



P. TERM SHEET

1	Issuer	Union Bank of India (the “ Issuer ”/ the “ Bank ”)
2	Security Name	Union Bank of India: Tier II Bonds Series(XXXI)
3	Issue Size	Aggregate issue size not exceeding Rs. 1,150 Crore, with a base issue size of Rs.500 Crore and a Green Shoe option to retain oversubscription up to Rs.650 Crore.
4 (a)	Option to retain Oversubscription	Green shoe option to retain oversubscription up to Rs.650 Crore
(b)	Amount Accepted	Rs.1150 Crore
5	Objects of the Issue / Details of the utilization of the proceeds	<p>Augmenting Tier II Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources</p> <p>The funds being raised by the Bank through the present Issue are not meant for financing any particular project. Proceeds of the Bonds raised will be utilized for the business of the bank.</p> <p>The Bank undertakes that proceeds of the Issue shall not be used for any purpose which may be in contravention of the regulations/ guidelines/ norms issued by the RBI/ SEBI/ Stock Exchanges.</p>
6	Type of Instrument	Unsecured, Subordinated, Redeemable, Non-Convertible, Taxable fully paid-up Basel III Compliant Tier II Bonds (Series XXXI) (having AT1 Instruments features) which will qualify as Tier 2 Capital (as the term is defined in the Basel III Guidelines of the Reserve Bank of India) in the nature of Debentures (“ Bonds ”)
7	Nature and status of Bonds	<p>The Bonds are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim of the holders of the Bonds (the “Bondholders”) vis- à-vis other creditors of the Issuer.</p> <p>Bondholders will not be entitled to receive notice of or attend or vote at any meeting of shareholders of the Issuer or participate in the management of the Issuer.</p>
8	Seniority of Instrument/Claim	<p>The claims in respect of the Bonds,</p> <ol style="list-style-type: none"> i. Shall be senior to the claims of investors in instruments eligible for inclusion in Tier I capital whether currently outstanding or issued at any time in the future; ii. Shall be subordinate to the claims of all depositors and general creditors of the bank; and iii. Are neither secured nor covered by a guarantee of the issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis bank creditors. iv. Unless the terms of any subsequent issuance of bonds/debentures by the Bank specifies that the claim of such subsequent bond holders are senior or subordinate to the Bonds issued under this Disclosure Document or unless the RBI specifies otherwise in its guidelines, the claims of the Bondholders shall be pari passu with claims of holders of such subsequent debentures/bond issuances of the Bank at any time in future;



		<p>v. Shall be Pari passu without preference amongst themselves and other subordinate debt classifying as Tier II Capital in terms of Basel III Guidelines.</p> <p>Tier I capital and Tier II Capital shall have the meaning ascribed to such terms under Basel III Guidelines.</p> <p>Notwithstanding anything to the contrary stipulated herein, The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. And</p> <p>The claims of the bondholders shall be subject to the provisions mentioned in the "Point of Non viability" (PONV) in the term sheet.</p>
9	Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The Bonds are proposed to be listed on the Debt segment of the National Stock Exchange of India Limited (NSE). The Issuer shall make an application to NSE along with applicable disclosures within 4 trading days from the date of closure of issue to list the Bonds to be issued and allotted under this Private Placement Offer Letter. The Issuer shall complete all the formalities and seek listing permission within 4 trading days from the date of closure of Issue.</p>
10	Mode of Issue	Private Placement in Demat Form through closed bidding in NSE Electronic Bidding Platform.
11	Convertibility	Non-Convertible
12	Credit Rating	Basel III Compliant Tier II Bonds have been rated [ICRA] AA+(hyb) (Negative) by ICRA Ltd and rated IND AA+/Stable by India Rating & Research Pvt. Ltd.
13	Security (type of security-movable/immovable/tangible etc., type of charge (pledge/ hypothecation / mortgage etc., date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum	Unsecured
14	Manner of Allotment	Uniform
15	Face Value/ Issue Price	Rs. 100,00,000/- (Rupees One hundred lakh) per Bond.
16	Premium/ Discount on Issue and effective yield as a result of such Premium/ discount	Nil
17	Minimum Application and in multiples of Debt securities thereafter	1 (One) Bonds and in multiples of 1 Bond thereafter
18	Premium/ Discount on redemption	Nil
19	Tenor / Maturity/Redemption date	Redeemable after 15 years (180 months) from the Deemed Date of Allotment, subject to Issuer Call, Tax Call and Regulatory Call, if any provided that the Bonds have not been written-off on account of PONV and/or any other event on



		account of RBI guidelines In case of exercise of call option, redemption shall be made on the Call Option Date
20	Redemption Amount	<p>At par (Rs.100,00,000/- per Bond) along with interest accrued till one day prior to the Redemption Date subject to adjustments and write-off on account of “Loss Absorbency” & “Other Events” mentioned in this Term Sheet.</p> <p>In case of redemption 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 “Loss Absorbency”, “Permanent principal write-down on PONV Trigger Event” & “Other Events” as mentioned in this Term Sheet.</p>
21	Lock-in-Period	Not Applicable
22	Settlement Cycle for EBP	T+1 (issuance)
23	Events of Default(including manner of voting/ conditions for joining Inter Creditor Agreement)	<p>Default on the part of the Bank to forthwith satisfy all or any part of payments in relation to the Bonds when it becomes due (i.e. making payment of any installment of interest or repayment of principal amount of the Bonds on the respective due dates) except in case of “PONV” mentioned below or due to any regulatory requirements prescribed under Applicable RBI Regulations or by Government of India or by any Statutory Authority, shall constitute an Event of Default for the purpose of the Issue.</p> <p>The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.</p> <p>A. Manner of Voting: The Debenture Trust Deed (to be executed) inter-alia provides for manner of voting as under:</p> <ol style="list-style-type: none"> The Issuer or the Debenture Trustee may call for meeting of Bondholders as per the terms of the Debenture Trust Deed. 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 the special resolution 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. <p>B. Inter Creditor Agreement</p> <ol style="list-style-type: none"> The issuer being a Public Sector Bank , the provisions of Inter Creditor Agreement are not applicable Trustee will follow the process, to the extent applicable, as laid down vide SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 8, 2020.



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24	Creation of Recovery Expense Fund	The Issuer shall create a recovery expense fund in the manner and use it for the purpose as maybe specified by SEBI or designated Stock Exchange from time to time. National Stock Exchange of India Ltd. (NSE) will be the designated stock exchange for the deposit of prescribed Recovery Expenses Fund (REF).
25	Conditions for breach of Covenants (As specified in Bond Trust Deed)	As specified in Clause 23 i.e. Event of Default .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.
26	Settlement Mode	The Bank shall make payment of interest and repayment of principal amount by way of credit through direct credit/ NECS/RTGS/ NEFT mechanism or any other permitted method at the discretion of the Issuer
27	Coupon Rate	7.25 % per annum (derived through Electronic Bidding Platform of NSE.) subject to “Loss Absorbency”, “Permanent principal write-down on PONV Trigger Event” and “Other Events” mentioned in this Term Sheet
28	Step up / Step down Coupon Rate	Not Applicable
29	Coupon Reset	Not Applicable
30	Coupon Type	Fixed
31	Coupon (interest) Payment Frequency	Annual
32	Coupon Payment Dates	Every anniversary date from the deemed date of allotment, subject to “PONV” mentioned below.
33	Interest on application money	<p>Interest at the Coupon Rate (subject to deduction of Income-tax under the provisions of the Income-tax Act 1961, or any statutory modification or re-enactment as applicable) will be paid to all the applicants on the application money for the Bonds. Such interest shall be paid from the date of realization of cheque(s)/demand draft (s) and in case of RTGS/other means of electronic transfer interest shall be paid from the date of receipt of funds to one day prior to the Deemed Date of Allotment.</p> <p>The Interest on application money will be computed as per Actual/Actual Day count convention. Such interest would be paid on all the valid applications including the refunds. For the application amount that has been refunded, the Interest on application money will be paid along with the refund orders and for the application amount against which Bonds have been allotted, the Interest on application money will be paid within ten working days from the Deemed Date of Allotment. Where an applicant is allotted lesser number of Bonds than applied for, the excess amount paid on application will be refunded to the applicant along with the interest on refunded money. Income Tax at Source (TDS) will be deducted at the applicable rate on Interest on application money.</p> <p>The Bank shall not be 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</p>
34	Record Date	Reference/Record date for payment of coupon (interest) which shall be the date falling 15 days prior to the relevant Coupon Payment Date, Issuer Call Date, Tax Call Date or Regulatory



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		Call Date (each as defined later) on which interest is due and payable. In the event the Record Date for Coupon Payment date falls on a day which is not a business day, the next business day will be considered as the Record Date.
34a	All covenants of the issue (including side letters, accelerated payment clause, etc.)	There are no additional covenants of the issue (including side letters, accelerated payment clause, etc.) other than as mention in this Terms Sheet and Disclosure Document.
35	Computation of Interest	The interest for each of the interest periods shall be computed as per Actual / Actual day count conversion (as per the SEBI Circular dated October 29, 2013 bearing reference CIR/IMD/DF/18/2013) on the face value/principal outstanding after adjustments and write-off on account of "Loss Absorbency", "Permanent principal write-down on PONV Trigger Event" and "Other Events" mentioned in this Term Sheet, at the Coupon Rate rounded off to the nearest Rupee. The Interest Period means each period beginning on (and including) the Deemed Date of Allotment(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 (per the SEBI Circular dated November 11, 2016 bearing reference CIR/IMD/DF-1/122/2016)
36	Business Day Convention	<p>In pursuance of circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016 issued by SEBI, if any Coupon Payment Date falls on a day that is not a Business Day, the Coupon Payment shall be made by the Bank on the immediately succeeding Business Day and calculation of such coupon payment shall be as per original schedule as if such Coupon Payment Date were a Business Day. Further the future Coupon Payment Dates shall remain intact and shall not be disturbed because of postponement of such coupon payment on account of it falling on a non- Business Day.</p> <p>If the Issuer Call Date, Tax Call Date or Regulatory Call Date (also being the last Coupon Payment Date, in case if exercised) of the Bonds falls on a day that is not a Business Day, such Call Option Price shall be paid by the Bank on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.</p> <p>Business Day being a day when the Money Market is functioning in Mumbai, Maharashtra, India.</p>
37	Put Option	No Put Option available.
A	Put Option Price	Not Applicable
b	Put Option Date	Not Applicable
c	Put Notification Time	Not Applicable
38	Call Option	The Issuer may at its sole discretion with prior approval of RBI, and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Issuer Call (which notice shall specify the date fixed for exercise of the Issuer Call (the "Issuer Call Date"), may exercise a call on the



		<p>outstanding Bonds.</p> <p>The Issuer Call, which is discretionary, may or may not be exercised on the tenth anniversary from the Deemed Date of Allotment or on any allotment anniversary Date thereafter.</p> <p>a. To exercise a call option, Bank must receive prior approval of RBI (Department of Banking Regulation);</p> <p>b. the Bank will not do anything which creates an expectation that the call will be exercised.</p> <p>c. Banks will not exercise a call unless</p> <p>(i) It replace the called instrument 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 (Replacement issue can be concurrent with but not after the Bond is called) ; or</p> <p>(ii) The bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised (Minimum refers to the Common Equity ratio of 8.0% of RWAs (Including capital conservation buffer of 2.5% of RWAs) and Total Capital ratio of 11.5% of RWAs including any additional capital requirements identified as per Basel III guidelines.</p> <p>d. Any other preconditions specified in the BASEL III guidelines at such time have been satisfied.</p> <p>If a Tax Event (as described below) has occurred and continuing, then the Issuer may, subject to the requirements set out in points (a) to (d) above and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Tax Call or Variation (which notice shall specify the date fixed for exercise of the Tax Call or Variation "Tax Call Date"), may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification.</p> <p>A Tax Event has occurred if, as a result of any change in or amendment to, the laws affecting taxation (or regulations or rulings promulgated there under) of India or any change in the official application of such laws, regulations or rulings the Issuer will no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to coupon on the Bonds.</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.</p> <p>If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may, subject to the requirements set out in points (a) to (d) above and having notified the Trustee not less than 21 calendar days prior to the date of exercise of such Regulatory Call or Variation (which notice shall specify the date fixed for exercise of the</p>
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		<p>Regulatory Call or Variation (the “Regulatory Call Date”), may exercise a call on the Bonds or substitute the Bonds or vary the terms of the Bonds so that the Bonds have better classification.</p> <p>A Regulatory Event is deemed to have occurred if there is a downgrade of the Bonds in regulatory classification i.e. Bonds is excluded from the consolidated Tier2 Capital of the Issuer.</p> <p>RBI may permit the Issuer to exercise the Regulatory Call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Bonds</p>
39	Call Option Price	At par, i.e. Rs. 100,00,000/- (Rupees One Hundred Lakh) per Bond along with interest accrued till one day prior to the Call Option Date subject to adjustments and/ or write-off in account of “Loss Absorbency” & “Other Events” mentioned in this Term Sheet.
40	Call Notification Time	Ten (10) calendar days prior to the date of exercise of Call
41	Depository	National Securities Depository Limited (the “NSDL”) and Central Depository Services (India) Limited (the “CDSL”)
42	Cross Default	Not Applicable
43	Default Interest Rate	Not Applicable
44	Issuance	Only in dematerialized form
45	Trading	Only in dematerialized form
46	Issue Schedule	
a.	Issue Opening Date	08.07.2021
b.	Issue Closing Date	08.07.2021
c.	Pay-In-Date	09.07.2021
47	Deemed Date of Allotment	09.07.2021
48	Settlement	Payment of interest shall be made by way of credit through direct credit/ NACH/ RTGS/ NEFT mechanism/ cheque/draft etc.
49	Repurchase/Buy-back/Redemption	<p>The Issuer may at the, subject to the following conditions having been satisfied and such repayment being otherwise permitted by then prevailing BASEL III Guidelines, repay the principal amount of the Bonds by way of repurchase, buy-back or redemption:</p> <p>(a) the prior approval of RBI shall be obtained.</p> <p>(b) the Issuer has not assumed or created any market expectations that RBI approval for such repurchase/redemption/buy-back shall be given:</p> <p>(c) Issuer:</p> <p>(i) replace the Bond with capital of the same or better quality and the replacement of this Bond is done at the conditions which are sustainable for the income capacity of the Issuer; or</p> <p>(ii) demonstrate that it’s the capital position is well above the minimum capital requirements after the repurchase/ buy-back/redemption;</p> <p>(d) any other preconditions specified in Basel III Guidelines at such time have been satisfied.</p>
50	(a) Loss Absorbency	The Bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide RBI Master Circular on Basel-III Capital Regulations vide circular No. RBI/2015 -16/ 58 DBR.No.BP.BC.1 /21.06.201/2015-16 dated July 01, 2015 covering criterion for inclusion of debt capital instruments as Tier 2 capital (Annexeure-5) and minimum



		<p>requirements to ensure loss absorbency of additional Tier-1 instruments as pre-specified trigger and of all non-equity regulatory capital instruments at the Point of Non Viability' (PONV) (Annexeure-16) . Accordingly, the Bonds may at the option of RBI be written off on the occurrence of the trigger event called the 'Point of Non Viability' (PONV). PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.</p>
	<p>(b) Loss Absorption at Point of Non-Viability (PONV)</p>	<p>1. If a PONV Trigger Event (as described below) occurs, the Issuer shall:</p> <ul style="list-style-type: none">(i) notify the Trustee;(ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-off date; and(iii) Without the need for the consent of Bondholders or the Trustee, write-off of the outstanding principal of the Bonds by such amount as may be prescribed by RBI ("PONV Write off Amount") and as is otherwise required by the RBI at the relevant time. <p>A write-off may occur on more than one occasion.</p> <p>Once the principal of the Bonds have been written off pursuant to PONV Trigger Event, the PONV Write-off Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.</p> <p>2. Write off for PONV means full and permanent write off.</p> <p>3. These instruments, at the option of the Reserve Bank of India will be written off upon the occurrence of the trigger event, called the 'Point of Non-Viability (PONV) Trigger' stipulated below:</p> <p>(i) The PONV Trigger event is the earlier of:</p> <ul style="list-style-type: none">a. a decision that a full conversion to common shares or full permanent write-off, without which the Bank would become non-viable, is necessary, as determined by the Reserve Bank of India; andb. the decision to make a public sector injection of capital, or equivalent support, without which the Bank would become non-viable, as determined by the relevant authority. <p>The Write-off of any Common Equity Tier 1 capital will not be required before the write-off of these instruments.</p> <ul style="list-style-type: none">(ii) Such a decision would invariably imply that the write-off or issuance of any new shares as a result of conversion consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.(iii) No compensation will be paid to these Instrument holders



		<p>in case of full and permanent write-off.</p> <p>4. For the purpose of the above, a non-viable bank will be:</p> <p>A bank which, owing to its financial and other difficulties, may no longer remain a going concern on its own in the opinion of the Reserve Bank unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a 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 Reserve Bank.</p> <p>5. Bank facing financial difficulties and approaching PONV will be deemed to achieve viability if within a reasonable time in the opinion of Reserve Bank, 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/conversion/public sector injection of funds are likely to:</p> <ol style="list-style-type: none"> a. Restore depositors'/investors' confidence; b. Improve rating /creditworthiness of the bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and c. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds. <p>6. The amount of non-equity capital to be converted / written-off will be determined by RBI.</p> <p>7. When Bank breaches the PONV trigger and the equity is replenished either through conversion or write-off, such replenished amount of equity will be excluded from the total equity of the bank for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining capital conservation buffer. However, once the bank has attained total Common Equity ratio of 8% without counting the replenished equity capital, that point onwards, the bank may include the replenished equity capital for all purposes.</p> <p>8. Criteria to Determine the PONV</p> <p>When the bank is adjudged by Reserve Bank of India to be approaching the PONV trigger event, or has already reached the PONV, but in the views of RBI:</p> <ol style="list-style-type: none"> a) there is a possibility that a timely intervention in form of capital support, with or without other supporting
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		<p>interventions, is likely to rescue the bank; and</p> <p>b) if left unattended, the weaknesses would inflict financial losses on the bank and, thus, cause decline in its common equity level.</p> <p>9. The purpose of write-off and / or conversion of these Instruments will be to shore up the capital level of the Bank.</p> <p>RBI would follow a two-stage approach to determine the non-viability of Bank as under:</p> <p>The Stage 1 assessment would consist of purely objective and quantifiable criteria to indicate that there is a prima facie case of a bank approaching non-viability and, therefore, a closer examination of the bank's financial situation is warranted.</p> <p>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.</p> <p>10. Once the PONV is confirmed, the next step would be to decide whether rescue of the bank would be through write-off/conversion alone or write-off/conversion in conjunction with a public sector injection of funds.</p> <p>11. The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger conversion / write-off.</p> <p>12. As the capital adequacy is applicable both at solo and consolidated levels, the minority interests in respect of capital instruments issued by subsidiaries of banks including overseas subsidiaries can be included in the consolidated capital of the banking group only if these instruments have pre-specified triggers (in case of AT1 capital instruments) / loss absorbency at the PONV (for all non-common equity capital instruments). In addition, where a bank wishes the instrument issued by its subsidiary to be included in the consolidated group's capital in addition to its solo capital, the terms and conditions of that instrument must specify an additional trigger event.</p> <p><i>This additional trigger event is the earlier of:</i></p> <p>(1) a decision that a conversion or write-off, without which the Bank or the subsidiary would become non-viable, is necessary, as determined by the Reserve Bank of India; and</p> <p>(2) the decision to make a public sector injection of capital, or</p>
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		<p>equivalent support, without which the Bank or the subsidiary would become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off or issuance of any new shares as a result of conversion consequent upon the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</p> <p>13. In such cases, the subsidiary would obtain its regulator's approval/no-objection for allowing the capital instrument to be converted/written-off at the additional trigger point referred to in paragraph above.</p> <p>14. If Bank goes into liquidation before these Bonds have been written-off, these instruments will absorb losses in accordance with the order of seniority indicated in clause 8 of this term sheet and as per usual legal provisions governing priority of charges.</p> <p>15. If Bank goes into liquidation after these Bonds instruments have been written-off, the holders of these instruments will have no claim on the proceeds of liquidation.</p> <p>(a) Amalgamation of a banking company: (Section 44 A of BR Act, 1949)</p> <p>16. If Bank is amalgamated with any other bank before these Bonds have been written-off, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>17. If Bank is amalgamated with any other bank after these instruments have been written-off permanently, these cannot be written-up by the amalgamated entity.</p> <p>(b) Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949)</p> <p>18. If the relevant authorities decide to reconstitute Bank or amalgamate Bank with any other Bank under the Section 45 of BR Act, 1949, such a 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 write off of these instruments will be activated. Accordingly, these instruments will be fully written-off permanently before amalgamation / reconstitution in accordance with these rules.</p>
51	Decision to Write off	<p>The decision of write-off shall be exercised across all investors of this Instrument;</p> <p>The Order of write-off of the present Tier II Bonds vis-a-vis other capital instruments which the Bank has already issued or may issue in future, will be in accordance with the order of "Seniority of the Bonds" as mentioned earlier in point number "8" and per usual legal provisions governing priority of charges.</p>
52	Treatment in Bankruptcy / Liquidation	<p>The investor will have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.</p>



53	Transaction Documents	<p>The Issuer shall execute the documents including but not limited to the following in connection with the issue:</p> <ul style="list-style-type: none"> (i) Letter appointing Trustees to the Bond Holders. (ii) Bond trustee agreement (iii) Bond trustee deed (iv) Rating agreement with Rating agency; (v) Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form; (vi) Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form; (vii) Appointing Registrar and agreement entered into between the Issuer and the Registrar. (vii) Listing Agreement with NSE; (ix) Disclosure Document
54	Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ul style="list-style-type: none"> i. Rating letter(s)/ letters of revalidation of ratings from the aforesaid rating agencies not being more than one month old from the issue opening date; ii. Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s);
55	Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Term Sheet:</p> <ul style="list-style-type: none"> i. Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 trading days from the Deemed Date of Allotment; ii. Making listing application to NSE within 4 trading days from the closure of the Issue of Bonds and seeking listing permission within 4 trading days from the closure of the Issue of Bonds in pursuance of SEBI Debt Regulations; iii. Delay in Listing: The Bank shall make listing application and obtain listing permission from NSE within 04 trading days from the closure of the issue. In case of delay in listing of the Bonds beyond stipulated time period, the Bank shall pay penal interest at the rate of 1.00% per annum over the Coupon Rate commencing on Deemed Date of Allotment up to actual date of listing and be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after receiving final listing approval from Stock Exchanges. iv. Default in Payment: Subject to clause 23 i.e. Event of Default, in the event of delay in the payment of interest amount and/or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the respective Coupon Rate payable on the Debentures, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on



		<p>which such amount becomes due and up to but excluding the date on which such amount is actually paid.</p> <p>v. Delay in Execution of Trust Deed: If the issuer fails to execute the trust deed within the period specified in the sub-regulation (1) of regulation 15 of SEBIs Issue and Listing of Debt Securities Regulations, 2008 (as amended), issuer shall pay penal interest of 2% (two percent) per annum to the debenture holders, over and above the agreed coupon rate, till the execution of the trust deed.</p> <p>vi. 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 would 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.</p> <p>vii. Refusal of Listing: If listing permission is refused before the expiry of the prescribed period from the deemed date of allotment, the Issuer shall forthwith repay all monies received from the applicants in pursuance of the Disclosure Document along with penal interest of 1.00% per annum over the Coupon Rate from the expiry of prescribed period from the Deemed Date of Allotment. If such monies are not repaid within 8 days after the Issuer becomes liable to repay it (i.e. from the date of refusal or prescribed period from the Deemed Date of Allotment, whichever is earlier), then the Issuer and every director of the Issuer who is an officer in default shall, on and from the expiry of 8 days, will be jointly and severally liable to repay the money, with interest at the rate of 15 per cent per annum on application money.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Term Sheet.</p>
56	Other Events	<p>Treatment of Bonds in the event of Winding-Up:</p> <p>a) If the Bank goes into liquidation before the Bonds have been written-down, the Bonds will absorb losses in accordance with the order of Seniority as specified in the Disclosure Document 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>Amalgamation of a banking company (Section 44 A of Banking Regulation Act, 1949):</p> <p>Subject to the 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</p>



		<p>Bonds have been written down permanently, these Bonds cannot be written up by the amalgamated entity.</p> <p>Scheme of reconstitution or amalgamation of a banking company:</p> <p>Subject to the 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 Tier II instruments will be activated. Accordingly, the Bonds may be written-down permanently before amalgamation/ reconstitution in accordance with these rules.</p>
57	OTHER GENERAL TERMS	
a.	(i) Eligible Investors	<p>In terms of SEBI circular no. SEBI/HO/DDHS/CIR/P/2020/199 dated October 6, 2020 read with NSE circular NSE/CML/2020/22 dated December 23, 2020, only Qualified Institutional Buyers (QIBs) are allowed to participate in the issuance of AT1 instruments. The Tier II Bonds to be issued in terms of this document have AT1 instruments features, hence the said SEBI circular will be applicable.</p> <p>As per Regulation 2 (ss) of SEBI (ISSUE OF CAPITAL AND DISCLOSUREREQUIREMENTS) REGULATIONS, 2018 dated September 11, 2018, “Qualified institutional buyer” means:</p> <ul style="list-style-type: none"> (i) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with SEBI; (ii) a foreign portfolio investor other than individuals, corporate bodies and family offices; (iii) a public financial institution; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority of India; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (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; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and insurance funds set up and managed by the Department of Posts, India; and (xii) Systemically important non-banking financial companies. <p>This being a private placement Issue, the eligible investors who have been addressed through this communication directly, are only eligible to apply.</p> <p>The potential investors are required to independently verify</p>



		<p>their eligibility to subscribe to the bonds on the basis of norms / guidelines / parameters laid by their respective regulatory body including but not limited to RBI, SEBI, IRDA, Government of India, Ministry of Finance, Ministry of Labour etc. and be guided by applicable RBI Guidelines. The Bank shall be under no obligation to verify the eligibility/authority of the investor to invest in these Bonds. Further, mere receipt of this Disclosure Document 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>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>
	Non-Eligible classes of Investors	This Issue is not being offered to any person or entity who is not a qualified Institutional buyer ('QIB').
b.	Re-capitalization	Nothing contained in this term-sheet or in any transaction documents shall hinder recapitalization by the Issuer.
c.	Prohibition on Purchase/ Funding of Bonds	Neither the Issuer nor a related party over which the Issuer exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Issuer directly or indirectly fund the purchase of the Bonds. The Issuer shall also not grant advances against the security of the Bonds issued by it.
d.	Reporting of Non-payment of Coupons	All instances of non-payment of coupon shall be notified by the Bank to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.
e.	Trustees	IDBI Trusteeship Services Limited
f.	Role and Responsibility of Trustee	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the Holder(s) of the Bonds and shall further conduct itself and comply with the provisions of all applicable laws including SEBI (Debenture Trustees) Regulations, 1993 provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees), Regulations, 1993, the Bond/Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents with due care, diligence and loyalty.



		The Trustees shall be vested with the requisite powers for protecting the interest of Holder(s) of the Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis.
g.	Risk Factors pertaining to the Issue	The Bonds issued are subject to the provisions of Loss Absorbency, PONV and Other Events mentioned in this Summary Term Sheet and the Disclosure Document. Please refer to the section on Risk Factors on page 13 of the Disclosure Document for risk related to this issue of Bonds.
h	Registrar	Datamatics Business Solutions Limited
i	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 on of competent Courts of Mumbai, Maharashtra.
j.	Applicable RBI Guidelines	<p>The present issue of Bonds is being made in pursuance of Master Circular on Basel III capital regulations issued by RBI vide circular RBI/2015-16/58DBOD. No. BP. BC. 1/ 21.06.201 /2015-16 dated July 1, 2015 by the RBI covering criteria for inclusion of debt capital instruments as Tier 2 capital (Annex 5) and minimum requirements to ensure loss absorbency of additional Tier 1 instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16) and other related amendments, revisions, if any.</p> <p>The issue of Bonds and the terms and conditions of the Bonds will be subject to the applicable guidelines issued by the Reserve Bank of India from time to time.</p> <p>In the case of any discrepancy or inconsistency between the terms of the Bonds or any other Transaction Document and the Basel III Guidelines, the provisions of the Basel III Guidelines/RBI Guidelines shall prevail.</p>
k.	Applicable SEBI Guidelines	<p>The Securities and Exchange Board of India (Issue and Listing of Debt Regulations Securities) Regulations, 2008 issued vide circular No. LAD- NRO/GN/2008/ 13/1 27878 dated June 6, 2008 as amended by SEBI (Issue and Listing of Debt Securities) Amendment Regulations, 2012 issued vide circular No. LAD-NRO/GN/ 2012-13113/5392 dated October 12, 2012 and CIRJ IMD /DF / 18/2013 dated October 29,2013and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN12013-14/431207 dated January 31, 2014 as amended by SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2015 issued vide circular no. LAD-NRO/GN/2014-15/251539 dated March 24, 2015 and SEBI Circular No. CIR/IMD/DF1/48/2016 dated April 21, 2016 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2017 issued vide circular No. SEBI/LADNRO/GN/2017-181009 dated June 13, 2017 SEBI (Issue and Listing of Debt Securities) Second Amendment Regulations, 2017 issued vide circular no. SEBI/LADNRO/GN/2017-18/023 dated December 15, 2017, SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2019 dated May 07, 20192019read with SEBI Circular No Cir/IMD/DF-1/122/2016 Dated November 11, 2016, SEBI Circular No. SEBI/HO/DDHS/CIR/P/2020/199 Dated October 6, 2020, SEBI circular</p>



Disclosure Document

		SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018, SEBI circular no. SEBI/HO/DDHS/CIR/P/2020/199 dated October 6, 2020 and SEBI of India (Listing Obligations and Disclosure Requirements), Regulations 2015 and NSE Circular NSE/CML/2020/22 dated December 23, 2020, each as amended from time-to-time.
<p><i>The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. Incase if the Issue Closing Date/ Pay in Date is/are changed (preponed/ postponed), the Deemed Date of Allotment may also be changed (preponed/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates may also be changed at the sole and absolute discretion of the Issuer.</i></p>		