

IDBI BANK LIMITED

Regd. Office: IDBI Tower, WTC Complex, Cuffe Parade, Mumbai 400005
Tel (022) 6655 2258/3018, Fax (022) 2218 8137, Grams: INDBANKIND, Website:www.idbi.com

Summary Term Sheet

Issue of Unsecured Redeemable Long Term Bonds aggregating to ₹700 Crore with green shoe option upto ₹300 crore through Private Placement in terms of RBI Circular no. RBI/2015-16/58 DBR.No.BP.BC.1/ 21.06.201/2015-16 dated July 1, 2015

1.	Security Name	IDBI Omni Tier 2 Bond 2015-16 Series II
2.	Issuer	IDBI Bank Limited
3.	Issue Size	₹700 Crore with green shoe option upto ₹300 crore
4.	Objects of the Issue / Details of the utilization of the proceeds	Augmenting Tier 2 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. The Bank shall utilise the proceeds of the Issue for its regular business activities and such other activities as may be permitted under the Memorandum and Articles of Association.
5.	Type of Instrument	Unsecured, subordinated, non-convertible, redeemable bonds which will qualify as Tier 2 Capital (as the term is defined in the Basel III Guidelines) (the “ Bonds ”).
6.	Nature of Instrument	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.
7.	Seniority	The claims in respect of the Bonds, will rank: (i) superior to the claims of investors in instruments eligible for inclusion in Tier 1 capital; (ii) subordinate to the claims of all depositors, general creditors of the Issuer other than subordinated debt qualifying as Tier 2 Capital (as the term is defined in the Basel III Guidelines) of the Issuer; (iii) is neither secured nor covered by a

		<p>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.</p> <p>(iv) <i>pari passu</i> without preference amongst themselves and other debt instruments classifying as Tier 2 Capital in terms of Basel III Guidelines; and</p> <p>(v) to the extent permitted by the Basel III Guidelines, <i>pari passu</i> with any subordinated obligation eligible for inclusion in either lower tier II capital or upper tier II capital under the then prevailing Basel II guidelines.</p> <p><i>As a consequence of these subordination provisions, if a winding up proceeding should occur, the Bondholders may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer.</i></p> <p><i>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.</i></p>
8.	Listing (including name of stock Exchange(s) where it will be listed)	Proposed on the Wholesale Debt Market (WDM) Segment of NSE / BSE.
9.	Tenor	Redeemable after 10 years from the deemed date of allotment
10.	Redemption / Maturity Date	January 02, 2026
11.	Redemption Amount	Subject to Condition 39 (<i>Permanent principal write-down on PONV Trigger Event</i>) the redemption amount would be ₹10,00,000/- per Bond
12.	Convertibility	Non-convertible
13.	Face Value	₹10,00,000/- (Rupees Ten Lakh) per Bond.
14.	Credit Rating	‘IND AA+’ with stable outlook by India Rating (ICRA)AA+ hyb with negative outlook by ICRA CRISIL AA+/- negative by CRISIL

15.	Mode of Issue	Private placement.
16.	Security	Unsecured.
17.	Coupon Rate	8.62% p.a.
18.	Coupon Reset	Not Applicable.
19.	Coupon Type	Fixed.
20.	Coupon Payment Frequency	Subject to Condition 39 (<i>Permanent principal write-down on PONV Trigger Event</i>), coupon will be payable annually in arrear.
21.	Coupon Payment Dates	<p>On the anniversary of the Deemed Date of Allotment.</p> <p><i>All instances of non-payment of coupon on relevant Coupon Payment Date will be notified by the Issuer to the Chief General Managers-in-Charge of Department of Banking Regulation and Department of Banking Supervision of the Reserve Bank of India, Mumbai.</i></p>
22.	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</p>

		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.
23.	Record Date	Reference date for payment of coupon or of principal which shall be the date falling 15 days prior to the relevant Coupon Payment 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 falls on a day which is not a Business Day, the next Business Day will be considered as the Record Date.
24.	Computation of Interest	Actual/ Actual
25.	Put Option	No Put Option available
26	Call Option :	
(i)	Tax Call or Variation	<p>If a Tax Event (as described below) has occurred and continuing, then the Issuer may, subject to Condition 27 (<i>Conditions for call</i>) having been satisfied 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 thereunder) 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 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>

(ii)	Regulatory Call or Variation	<p>If a Regulatory Event (as described below) has occurred and continuing, then the Issuer may, subject to Condition 27 (<i>Conditions for call</i>) having been satisfied 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 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 2 Capital of the Issuer.</p> <p>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>
(iii)	Call Notification Time	12 calendar days prior to the date of exercise of Call
27.	Conditions for call	<p>The Issuer shall not exercise a call option or substitute or vary any of the Bonds unless:</p> <ul style="list-style-type: none"> (i) in the case of exercise of call option, either <ul style="list-style-type: none"> (a) the Bonds 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 and such replacement of the capital will be concurrent but not after the exercise of call; or (b) the Issuer has demonstrated to the satisfaction of the RBI that its capital position is well above (in the opinion of the RBI) the minimum capital requirements after such call option is exercised; (ii) the prior written approval of the RBI shall have been obtained; (iii) the Issuer has not created any expectation that such call or variation shall be exercised; and (iv) any other pre-conditions specified in the Basel III Guidelines at such time have been satisfied.

28.	Depository	(i) National Securities Depository Limited (the “NSDL”); and (ii) Central Depository Services (India) Limited (the “CDSL”).
29.	Events of Default	As specified in the Bond trust deed.
30.	Cross Default	Not Applicable
31.	Proposed Listing	(i) National Stock Exchange of India Limited (the “NSE”); and (ii) BSE Limited (the “BSE”)
32.	Issuance	Only in dematerialized form
33.	Trading	Only in dematerialized form
34.	Issue Schedule : 1. Issue Opening Date 2. Issue Closing Date	January 02, 2016 January 02, 2016
35.	Pay-In-Date	January 02, 2016
36.	Deemed Date of Allotment	January 02, 2016
37.	Minimum Application and in multiples of Debt securities thereafter	5 Bonds and in multiples of 1 Bond thereafter
38.	Settlement	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism.
39.	Permanent principal write-down on PONV Trigger Event	PONV Trigger Event , in respect of the Issuer or its group, means the earlier of: (i) 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 the RBI; and (ii) 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 have become non-viable, as determined by the RBI; However, any capital infusion by Government of India into the Issuer as the promoter of the Issuer in the normal course of business may not be

		<p>construed as a PONV trigger.</p> <p>If a PONV Trigger Event 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 down the outstanding principal and any interest which is accrued and unpaid in relation to the Bonds by such amount as may be prescribed by RBI (“PONV Write Off Amount”) and subject as is otherwise required by the RBI at the relevant time. The Issuer will affect a write-off within thirty days of the PONV Write-off Amount being determined and agreed with the RBI. <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>If the Issuer is amalgamated with any other bank pursuant to Section 44 A of the Banking Regulation Act, 1949 (the BR Act) 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>If the Issuer is amalgamated with any other bank after the Bonds have been written down pursuant to a PONV Trigger Event, these cannot be reinstated by the amalgamated bank.</p> <p>If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, pursuant to Section 45 of the BR Act, the Issuer will be deemed as non-viable or approaching non-viability and the PONV Trigger Event will be activated. Accordingly, the Bonds will be permanently written-down in full prior to any reconstitution or amalgamation.</p> <p><i>The write down of the Bonds vis-à-vis other</i></p>
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40.	Treatment in Bankruptcy/ Liquidation	The holders of the Bonds shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation of the Issuer.

41.	Order of claim of Tier 2 instruments at the event of Gone concern situation	<p>The order of claim of various types of Regulatory capital instruments issued by the Bank and that may be issued in future shall be as under:</p> <p>Tier 2 debt instruments will be superior to the claims of investors eligible for inclusion in Tier 1 capital; and subordinate to the claims of all depositors and general creditors of the bank. However, write down / claim of Tier 2 debt instruments will be on <i>pari-passu</i> basis amongst themselves irrespective of the date of issue.</p> <p>Perpetual non-cumulative preference shares will be superior to the claims of Equity Shares.</p>
42.	Transaction Documents	<p>The Issuer has executed/ 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 trust 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) Letter appointing Registrar and agreement entered into between the Issuer and the Registrar. (viii) Listing Agreement with NSE & BSE.
43.	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) 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); (iii) Letter to NSE & BSE for seeking its In-principle approval for listing and trading of Bonds.
44.	Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/ activities are</p>

		<p>completed as per time frame mentioned elsewhere in this Disclosure Document:</p> <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) Make listing application to NSE/BSE within 10 days from the Deemed Date of Allotment of Bonds and seek 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>(iii) 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.</p> <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</p>
45	Business Day	<p>means all days except Saturday (2nd & 4th of the month), Sunday and any public holiday, in accordance with the Negotiable Instruments Act, 1881 being a date on which banks are normally open for business in Mumbai.</p>
46.	Business Day Convention	<p>Should any of the dates, other than the Coupon Payment Date including the Deemed Date of Allotment, Tax Call Date or Regulatory Call Date as defined in this Information Memorandum, fall on day which is not a Business Day, the immediately preceding Business Day shall be considered as the effective date. Should the Coupon Payment Date, as defined in this Disclosure Document, fall on day which is not a Business Day, the immediately next Business Day shall be considered as the effective date.</p>

47.	Re-capitalization	Nothing contained in this term-sheet or in any transaction documents shall hinder re-capitalization by the Issuer.

I. OTHER GENERAL TERMS

1.	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>k. Any other person eligible to invest under applicable statutory/ regulatory requirements</p> <p>This Issue is restricted only to the above investors. Prospective subscribers must make their own independent evaluation and judgment regarding their eligibility to invest in the issue.</p>
2.	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 courts of Mumbai, Maharashtra.
3.	Applicable RBI Guidelines	The present issue of Bonds is being made in pursuance of Master Circular on Basel III capital regulations issued vide circular RBI/2015-16/58

		DBR.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 I instruments at pre-specified trigger and of all non-equity regulatory capital instruments at the PONV (Annex 16) as amended or replaced from time to time. 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 shall prevail.
4.	Prohibition on Purchase/ Funding of Bonds	Neither the Bank nor a related party over which the Bank exercises control or significant influence (as defined under relevant Accounting Standards) shall purchase the Bonds, nor shall the Bank directly or indirectly fund the purchase of the Bonds. The Bank shall also not grant advances against the security of the Bonds issued by it.
5.	Trustees	SBICAP Trustee Company Ltd.
6.	Registrar	M/s.Karvy Computershare Pvt. Ltd.