



# Disclosure Document

## VIII. SUMMARY TERM SHEET

Term Sheet for the issue of Bonds (as defined below) in pursuance of Reserve Bank of India Master Circular – Basel III Capital Regulations, RBI/2015-16/58 DBR.No.BP.BC.1 /21.06.201 /2015-16 dated July 1, 2015 (BASEL III Guidelines) and Master Circular on Basel III capital regulations Clarification issued by RBI vide circular RBI/2015-16/285 DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016 and RBI Circular RBI/2016- 17/222 DBR.BP.BC.No.50/21.06.201/2016-17 Dated February 02, 2017.

Issuer	United Bank of India (the "Bank"/ the "Issuer")
Issue Size	Rs.100 crores on private placement basis.
Objects of the Issue	Augmenting Additional Tier-1 Capital (as the term is defined in the Basel III Guidelines) and over all capital of the Issuer for strengthening its capital adequacy and for enhancing its long-term resources. Proceeds of the Bonds raised will be utilized for the business of the Bank.
Listing (including name of stock Exchange(s) where it will be listed)	Proposed to be listed on the Wholesale Debt Market (WDM) Segment of BSE
Instrument	Listed, Unsecured, Subordinated, Non-Convertible, Perpetual Bonds (Series-IV) which will qualify as Additional Tier-1 Capital as the term is defined in Basel III Guidelines of RBI (The "Bonds").
Nature and status of Bonds and seniority of claim	Unsecured Additional Tier-1 Bonds. Claims of the investors in this instrument shall be: (i) superior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Issuer; (ii) subordinate to the claims of all depositors and general creditors and subordinated debt of the Issuer other than subordinated debt qualifying as Additional Tier-1 Capital (as the term is defined in the Basel III Guidelines) of the Issuer (iii) paripassu without preference amongst themselves and other debt instruments classifying as Additional Tier-1 Capital in terms of Basel III Guidelines; (iv) to the extent permitted by the Basel III Guidelines, paripassu with any subordinated obligation eligible for inclusion in hybrid Tier-1 capital under the then prevailing Basel II guidelines; if any. v) 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 vis-à-vis bank creditors.
Issuance Mode	In Demat mode only
Trading Mode	In Demat mode only
Tenor	Perpetual
Redemption Date	Not Applicable
Convertibility	Non-Convertible
Face Value/Issue Price	Rs.10,00,000/- (Rupees Ten Lakh) per Bond
Credit Rating	"BBB+/Negative" By CRISIL Ratings
Mode of Issue	Private Placement
Security	Unsecured
Coupon Rate	11.00% p.a
Coupon Reset	Not Applicable
Coupon Type	Fixed
Coupon Payment Frequency	Annual
Coupon payment Dates	Annually 27 <sup>th</sup> December every year.
Interest on	Interest at the Coupon Rate (subject to deduction of Income-tax under the provisions of





Application Money	<p>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>
Default Interest Rate	Not Applicable
Record Date	Reference date for payment of coupon shall be the date falling 15 days prior to the relevant Coupon Payment Date, Issuer Call Date, Tax Call Date or Regulatory 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.
Computation of Interest	<p>Actual / Actual</p> <p>In case of a leap year, if February 29 falls during the tenor of the Bonds, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period.</p>
Coupon Discretion	<p>(a) The issuer must have full discretion at all times to cancel distributions/payments.</p> <p>Consequence of full discretion at all times to cancel distributions/payments is that "dividend pushers" are prohibited. An instrument with a dividend pusher obliges the issuing bank to make a dividend/coupon payment on the instrument if it has made a payment on another (typically more junior) capital instrument or share. This obligation is inconsistent with the requirement for full discretion at all times. Furthermore, the term "cancel distributions/payments" means extinguish these payments. It does not permit features that require the bank to make distributions/payments in kind.</p> <p>(b) Cancellation of discretionary payments must not be an event of default</p> <p>(c) Issuer must have full access to cancelled payments to meet obligations as they fall due</p> <p>(d) Cancellation of distributions/payments will not impose restrictions on the bank except in relation to distributions to common stakeholders.</p> <p>(e) Coupons must be paid out of distributable items. In this context, coupon may be paid out of current year profits. However, if current year profits are not sufficient, coupon may be paid subject to availability of:</p> <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 (i) and (ii) to arrive at the available balances for payment of coupon.</p> <p>If the aggregate of: (a) profits in the current year; (b) profits brought forward from the</p>





		<p>previous years and (c) permissible reserves as at (ii) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of coupon, only then the bank shall make appropriation from the statutory reserves. In such cases, bank is required to 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>It may be noted that prior approval of the Reserve Bank for appropriation of reserves as above, in terms of the circular, DBOD.BP.BC No.31/21.04.018/2006-07 dated September 20, 2006 on 'Section 17 (2) of Banking Regulation Act, 1949 - Appropriation from Reserve Fund' is not required in this regard.</p> <p>However, payment of coupon from the revenue reserves is subject to the Issuer meeting minimum regulatory requirements for CET 1, Tier 1 and Total Capital ratios (each as defined and calculated in accordance with the Basel III Guidelines) at all relevant times and subject to the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer) set out in Basel III Guidelines.</p> <p>(f) Coupon on the Bonds will be non-cumulative. If coupon is not paid or paid at a rate lesser than the Coupon Rate, the unpaid coupon will not be paid in future years. Non-payment of coupon will not constitute an Event of Default in respect of the Bonds;</p> <p>(g) In the event that the Issuer determines that it shall not make a payment of coupon on the Bonds, the Issuer shall notify the Trustee not less than 21 calendar days prior to the relevant Coupon Payment Date of that fact and of the amount that shall not be paid.</p> <p>(h) The Bonds shall not have a credit sensitive coupon feature, i.e. a coupon that is reset periodically based in whole or in part on the Banks' credit standing. For this purpose, any reference rate including a broad index which is sensitive to changes to the Bank's own creditworthiness and/ or to changes in the credit worthiness of the wider banking sector will be treated as a credit sensitive reference rate.</p>
Dividend Clause	Stopper	<p>Dividend Stopper Clause will be applicable to these instruments and it may stop dividend payments on common shares in the event the holders of AT1 instruments are not paid dividend/coupon.</p> <p>However, dividend stoppers must not impede the full discretion that Bank must have at all times to cancel distributions/payments on these instruments, nor must they act in a way that could hinder the re-capitalisation of the bank.</p> <p>For example, it would not be permitted for a stopper on an Additional Tier 1 instrument to:</p> <ul style="list-style-type: none"> <li>• attempt to stop payment on another instrument where the payments on this other instrument were not also fully discretionary;</li> <li>• prevent distributions to shareholders for a period that extends beyond the point in time that dividends/coupons on the Additional Tier 1 instrument are resumed;</li> <li>• impede the normal operation of the bank or any restructuring activity (including acquisitions/disposals).</li> </ul> <p>A stopper may act to prohibit actions that are equivalent to the payment of a dividend, such as the bank undertaking discretionary share buybacks, if otherwise permitted.</p>
Put Option		Not Applicable
Call Option	i) Issuer Call	<p>The Issuer may at its sole discretion, 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 outstanding Bonds.</p> <p>The Issuer Call, which is discretionary, may or may not be exercised on the <u>Fifth Anniversary</u> from the Deemed Date of Allotment i.e. the fifth Coupon Payment Date or on any Coupon Payment Date thereafter.</p> <p>Prior approval of RBI (Department of Banking Regulation) will be required.</p>





		<p>A bank must not do anything which creates an expectation that the call will be exercised.</p> <p>The instrument should be 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 Issuer. Here, replacement of the capital can be concurrent with but not after the instrument is called.</p> <p>OR</p> <p>(i) The Issuer demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.</p> <p>(ii) Here, minimum refers to Common Equity Tier 1 of 8% of RWAs (including capital conservation buffer of 2.5% of RWAs, as and when phased in by RBI) and Total Capital of 11.5% of RWAs (including capital conservation buffer of 2.5% of RWAs, as and when phased in by RBI) including any additional capital requirement identified under Pillar 2</p>
	ii) Tax Call or Variation	<p>If a Tax Event (as described below) has occurred and continuing, then the Issuer may, 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) in 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>The exercise of Tax Call by the Issuer is subject to requirements set out in the Applicable RBI Guidelines. RBI will 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>
	iii) Regulatory Call or Variation	<p>If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may, 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 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 Tier 1 Capital of the Issuer.</p> <p>The exercise of Regulatory Call by the Issuer is subject to requirements set out in the Applicable RBI Guidelines. RBI will 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>
Call Option Price		Rs.10 Lacs (Rupees Ten Lakh) per Bond
Call Notification Time		21 Calendar days prior to the date of exercise of Call
Debenture Redemption Reserve A/c		Not Applicable
Classification in Balance Sheet		The Bond shall be classified as "Liabilities" under Schedule-IV in the Balance Sheet for accounting purpose and not for the purpose of insolvency.



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Step up/Step Down Coupon Rate	Not Applicable
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Cross Default	Not Applicable
Proposed Listing	BSE Ltd
Issuance	Only in dematerialized Form
Trading	Only in dematerialized Form
Issue Schedule*	
Issue Opening Date	27.12.2017
Issue Closing Date	27.12.2017
Pay-in Dates	27.12.2017
Date of Allotment	27.12.2017
Minimum Application and in multiples of Debt securities thereafter	1 bonds and in multiples of 1 bond thereafter
Settlement	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism.
Premium/ Discount on Issue	Not Applicable
Premium/ Discount on redemption	Not Applicable
Repurchase/ buy-back/ redemption	<p>(i) Principal of the instruments may be repaid (e.g. through repurchase or redemption) only with prior approval of RBI and bank should not assume or create market expectations that supervisory approval will be given (this repurchase / buy-back / redemption of the principal is 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> <p>(ii) Bank may repurchase / buy-back / redemption only if:</p> <p>(a) Bank replaces such 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; or</p> <p>(b) The bank demonstrates that its capital position is well above the minimum capital requirements after the repurchase / buy-back / redemption.</p>
Loss Absorption	<p>Loss Absorption Features</p> <p>The Bonds shall have principal loss absorption through a write-down mechanism which shall allocate losses to the Bonds at a pre-specified trigger point. The write-down will have the following effects:-</p> <p>(a) Reduce the claim of the Bonds in liquidation;</p> <p>(b) Reduce the amount to be re-paid when Call is exercised; and</p> <p>(c) Partially or fully reduce coupon payments on the instruments.</p> <p>The write down in case of pre-specified trigger point will be temporary and in case of PONV trigger event will be permanent.</p> <p>(i) Permanent principal write-down on PONV Trigger Event</p> <p>(1) If a PONV Trigger Event (as described below) occurs, the issuer shall:</p> <p>(i) notify the Trustee</p> <p>(ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date: and</p> <p>(iii) Without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as may be determined by RBI ("PONV write-down amount") and subject as is</p>







	<p>otherwise required by the RBI at the relevant time.</p> <p>(2) PONV Trigger Event is the earlier of:</p> <p>a) a decision that the permanent write off, without which the Bank would become nonviable, is necessary, as determined by the Reserve Bank of India; and</p> <p>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.</p> <p>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.</p> <p>Such a decision would invariably imply that the write-off 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. As such, the contractual terms and conditions of an instrument must not provide for any residual claims on the issuer which are senior to ordinary shares of the bank (or banking group entity where applicable), following a trigger event and when write-off is undertaken.</p> <p>(3) A Non-viable Bank:</p> <p>For the purpose of these guidelines, 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 permanent write-off on non-equity regulatory capital, fully or partially, with or without other measures as considered appropriate by the Reserve Bank. In rare situations, a bank may also become non-viable due to non-financial problems, such as conduct of affairs of the bank in a manner which is detrimental to the interest of depositors, serious corporate governance issues, etc. In such situations raising capital is not considered a part of the solution and therefore, may not attract provisions of this framework.</p> <p>(4) Restoring Viability:</p> <p>An issuer facing financial difficulties and approaching a 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/public sector injection of funds are likely to:</p> <p>(a) Restore depositors'/investors' confidence;</p> <p>(b) Improve rating /creditworthiness of the bank and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and</p> <p>(c) Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.</p> <p>(5) When a bank breaches the PONV trigger and the equity is replenished through write-off, such replenished amount of equity will be excluded from</p>
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	<p>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>If the total CET1 ratio of the bank falls again below the total Common Equity ratio of 8%, it would include the replenished capital for the purpose of applying the capital conservation buffer framework.</p> <p>(6) If the bank goes into liquidation before the AT1 instruments have been written-down, these instruments will absorb losses in accordance with the order of seniority indicated in the offer document and as per usual legal provisions governing priority of charges.</p> <p>(7) If the bank goes into liquidation after the AT1 instruments 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 BR Act, 1949)</p> <p>(8) If the bank is amalgamated with any other bank before the AT1 instruments have been written-down, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>(9) If the bank is amalgamated with any other bank after the non-equity regulatory capital instruments have been written-down permanently, these cannot be written-up by the amalgamated entity.</p> <p>Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949).</p> <p>(10) If the relevant authorities decide to reconstitute a bank or amalgamate a 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 for write-down of AT1 instruments will be activated. Accordingly, the AT1 instruments will be fully written-down permanently before amalgamation / reconstitution in accordance with these rules.</p> <p>(11) Criteria to Determine the PONV: When the bank is adjudged by Reserve Bank of India to be approaching the point of non-viability, or has already reached the point of non-viability, but in the views of RBI:</p> <p>a) There is a possibility that a timely intervention in form of capital support, with or without other supporting 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>
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	<p>(12) The purpose of write-off of this instrument will be to shore up the capital level of the bank. RBI follows a two-stage approach to determine the non-viability of a bank. 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. 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>(13) 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> <p>(14) The trigger at PONV will be evaluated both at consolidated and solo level and breach at either level will trigger write-off.</p> <p>(15) 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>This additional trigger event is the earlier of:</p> <p>(1) a decision that a 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 equivalent support, without which the bank or the subsidiary would have become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off 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>(16) In such cases, the subsidiary should obtain its regulator's approval/no-objection for allowing the capital instrument to be written-off at the additional trigger point referred to in paragraph 15 above.</p>
(ii) Temporary principal Write-down on CET 1 Trigger Event	<p>(1) If a CET1 Trigger Event (as described below) occurs, the Issuer shall:</p> <p>(i) notify the Trustee</p> <p>(ii) cancel any coupon which is accrued and unpaid on the Bonds as on the write-down date; and</p> <p>(iii) without the need for the consent of Bondholders or the Trustee, write down the outstanding principal of the Bonds by such amount as the Issuer may in its absolute discretion decide. The aggregate amount to be written-down for all AT1 instruments on breaching the trigger level must be at least the amount needed to immediately return the bank's CET1 ratio to the trigger level or, if this is not possible, the full principal value of the instruments.</p>







	<p>(2) The pre-specified trigger for loss absorption through write-down of Additional Tier 1 instruments must be at least Common Equity Tier 1 capital of 6.125% of RWAs (All AT1 instruments issued before March 31, 2019 i.e. before the full implementation of Basel III will have two pre-specified triggers. A lower pre-specified trigger at CET1 of 5.5% of RWAs will apply and remain effective before March 31, 2019; from this date the trigger will be raised at CET1 of 6.125% of RWAs for all such instruments. AT1 instruments issued on or after March 31, 2019 will have pre-specified trigger at CET1 of 6.125% of RWAs only). The Write-down of any Common Equity Tier 1 capital shall not be required before a write-down of any Additional Tier 1 capital instrument.</p> <p>(3) The write-down mechanism which allocates losses to the Additional Tier 1 instruments (AT1) instruments must generate Common Equity Tier 1 (CET1) under applicable Indian Accounting Standards. The instrument will receive recognition in AT1 capital only upto the extent of minimum level of CET1 generated (i.e. net of contingent liability recognised under the Indian Accounting Standards, potential tax liabilities, etc., if any) by a full write-down of the instrument.</p> <p>(4) When a bank breaches the pre-specified trigger of loss absorbency of AT1 and the equity is replenished either 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 (If the total CET1 ratio of the bank falls again below the 8%, it would include the replenished capital for the purpose of applying the capital conservation buffer framework).</p> <p>(5) The write-down may be allowed more than once in case a bank hits the pre-specified trigger level subsequent to the first write-down which was partial.</p> <p>(6) The write-down of AT1 instruments are primarily intended to replenish the equity in the event it is depleted by losses. Therefore, banks should not use write-down of AT1 instruments to support expansion of balance sheet by incurring further obligations / booking assets. Accordingly, a bank whose Common Equity ratio slips below 8% due to losses and is still above 6.125% i.e. trigger point, should seek to expand its balance sheet further only by raising fresh equity from its existing shareholders or market and the internal accruals</p> <p>(7) If the bank goes into liquidation before the AT1 instruments have been written-down, these instruments will absorb losses in accordance with the order of seniority indicated in the offer document and as per usual legal provisions governing priority of charges.</p> <p>(8) If the bank goes into liquidation after the AT1 instruments have been written-down, the holders of these instruments will have no claim on the proceeds of liquidation.</p>
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	<p>Amalgamation of a banking company: (Section 44 A of BR Act, 1949)</p> <p>(9) If the bank is amalgamated with any other bank before the AT1 instruments have been written-down, these instruments will become part of the corresponding categories of regulatory capital of the new bank emerging after the merger.</p> <p>(10) If the bank is amalgamated with any other bank after the AT1 instruments have been written-down temporarily, the amalgamated entity can write-up these instruments as per its discretion.</p> <p>Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949)</p> <p>(11) If the relevant authorities decide to reconstitute a bank or amalgamate a 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 for write-down of AT1 instruments will be activated. Accordingly, the AT1 instruments will be fully written-down permanently before amalgamation / reconstitution in accordance with these rules.</p> <p><b>Reinstatement</b> Following a write-down pursuant to above Condition (Temporary write down) the outstanding principal amount of the Bonds may be increased in accordance with RBI guidelines. Bonds may be subject to more than one Reinstatement.</p>
Order of claim of AT-1 instruments at the event of Gone concern situation	<p>The order of claim of various types of Regulatory capital instruments issued by the Issuer and that may be issued in future shall be as under:</p> <p>Additional Tier-1 debt instruments will be superior to the claims of investors in equity shares and perpetual non-cumulative preference shares and subordinate to the claims of all depositors and general creditors &amp; subordinated debt of the Issuer. However, write down / claim of AT-1 debt instruments will be on pari-passu basis amongst themselves irrespective of the date of issue.</p>
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"> <li>(i) Letter appointing Trustees to the Bond Holders</li> <li>(ii) Bond trustee agreement</li> <li>(iii) Bond trustee deed</li> <li>(iv) Rating agreement with Rating agency</li> <li>(v) Tripartite agreement between the Issuer, Registrar and NSDL/CDSL for issue of Bonds in dematerialized form</li> <li>(vi) Letter appointing Registrar and agreement entered into between the Issuer and the Registrar</li> <li>(vii) Listing Agreement with BSE Limited</li> <li>(viii) Disclosure Document</li> </ul>
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"> <li>(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</li> <li>(ii) Letter from the Trustees conveying their consent to act as Trustees for the Bondholder(s)</li> <li>(iii) Letter to BSE for seeking its In-principle approval for listing and trading of Bonds</li> </ul>
Conditions subsequent to subscription of	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned below:</p>



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Bonds	<p>(i) Credit of demat account(s) of the allottee(s) by number of Bonds allotted within 2 working days from the Deemed Date of Allotment</p> <p>(ii) Making listing application to BSE within 15 days from the Deemed Date of Allotment of Bonds and seeking listing permission within 20 days from the Deemed Date of Allotment of Bonds in pursuance of SEBI Debt Regulations;</p> <p>(In the event of a delay in listing of the Bonds beyond 20 days of the Deemed Date of Allotment, the Issuer will pay to the investor penal interest of 1% per annum over the Coupon Rate commencing on the expiry of 30 days from the Deemed Date of Allotment until the listing of the Bonds.)</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Term Sheet.</p>
Business Convention	<p><b>Day</b></p> <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 Redemption date &amp; Coupon payment date of the bond falls together on a day that is not a business day, the redemption proceeds shall be paid by the Issuer on previous working business day along with interest accrued on the bond until but excluding the date of such payment.</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>Business Day being a day when the Money Market is functioning in Mumbai, Maharashtra, India.</p>
Refusal of Listing:	<p>If listing permission is refused before the expiry of the 20 days 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 20 days from the Deemed Date of Allotment. If such monies are not repaid within 8 days after the Issuer becomes liable to repay it (i.e. from the date of refusal or 20 days 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>
Delay in Listing	<p>In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the issuer will pay penal interest of at least 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.</p>
Eligible Investors	<p>a. Mutual Funds;</p> <p>b. Public Financial Institutions as defined under the Companies Act.</p> <p>c. Scheduled Commercial Banks;</p> <p>d. Insurance Companies;</p> <p>e. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;</p> <p>f. Co-operative Banks;</p> <p>g. Regional Rural Banks authorized to invest in bonds/ debentures;</p> <p>h. Companies and Bodies Corporate authorized to invest in bonds/ debentures;</p> <p>i. Trusts authorized to invest in bonds/ debentures; and</p> <p>j. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc</p> <p>The potential investors are required to independently verify their eligibility to subscribe</p>



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	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.
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 competent courts of Kolkata.
Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular on Basel III capital regulations issued by RBI vide circular RBI/2015-16/58 DBOD.No.BP.BC.1/21.06.201/ 2015-16 dated July 1, 2015 , covering criteria for inclusion of debt capital instruments as Tier-1 capital (Annex 4) 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 Master Circular on Basel III capital regulations Clarification issued by RBI vide circular RBI/2015-16/285 DBR.No.BP.BC.71/21.06.201/2015-16 dated January 14, 2016, RBI Circular no. DBR.BP.BC.NO 50/21.06.201/2016-17 dated February 02, 2017. In the event of any inconsistency in terms of the Bonds as laid down in any of the transaction document(s) and terms of the BASEL III Guidelines, the provisions RBI Circular on BASEL III Guidelines shall prevail.
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.
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.
Regulatory guidelines	The terms of the proposed issue are intended to be consistent with guidelines of RBI. Hence, in case of any doubt/discrepancy, the applicable RBI guidelines will prevail.
Re-capitalization	Nothing contained in this term-sheet or in any transaction documents shall hinder recapitalization by the Issuer
Role and Responsibilities of Trustees	The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the Holder(s) of the Bonds and shall further conduct itself and comply with the provisions of all applicable laws provided that, the provisions of 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.
Additional Covenants	On the happening of any of the event of default, in addition to the rights specified above, the bond/debenture Holders/ debenture Trustees shall have the right as indicated in the SEBI Regulations/ from time to time.
Trustees	IDBI Trusteeship Services Ltd.
Registrars	Link Intime India Pvt. Ltd.
Electronic book mechanism for issuance of debt securities on private placement basis	SEBI vide its circular No. CIR/IMD/DF1/48/2016 dated April 21, 2016 has made electronic book mechanism mandatory for all private placements of debt securities in primary market with an issue size of Rs.500 crores and above, inclusive of green shoe option, if any. However, the following issuers have an option to follow either electronic book mechanism or the existing mechanism:- a. issues with a single investor and where coupon rate are fixed. However arrangers acting as underwriters shall not be considered as single investors. b. issues wherein the issue size is less than Rs. 500 crores, inclusive of green shoe option.





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\* The issuer reserves its sole and absolute right to modify (pre-pone/ post-pone) the above issue schedule without giving any reasons or prior notice. In such a case, applicants shall be intimated about the revised time schedule by the Bank. The issuer also reserves the right to keep multiple Date(s) of Allotment at its sole and absolute discretion without any notice. In case if the Issue Closing Date/ Pay in Dates is/are changed (pre-poned/ post-poned), the Deemed Date of Allotment may also be changed (pre-poned/ post-poned) by the issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Call Option Due Date may also be changed at the sole and absolute discretion of the issuer.

