Date, if any may also be changed at the sole and absolute discretion of the Issuer. The Bank reserves the right to close the issue earlier than the stipulated issue closing date and it is further clarified that the Bank need not wait for any minimum subscription amount to the Bonds before closing the issue.

