

TERMS OF THE ISSUE

Please see below the terms and conditions are applicable to the Bank for the issuance of PNCPS 2018:

Sr.No.	Particulars	Details
1.	Security Name	8.10% Kotak Mahindra Bank Limited Perpetual Non-Cumulative Preference Shares 2018 (“ PNCPS 2018 ”)
2.	Issuer	Kotak Mahindra Bank Limited (“ Bank ” or “ Issuer ”).
3.	Issue size	Up to ₹ 500 crores, as determined by board of directors of the Bank.
4.	Option to retain oversubscription	Not Applicable.
5.	Type of Instrument	Fully Paid-Up, Non-Convertible, Basel III Guidelines compliant, Perpetual Non-Cumulative Preference Shares for inclusion in Additional Tier I Capital.
6.	Nature of Instrument	Perpetual Non-Cumulative Preference Shares. These PNCPS 2018 will neither be secured nor covered by a guarantee of the Bank or any related entity, or other arrangement that legally or economically enhances the seniority of the claim vis-a-vis bank creditors.
7.	Convertibility	Non-Convertible.
8.	Cumulative/ Non-Cumulative	Non-Cumulative.
9.	Interest on Application Money	<p>The Bank shall not be liable to pay any interest on any application monies or refunds, except as required by applicable law.</p> <p>In terms of Section 42(6) of the Companies Act, 2013, if the PNCPS 2018 is not allotted within 60 days from the date of receipt of the payments from the Applicants, the Bank shall repay such monies to the Applicants within 15 days from the date of completion of the aforesaid 60 days. If the Bank fails to repay the payments within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% per annum from the expiry of the sixtieth day.</p>
10.	Default Interest Rate	Not Applicable.
11.	Security	Unsecured.
12.	Face Value	₹ 5 per PNCPS 2018.
13.	Issue Price	₹ 5 per PNCPS 2018.
14.	Rating	CRISIL AA+/STABLE
15.	Eligible Investors	<p>The following class of investors are eligible to participate in the Issue:</p> <ol style="list-style-type: none"> 1. Public Financial Institutions as defined in section 2(72) of the Companies Act, 2013 which are duly authorized to invest in PNCPS 2018; 2. Mutual Funds; 3. Insurance Companies; 4. Scheduled Commercial Banks; 5. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds; 6. Companies and Bodies Corporate, incorporated in India, and authorized to invest in PNCPS 2018; 7. Societies authorized to invest in PNCPS 2018; 8. Trusts authorized to invest in PNCPS 2018; 9. Statutory Corporations/ Undertakings established by Central/ State Legislature authorized to invest in PNCPS 2018; 10. Non-Banking Financial Companies, 11. Resident Individual Investors; 12. Partnership firms formed under applicable laws in India in the name of the partners; and

Sr.No.	Particulars	Details
		<p>13. Hindu Undivided Families through their Karta.</p> <p>This being a private placement issue, only the eligible investors who have been addressed through this communication directly, are eligible to apply.</p> <p>Prior to making any investment in these PNCPS 2018, each investor should satisfy and assure himself/herself/itself that he/she/it is authorized and eligible to invest in these PNCPS 2018 on the basis of norms/ guidelines/ parameters laid down by their respective regulatory body. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these PNCPS 2018. Further, mere receipt of this Information Memorandum by a person shall not be construed as any representation by the Bank that such person is authorized to invest in these PNCPS 2018 or eligible to subscribe to these PNCPS 2018. If after applying for subscription to these PNCPS 2018 and/or allotment of PNCPS 2018 to any person, such person becomes ineligible and/or is found to have been ineligible to invest in/hold these PNCPS 2018, the Bank shall not be responsible in any manner.</p> <p>The following class of investors are not eligible to participate in this Issue:</p> <ol style="list-style-type: none"> 1. Foreign Nationals; 2. Any related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards); 3. Persons resident outside India, including Non Resident Indians; 4. Application by persons not competent to contract under the Indian Contract Act, 1872 including minors (without the name of guardian) and insane persons, 5. Foreign Portfolio Investors; 6. Venture Capital Fund; 7. Alternative Investment Funds; 8. Overseas Corporate Bodies; 9. Person ineligible to contract under applicable statutory/regulatory requirements; 10. Persons/entities who have been debarred from accessing the capital markets by SEBI.
16.	Objects of the issue and utilization of the proceeds	<p>The PNCPS 2018 are being issued to diversify funding sources to optimize mix of liabilities by channelizing funds from alternative sources, at different price points and for varying tenures. This also helps meet the RBI requirement on shareholding. The proceeds from the issue will augment Additional Tier 1 Capital (as the term is defined in the Basel Master Circular) and overall capital of the Bank for further strengthening its capital adequacy and for enhancing its long term resources. The Bank shall utilize the proceeds of the Issue for the regular business activities.</p>
17.	Voting Rights and Prior RBI Approval	<p>The voting rights on the PNCPS 2018 shall be restricted as per Section 12(1) of the Banking Regulation Act, 1949.</p> <p>Also, in terms of the section 12B of the Banking Regulation Act, 1949, prior approval of the RBI is required in case any Investor acquires or agrees to acquire, directly or indirectly, by himself or acting in concert with any other person, shares of the Bank or voting rights therein, which acquisition taken together with shares</p>

Sr.No.	Particulars	Details
		and voting rights, if any, held by him or his relative/ associate enterprise or person acting in concert with him, makes the Investor to hold 5% or more of the paid-up share capital of the Bank or entitles him to exercise 5% or more voting rights in the Bank.
18.	Modification of Rights	The rights, privileges, terms and conditions attached to the PNCPS 2018 may be varied, modified or abrogated in accordance with the provisions of the Companies Act and the Banking Regulation Act, as applicable.
19.	Terms for raising PNCPS 2018	It is clarified that if the RBI prescribes and/or changes, any of the additional conditions that may be applicable to PNCPS 2018, then such condition shall be deemed to apply from the date such change becomes effective, and accordingly, the terms of the issue shall be deemed to be amended.
20.	Seniority	<p>1. The claims in respect of PNCPS 2018, subject to applicable law, will-</p> <ul style="list-style-type: none"> (i) rank superior to the claims of holders of equity shares with respect to such equity shares; (ii) rank subordinate to the claims of all perpetual debt instruments, all capital instruments qualifying as Tier II capital instruments, and depositors and general creditors of the Bank; (iii) neither be secured nor covered by a guarantee of the Bank or its related entity or other arrangement that legally or economically enhances the seniority of the claim <i>vis-à-vis</i> creditors of the Bank; and (iv) be <i>pari passu</i> without preference with claims of holders of such subsequent PNCPS 2018 issuances by the Bank, unless the RBI specifies otherwise in its guidelines. <p>2. As a consequence of the subordination provisions set out above, if a winding up of the Bank should occur, the PNCPS 2018 holders may recover less than, <i>inter alia</i>, the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer.</p> <p>Notwithstanding anything to the contrary stipulated herein, the claims of the PNCPS 2018 holders shall be subject to the provisions of “<i>Dividend Limitation</i>”, and “<i>Loss Absorbency</i>” as mentioned in this Term Sheet or Information Memorandum.</p>
21.	Priority of claims on Liquidation	Subject to as set out in the applicable law, if the Issuer goes into liquidation before any write-down under Clause 68 (<i>Loss Absorption</i>), the PNCPS 2018 will absorb losses in accordance with Clause 20 (<i>Seniority</i>).
22.	Interim Dividend	Any dividend declared by the board of directors of the Bank during any financial year or at any time during the period from closure of financial year till holding of the annual general meeting shall be classified as Interim Dividend.
23.	Listing	The PNCPS 2018 shall be listed on the BSE Limited (“ BSE ”) and the National Stock Exchange of India Limited (“ NSE ”). The Designated Stock Exchange for this Issue shall be BSE.
24.	Delay in Listing	In terms of Schedule 1 of NCRPS Regulations, the Bank shall make an application to BSE and the NSE within 15 days from the Deemed Date of Allotment to list the PNCPS 2018 and seek listing permission within 20 days from the Deemed Date of Allotment. In case of delay in listing of PNCPS 2018 beyond 20

Sr.No.	Particulars	Details
		days from the Deemed Date of Allotment, the Bank shall pay penal interest at the rate of 1.00% p.a. over the Dividend Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of the PNCPS 2018 to the investors. Such penal interest shall be paid by the Bank to the PNCPS 2018 holders within 30 days from the date of listing of the PNCPS 2018.
25.	Tenor	The PNCPS 2018 will be perpetual i.e. there is no maturity date
26.	Mode of Issue	Private Placement.
27.	Dividend rate	8.10% per annum.
28.	Dividend reset	Not Applicable.
29.	Dividend Rate Type	Fixed. Payment of dividend on the PNCPS 2018 will be made to those of the PNCPS 2018 holders whose name(s) appear in the Register of PNCPS 2018 holder(s) (or to the first holder in case of joint holders) as on the Record Date as per the list provided by NSDL/CDSL to the Bank of the beneficiaries who hold PNCPS 2018 in demat form on such Record Date, and are eligible to receive dividend. Payment will be made by the Bank by way of direct credit, RTGS or NEFT or other online payment mechanism as are permitted by RBI to those PNCPS 2018 holders whose names appear on the list of beneficiaries maintained by the Registrar and Transfer Agent and where such facilities are not available the Bank shall make payment of all such amounts by way of cheque(s)/demand draft(s)/dividend warrant(s), which will be dispatched to the PNCPS' 2018 holder(s) by registered post/speed post/courier or hand delivery at the sole risk of the PNCPS 2018 holder. Payments will be made by the Bank to those bank accounts, details of which are mentioned in the demat account of the applicant or PNCPS 2018 holder in due course. The payment would be adjusted for any withholding tax requirement as may be required by applicable tax laws.
30.	Computation of Dividend	Dividend for each of the dividend periods, shall be computed on the face value of the PNCPS 2018 at the rate specified in the Information Memorandum.
31.	Dividend Payment Frequency	Subject to applicable law and further subject to Clause 44 (<i>Dividend Limitation</i>) and Clause 68 (<i>Loss Absorption</i>), Dividend Payment Due Date shall be as follows: <ol style="list-style-type: none"> 1. First Dividend Payment Due Date shall be March 31, 2019 and shall cover the period starting from the Deemed Date of Allotment till March 31, 2019 (“Current Financial Year”); 2. After the expiry of the Current Financial Year, the dividend (if applicable) shall be payable on an annual basis for the period from April 1 of the respective year till March 31 of the subsequent year. In such cases, Dividend Payment Due Date shall be March 31 of the respective period; and 3. In case of exercise of Call Option, the dividend (if applicable) shall be payable for the period from the last Dividend Payment Due Date till the date of making payment on redemption of PNCPS 2018 pursuant to the Call Option. In such case, Dividend Payment Due Date shall be the date of redemption of PNCPS 2018 pursuant to the Call Option. <p>The dividend shall be payable on non-cumulative basis and wherever applicable, on pro-rata basis.</p>
32.	Dividend Payment Dates	Respective Dividend Payment Due Date. In the event the respective Dividend Payment Due Date falls on a day which is not a Business Day, the preceding Business Day will be

Sr.No.	Particulars	Details
		considered as Dividend Payment Due Date.
33.	Redemption Date	Not applicable. The PNCPS 2018 shall be perpetual i.e. there is no maturity date and there are no step-ups or other incentives to redeem.
34.	Redemption Amount	Not Applicable. However in case of redemption due to exercise of call option in accordance with Clause 49 (<i>Call Option</i>), the PNCPS 2018 shall be redeemed at par, subject to terms specified therein.
35.	Redemption Premium/ Discount	Not Applicable, issued at par.
36.	Mode of redemption	Out of profit or out of fresh issue of capital or both
37.	Mode of Transfer and Transmission of PNCPS 2018	<p>The Bank proposes to list PNCPS 2018 on BSE and NSE. Investors may transfer PNCPS 2018 using trading platforms offered by the Stock Exchanges as per applicable law.</p> <p>The PNCPS 2018 issued under the Information Memorandum shall be transferable freely to all classes of Investors. The PNCPS 2018 shall be transferred and/or transmitted in accordance with the applicable provisions of the Companies Act. The provisions relating to transfer and transmission and other related matters in respect of shares of the Bank contained in the Articles of the Bank and the Companies Act shall apply, <i>mutatis mutandis</i> (to the extent applicable to PNCPS 2018) to the PNCPS 2018 as well.</p> <p>The PNCPS 2018 held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL/DP of the transferor/transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the record date. In the absence of the same, dividend will be paid/redemption will be made to the person, whose name appears in the Register of PNCPS 2018 holders/records of the Depository as on the record date. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the Bank.</p>
38.	Succession	<p>Where PNCPS 2018 are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the holder(s) of the said PNCPS 2018. It would be sufficient for the Bank to delete the name of the deceased PNCPS 2018 holder after obtaining satisfactory evidence of his death.</p> <p><u>Demise of sole/first holder of PNCPS 2018</u></p> <p>In the event of demise of the sole/first holder of the PNCPS 2018, the Bank will recognize the Executors or Administrator of the deceased PNCPS 2018 holder, or the holder of the succession certificate or other legal representative as having title to the PNCPS 2018 only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate Court in India. The Directors of the Bank in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.</p> <p><u>Winding-up of the holder of PNCPS 2018</u></p> <p>In the event of winding-up of the PNCPS 2018 holder, the Bank</p>

Sr.No.	Particulars	Details
		will recognize the executor or administrator of the concerned PNCPS 2018 holder(s), or the other legal representative as having title to the PNCPS 2018. The Bank shall not be bound to recognize such executor or administrator or other legal representative as having title to the PNCPS 2018, unless such executor or administrator obtains probate or letter of administration or other legal representation, as the case may be, from a court in India having jurisdiction over the matter. The Bank may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or other legal representation, in order to recognize such holder as being entitled to the PNCPS 2018 standing in the name of the concerned holder of PNCPS 2018 on production of sufficient documentary proof and/or an indemnity.
39.	Discount at which security is issued and effective yield as a result of such discount	Not Applicable.
40.	Day Count	All dividend, penal interest, delay/ default interest shall be computed on an “actual/actual basis”. It is clarified that when such payment date of PNCPS 2018 falls on a Sunday or a holiday, then the payment shall be made on the preceding working day.
41.	Incorporation of Terms	Annex 3 and Annex 16 of the Basel III Guidelines shall be deemed to be incorporated herein by reference.
42.	Record Date	To be decided by the Board of the Issuer and in any case, shall be atleast 7 (seven) calendar days prior to each Dividend Payment Due Date/ date of the payment to be made pursuant to the Call Option (as the case may be).
43.	Business Days/ Working Days	Business Days/ Working Days shall be all days on which commercial banks are open for business in the city of Mumbai.
44.	Dividend Limitation	<ol style="list-style-type: none"> 1. The Issuer may elect at its full discretion to cancel (in whole or in part) dividend scheduled to be paid on Dividend Payment Date. 2. Further, the dividend will be paid out of distributable items. In this context, dividend will be paid out of respective current year’s profits. 3. Cancellation of any discretionary payments shall not be an event of default. 4. The Issuer shall have full access to any cancelled payments to meet obligations as they fall due. 5. The dividend shall be non-cumulative. If dividend is not paid or paid at a rate lesser than the Dividend Rate, the unpaid dividend will not be paid in future years, and shall be subject to any other conditions that may be prescribed by the applicable law.
45.	Dividend Stopper	<p>In the event that the shareholders are not paid dividend at the Dividend Rate, there shall be no payment of discretionary dividend on equity shares until the dividend payments to the PNCPS 2018 shareholders are made in accordance with terms hereof. Provided that the terms shall in no manner operate to:</p> <ol style="list-style-type: none"> (i) restrict the ability of the Issuer to make payments on other instruments that are non-discretionary in nature; (ii) restrict the payment of discretionary dividend to shareholders for a period that extends beyond the date when the payment of the requisite dividend on Additional Tier 1 instrument is resumed; (iii) impede the normal operation of the Issuer including actions in connection with employee stock option plans, or any

Sr.No.	Particulars	Details
		<p>restructuring activity (including acquisitions/ disposal).</p> <p>Provided further that such restriction shall in no way restrict the Issuer’s right to cancel distributions/ payments on the PNCPS 2018 or hinder in any manner whatsoever the re-capitalization of the Bank.</p>
46.	Put Option Date	Not Applicable.
47.	Put Option Price	Not Applicable.
48.	Put Notification Time	Not Applicable.
49.	Call Option	
(i)	Issuer Call	<p>The Issuer may at its sole discretion, subject to the prior written approval of the RBI and Clause 51 (<i>Conditions for Call and Repurchase</i>) for exercise of such call option (with a notification to the holders of the PNCPS 2018 which shall specify the date fixed for exercise of call option), exercise a call option on the PNCPS 2018 (“Issuer Call”).</p> <p>The Issuer Call may be exercised at the option of the Issuer no earlier than on the fifth anniversary of the Deemed Date of Allotment.</p>
(ii)	Tax Call	Not Applicable
(iii)	Regulatory Call or Variation	<p>If a Regulatory Event (as described below) has occurred and is continuing, the Issuer may at its sole discretion, subject to Clause 51 (<i>Conditions for Call and Repurchase</i>) for exercise of such call option (with a notification to the holders of the PNCPS which shall specify the date fixed for exercise of call option), exercise a call option on the outstanding PNCPS (“Regulatory Call”).</p> <p>The exercise of the Regulatory Call can be made at anytime by the Issuer, subject to requirements set out in the Basel III Guidelines. 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 PNCPS.</p> <p>A Regulatory Event is deemed to have occurred if there is a downgrade of the PNCPS in regulatory classification i.e. the PNCPS are excluded from the consolidated Tier I Capital of the Issuer.</p>
(iv)	Call Notification Time	Any redemption of PNCPS on account of exercise of Call Option shall be subject to the Issuer giving not less than 10 calendar days prior notice to the PNCPS holders.
(v)	Call Option Price	<p>At Face Value i.e. ₹ 5 per PNCPS.</p> <p>Payment of Call Option Price (in case of exercise of Call Option) on the PNCPS(s) will be made to those of the PNCPS holders whose name(s) appear in the Register of PNCPS holder(s) (or to the first holder in case of joint holders) as per the list provided by NSDL/CDSL to the Bank of the beneficiaries who hold PNCPS in demat form on the Record Date, and are eligible to receive Call Option Price. The payment would be adjusted for any withholding tax requirement as may be required by applicable tax laws. The Bank’s liability to the holder of PNCPS towards all their rights including for payment or otherwise shall cease and stand extinguished from the date of exercise of Call Option in all events. Further the Bank will not be liable to pay any interest or compensation from the date of exercise of Call Option. On the Bank crediting the beneficiary's account by relevant amount as</p>

Sr.No.	Particulars	Details
		specified above in respect of the PNCPS, the liability of the Bank shall stand extinguished.
(vi)	Call Option Date	Date of exercise of Call Option
50.	Repurchase/ Redemption/ Buy-back	<p>The outstanding Principal of the PNCPS (e.g. through repurchase, redemption or buyback) can be repaid subject to the prior approval of RBI. The Bank shall repurchase/ Buy-Back / Redeem these PNCPS only if:</p> <ul style="list-style-type: none"> (i) The PNCPS 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 (ii) The Bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase/buy-back/redemption. <p>Such PNCPS may be held, reissued, resold, extinguished or surrendered, at the option of the issuer.</p> <p>(These repurchases / buy-back /redemption of the principal are in a situation other than in the event of exercise of call option by the bank. One of the major differences is that in the case of the former, the option to offer the instrument for repayment on announcement of the decision to repurchase / buy-back /redeem the instrument, would lie with the investors whereas, in case of the latter, it lies with the Bank).</p>
51.	Conditions for Call and Repurchase	<p>The Issuer shall not exercise a call option or redeem, buy-back, repurchase, substitute or vary any of the PNCPS unless:</p> <ul style="list-style-type: none"> (i) in the case of exercise of call option or repurchase, buy-back or redemption, either (A) The PNCPS are replaced with the same or better quality capital (in the opinion of the RBI), at conditions sustainable for the income capacity of the Issuer, (B) the Issuer has demonstrated to the satisfaction of the RBI that its capital position is well above (in the opinion of RBI) the minimum capital requirements (after such call option is exercised or after redemption repurchase or buy-back, as the case may be); and (ii) the prior written approval of RBI has been obtained. <p>Potential Investors may note that approvals to be obtained from RBI to exercise Call Options are not routine and are subject to the discretion of RBI. Further, RBI shall, before providing such approvals, thoroughly consider the financial and capital position of the Bank or any other criteria or basis it deems fit.</p>
52.	Depository	Central Depository Services Limited and National Securities Depository Limited.
53.	Issuance	In dematerialized form only.
54.	Transfer/ Trading	In dematerialized form only.
55.	Prohibition on Purchase/ Funding of Instruments	<p>Neither the Issuer nor any related party over which the Issuer exercises control or significant influence (as defined under relevant Accounting Standards) may purchase the PCNPS, nor shall the Issuer directly or indirectly fund the purchase of the instrument.</p> <p>Further, the Issuer shall not grant advances against the security of PNCPS issued by them.</p>
56.	Issue Schedule 1. Issue Opening Date	August 1, 2018

Sr.No.	Particulars	Details
	2. Issue Closing Date	August 3, 2018* <i>*The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank.</i>
57.	Pay-In-Date	Any date between the Issue Opening Date and Issue Closing Date
58.	Deemed date of Allotment	August 3, 2018* <i>*The Bank retains the option of closing the Issue prior to August 3, 2018, based on the subscription levels, as may be decided by the Board or committee of directors of the Bank. In case of early closure of the Issue, the above expected Deemed Date of Allotment shall stand changed to revised Issue Closing Date</i>
59.	Minimum Application	2,00,00,000 (Two Crores) PNCPS of ₹ 5 each and in multiples of 20,00,000 (Twenty lakhs) thereafter.
60.	Maximum Application	10,00,00,000 (Ten Crores) PNCPS of ₹ 5 each cumulatively for each set of Group Applicants
61.	Group Applicants	<p>Group Applicants shall include the applicant, who is making the application to subscribe to these PNCPS, and his relative or associated enterprise or person acting in concert with him. For this purpose,</p> <p>(i) relative shall have the meaning assigned to it in the Companies Act, 2013.</p> <p>(ii) "associate enterprise" means a company, whether incorporated or not, which,--</p> <p>a. is a holding company or a subsidiary company of the applicant; or</p> <p>b. is a joint venture of the applicant; or</p> <p>c. controls the composition of the Board of Directors or other body governing the applicant; or</p> <p>d. exercises, in the opinion of the Reserve Bank, significant influence on the applicant in taking financial or policy decisions; or</p> <p>e. is able to obtain economic benefits from the activities of the applicant.</p> <p>persons shall be deemed to be "acting in concert" who, for a common objective or purpose of acquisition of shares or voting rights, pursuant to an agreement or understanding (formal or informal), directly or indirectly cooperate by acquiring or agreeing to acquire shares or voting rights.</p>
62.	Settlement	Payment of dividend and Call Option Price (in case of exercise of Call Option) shall be made by way of credit through direct credit/NECS/RTGS/NEFT mechanism, in the name of the sole/ first beneficial owner of the PNCPS as given by the Depository to the Bank as on the Record Date.
63.	Transaction Documents	The Issuer has executed/ shall execute the documents, including but not limited to the following in connection, with the Issue: <p>(i) Rating letter from credit rating agency;</p> <p>(ii) In-principle approval from BSE and NSE, dated July 31, 2018 and July 30, 2018, respectively, for listing of PNCPS;</p> <p>(iii) Listing Agreement with NSE and BSE; and</p> <p>(iv) This Information Memorandum and the Application Form.</p>
64.	Conditions Precedent to Disbursement	Nil
65.	Condition Subsequent to Disbursement	The Bank shall ensure that the following documents are executed/ activities are completed as per terms of this Information Memorandum: <p>(i) Credit of Demat Account(s) of the Allottee(s) by number of</p>

Sr.No.	Particulars	Details
		PNCPS allotted within 5 (five) Business Days from the Deemed Date of Allotment; (ii) Making application to BSE and NSE within 15 (Fifteen) days from the Deemed Date of Allotment to list the PNCPS and seek listing permission within 20 (Twenty) days from the Deemed Date of Allotment.
66.	Events of Default	Not Applicable. It is further clarified that cancellation of discretionary payments/dividends shall not be deemed to be an event of default. The PNCPS holders shall have no rights to accelerate the repayment of future scheduled payments (dividend) except in bankruptcy and liquidation.
67.	Cross Default	Not Applicable.
68.	Loss Absorption	PNCPS are subject to principal loss absorption through a write-down mechanism which allocates losses to the instrument at a pre-specified trigger point. The write-down will have the following effects- (i) Reduce the claim of the PNCPS in case of a liquidation; (ii) Reduce the redemption amount when a call over the PNCPS is exercised by the Issuer; and (iii) Partially or fully reduce the dividend payments on the PNCPS. Accordingly, PNCPS shall have features of temporary or permanent write-down mechanism. 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 created CET1. A temporary written-down is different from 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. The amount shown on the balance sheet subsequent to temporary write-down may depend on the precise features of the instrument and the prevailing accounting standards.
69.	Loss Absorption at the Point of Non-Viability	1. PNCPS, at the option of the RBI, can be permanently written off upon occurrence of the trigger event, called the Point of Non-Viability Trigger (“ PONV Trigger ”). If a PONV Trigger (as described below) occurs, the Issuer shall: (i) notify the holders of the PNCPS; (ii) cancel any dividend which is accrued and unpaid on the PNCPS as on the write-down date; and (iii) without the need for the consent of holders, write down the outstanding principal of the PNCPS by such amount as may be prescribed by RBI and subject to, as otherwise required by the RBI at the relevant time. 2. Following writing-off of PNCPS 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 holder 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

Sr.No.	Particulars	Details
		<p>irrevocably extinguished and terminated.</p> <p>3. Unless specifically permitted by applicable law, once the face value of the PNCPS has been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances; including where the PONV Trigger Event ceased to continue.</p> <p>4. The write-off of any CET 1 capital shall not be required before the write-off of any of PNCPS and there is no right available to the holder 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 holders.</p>
70.	Point of Non-Viability (“PONV”)	<p>1. PONV Trigger Event is the earlier of:</p> <p>(i) decision that a permanent write-off without which the Bank would become non-viable, is necessary as determined by the RBI; and</p> <p>(ii) 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.</p> <p>2. The PONV Trigger Event will be evaluated both at consolidated and standalone level and breach at either level will trigger write-off.</p> <p>3. The amount of non-equity capital to be written-off will be determined by RBI.</p> <p>4. The order of write-off of PNCPS shall be as specified in the order of Seniority as per this Offer Letter and any other regulatory norms as may be stipulated by the RBI from time to time.</p> <p>5. PNCPS can be written-down multiple times in case the Bank hits the PONV Trigger Level subsequent to the first write-down. PNCPS which have been written down shall not be written up.</p> <p>6. The write-off consequent upon the PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted. The holders shall not have any residual claims on the Bank (including any claims which are senior to ordinary shares of the Bank), following the PONV Trigger Event and when write-off is undertaken.</p> <p>7. 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</p>

Sr.N o.	Particulars	Details
		<p>that these are likely to result in financial losses and raising the CET 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 of non-equity regulatory capital in combination with or without other measures as considered appropriate by the RBI.</p> <p>8. 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 PNCPS/public sector injection of funds are likely to:</p> <ul style="list-style-type: none"> (i) Restore depositors'/investors' confidence; (ii) Improve rating /creditworthiness of the Bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and (iii) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. <p>9. RBI would follow a two- stage approach to determine the non-viability of the Bank. The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of the Bank approaching non-viability and, therefore, a closer examination of the Issuer's financial situation is warranted. The Stage 2 assessment would consist of supplementary subjective criteria which, in conjunction with the Stage 1 information, would help in determining whether the Bank is about to become non-viable. These criteria would be evaluated together and not in isolation. Once the PONV is confirmed, the next step would be to decide whether rescue of the Bank would be through write-off alone or write-off in conjunction with a public sector injection of funds.</p>
71.	Permanent Principal Write-down on PONV Trigger Event	<p>1. If a PONV Trigger Event (as described below) occurs, the Issuer shall:</p> <ul style="list-style-type: none"> (i) notify the holders of the PNCPS; (ii) cancel any dividend which is accrued and unpaid on the PNCPS as on the write-down date; and (iii) without the need for the consent of the holders of PNCPS, write down the outstanding principal of the PNCPS by such amount as may be prescribed by RBI ("PONV Write Down Amount") and subject as it is otherwise required by the RBI at the relevant time. The Issuer will effect a write-down within 30 days (or such other time as may be prescribed by applicable law) of the PONV Write-Down Amount being determined by RBI. <p>2. A Permanent Principal Write-down on PONV Trigger Event may occur on more than one occasion.</p> <p>3. Unless specifically permitted by applicable law, once the face value of the PNCPS has been written down pursuant to PONV Trigger Event, the PONV Write-Down Amount will not be restored in any circumstances; including where the PONV Trigger Event ceased to continue.</p>

Sr.No.	Particulars	Details
		<p>PONV Trigger Event, in respect of the Issuer or its group, means the earlier to occur of:</p> <ol style="list-style-type: none"> 1. a decision that a conversion or principal write-down, without which the Issuer or its group (as the case may be) would become non-viable, is necessary, as determined by RBI; and 2. the decision to make a public sector injection of capital, or equivalent support, without which the Issuer or its group (as the case may be) would become non-viable, is necessary, as determined by RBI. <p>A write-down due to a PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</p>
72.	<p>Temporary principal Write-down on Common Equity Tier 1 (“CET1”) Trigger Event Temporary Write down</p>	<p>If a CET1 Trigger Event (as described below) occurs, the Issuer shall:</p> <ol style="list-style-type: none"> (i) notify the holders of the PNCPS; (ii) cancel any dividend which is accrued and unpaid on the PNCPS as on the write-down date; and (iii) without the need for the consent of the holders of PNCPS, write down the face value of the PNCPS by such amount as the Issuer may in its absolute discretion decide. Provided that in no event shall such amount of write down be less than the amount required to immediately return the Issuer’s Common Equity Tier1 Ratio (as defined below) to above CET1 Trigger Event Threshold (as defined below), nor shall such amount of write down exceed the amount which would be required to be written down to ensure that the Common Equity Tier1 Ratio is equal to the aggregate of the CET1 Trigger Event Threshold and 2.5%, or such other percentage as may be prescribed by the RBI (the “CET1 Write Down Amount”). <p>A Write-down may occur on more than one occasion. Once the value of PNCPS has been written down pursuant to this Clause 72 (<i>Temporary Write Down</i>), the value of the PNCPS may only be restored in accordance with Clause 74 (<i>Re-instatement</i>).</p> <p>CET1 Trigger Event Threshold means that the Issuer’s or its group Common Equity Tier 1 Ratio is:</p> <ol style="list-style-type: none"> (i) if calculated at any time prior to March 31, 2019, at or below 5.500% (or such other percentage as may be prescribed by the RBI); (ii) if calculated at any time from and including March 31, 2019 at or below 6.125% or such other percentage as may be prescribed by the RBI). <p>Common Equity Tier1 Ratio means the Common Equity Tier1 Capital (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as the case may be) expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the Basel III Guidelines) of the Issuer or its group (as applicable).</p> <p>The purpose of a write-down on occurrence of the CET1 Trigger Event shall be to shore up the capital level of the bank. If the bank or its group breaches the CET1 Trigger Event Threshold and equity is replenished through write-down of the PNCPS, such</p>

Sr.No.	Particulars	Details
		replenished amount of equity will be excluded from the total equity of the Issuer for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining the capital conservation buffer (as described in the Basel III Guidelines). However, once the Issuer or its group (as the case may be) has attained a total Common Equity Tier 1 Ratio of 8% or such percentage threshold as may be prescribed by RBI without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.
73.	Other Events	<p><i>Treatment of PNCPS in the event of Winding-Up:</i></p> <ol style="list-style-type: none"> 1. If the Issuer goes into liquidation before PNCPS have been written down, PNCPS will absorb losses in accordance with the order of Seniority as specified in the Offer Letter and as per usual legal provisions governing distribution in a winding up. 2. If Issuer goes into liquidation after PNCPS have been written-down, the holders will have no claim on the proceeds of liquidation. <p><i>Amalgamation of a banking company: (Section 44 A of BR Act, 1949)</i></p> <p>Subject to the provisions of the Banking Regulation Act, 1949:</p> <ol style="list-style-type: none"> 1. If the Issuer is amalgamated with any other bank before PNCPS have been written-down, PNCPS will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger. 2. If the Issuer is amalgamated with any other bank after PNCPS have been written-down temporarily, the amalgamated entity can write-up PNCPS as per its discretion. 3. If the Issuer is amalgamated with any other bank after PNCPS have been written-down permanently, these PNCPS cannot be written up by the amalgamated entity. <p><i>Scheme of reconstitution or amalgamation of a banking company:</i></p> <p>If the relevant authorities decide to reconstitute the Issuer or amalgamate the Issuer with any other bank under Section 45 of Banking Regulation Act, 1949, the Issuer 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 instruments will be activated. Accordingly, PNCPS will be written-down permanently before amalgamation / reconstitution.</p>
74.	Re-instatement	Following a write-down pursuant to Clause 72 (<i>Temporary Write Down</i>), the value of the PNCPS may be increased in accordance with the Basel III Guidelines or any other conditions prescribed by applicable law.
75.	Re-capitalization	Nothing contained in this term-sheet or in any transaction documents shall hinder re-capitalization by the Issuer.
76.	Treatment in Insolvency	Subject to applicable law, this instrument shall not contribute to the liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise.

Sr.No.	Particulars	Details
77.	Register of PNCPS Holders	PNCPS Register means the register of PNCPS holders maintained by the Registrar and Transfer Agent and/or the Bank.
78.	Future Capital Raisings and Borrowings	The Bank shall be at liberty from time to time during the continuance of the security and/or the credit enhancement to issue at such future dates and in such denomination as it considers advisable, and/or to raise further capital, loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) or entities in any other form, in any manner with ranking as pari passu basis or otherwise and to change its capital structure, without any approval/ consent from or intimation to the PNCPS holders.
79.	Effect of holidays	In the event any of the dates defined in the Information Memorandum, excepting the Deemed Date of Allotment, fall on a Saturday, Sunday or a Public Holiday in Mumbai, the preceding working day shall be considered as the effective date.
80.	Notices	<p>All notices to the PNCPS holder(s) required to be given by the Bank shall be published in one English and one regional language daily newspaper in Mumbai and/ or, will be sent by post/courier/hand delivery or by email(s) to the sole/ first allottee or sole/ first Beneficial Owner of PNCPS, as the case may be, from time to time. All notice(s) to be given by the holder(s) shall be sent by registered post/speed post/courier/hand delivery or through email to the Bank or to such persons at such address as may be notified by the Bank from time to time through suitable communication.</p> <p>All notices to the PNCPS holder(s) required to be given by the Bank shall have and shall be deemed to have been given if sent by ordinary post or by e-mail to the original sole/first allottees of the PNCPS(s) or if notification and mandate has been received by the Bank, pursuant to the provisions contained herein above, to the sole/first transferees. All notices to be given by the PNCPS holder(s), including notices referred to under “Payment of Dividend” shall be sent by Registered Post/Courier or by e-mail(s) or by hand delivery to the Bank or to such persons at such address as may be notified by the Bank from time to time.</p>

Other General Terms

1.	Governing Law and Jurisdiction	The PNCPS 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 the courts of Mumbai, Maharashtra.
2.	Applicable Law or applicable law	The present Issue of PNCPS is being made in pursuance of the Basel III Guidelines (as amended from time to time). In case of any discrepancy or inconsistency between the terms of the PNCPS or any other Transaction Document, and the Basel III Guidelines, the provisions of Basel III Guidelines shall prevail.