

## VIII. SUMMARY TERM SHEET

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| Issuer                               | Bank of India ("BOI"/ the "Bank"/ the "Issuer")  |
| Issue Size                           | Rs. 1,000 crore  |
| Objects of the Issue                 | Augmenting Tier 2 Capital and overall capital of the Bank for strengthening its capital adequacy and for enhancing its long-term resources   |
| Instrument                           | Non-Convertible Redeemable Unsecured Basel III compliant Tier 2 Bonds (Series X) in the nature of Debentures of Rs. 10 lacs each ("Bonds")   |
| Nature and status of Bonds           | Claims of the Bondholders shall be (i) senior to the claims of investors in instruments eligible for inclusion in Tier 1 capital (ii) subordinate to the claims of all depositors and general creditors of the Bank and (iii) the Bonds shall neither be secured nor covered by a guarantee of the Issuer or its related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis creditors of the Bank  |
| Issuance Mode                        | In Demat mode only   |
| Convertibility                       | Non-Convertible  |
| Trading Mode                         | In demat mode only   |
| Credit Rating                        | "CRISIL AAA/Stable" by CRISIL Limited  |
| Mode of Issue                        | Private Placement  |
| Security                             | Unsecured  |
| Loss Absorbency                      | <p>The Bonds shall be subjected to loss absorbency features applicable for non-equity capital instruments vide RBI Master Circular No. DBOD.No.BP.BC.2 /21.06.201/2013-14 dated July 01, 2013 on Basel III capital regulations 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 Point of Non-viability ("PONV") (Annex 16).</p> <p>Accordingly, the Bonds may at the option of the RBI either be permanently written off or temporarily written off on the occurrence of the trigger event called the Point of Non Viability. PONV trigger event shall be as defined in the aforesaid RBI Circular and shall be determined by the RBI.</p>   |
| Treatment in Bankruptcy/ Liquidation | The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation   |
| PONV                                 | The Bonds, at the option of the Reserve Bank of India, can be temporarily written down or permanently written off upon occurrence of the trigger event, called the 'Point of Non-Viability Trigger ("PONV Trigger")'   |
| PONV Trigger                         | <p>The PONV Trigger event is the earlier of:</p> <ul style="list-style-type: none"> <li>c. a decision that a temporary/ permanent write off is necessary without which the Bank would become non viable, as determined by the RBI; and</li> <li>d. the decision to make a public sector injection of capital, or equivalent support, without which the Bank would have become non viable, as determined by the relevant authority. The write-off consequent upon the trigger event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.</li> </ul> <p>For this purpose, 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 of India 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 temporary and/or permanent write-off in combination with or without other measures as considered appropriate by the Reserve Bank of India.</p> |



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|   | A bank facing financial difficulties and approaching a PONV shall be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including temporary/ permanent write-off/ public sector injection of funds are likely to:  |
|   | d. Restore confidence of the depositors/ investors;   |
|   | e. Improve rating/ creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and  |
|   | f. Augment the resource base to fund balance sheet growth in the case of fresh injection of funds.  |
| Face Value  | Rs. 10.00 lacs per Bond   |
| Premium/ Discount on Issue  | Nil   |
| Issue Price   | At par (Rs.10.00 lacs per Bond)   |
| Premium/ Discount on redemption   | Nil   |
| Maturity  | Redeemable after 120 months from the Deemed Date of Allotment   |
| Redemption/ Maturity Date   | September 25, 2023  |
| Lock-in-Period  | Not Applicable  |
| Minimum Application   | 5 (five) Bonds and in multiples of 1 Bond thereafter  |
| Put Option  | None  |
| Call Option   | None  |
| Call Option Price   | None  |
| Call Notification Time  | Not applicable  |
| Coupon Rate   | 9.80% p.a.  |
| Step Up/ Step Down Coupon Rate  | None  |
| Coupon Payment Frequency  | Annual  |
| Coupon / Interest Payment Date  | The date, in case of the first coupon/ interest payment shall be April 01, 2014 and for subsequent financial years the coupon/ interest payment date shall be on April 01 of every financial year. The last interest payment in each case will be made on the Redemption Date on prorata basis  |
| Coupon Type   | Fixed   |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc) | Not Applicable  |
| Default Interest Rate   | Not Applicable  |
| Day Count Basis   | Actual  |
| Interest on Application Money   | Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto one day prior to the Deemed Date of Allotment |
| Listing   | Proposed on the Wholesale Debt Market (WDM) segment of National Stock Exchange of India Limited ("NSE")   |
| Trustees  | IDBI Trusteeship Services Limited   |
| Depository  | National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")  |
| Registrars  | Bigshare Services Private Limited   |
| Settlement  | Payment of interest/ repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ NECS/ RTGS/ NEFT mechanism.  |
| Business Day Convention   | 'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai, Maharashtra. If any coupon payment date and/or redemption date falls on a day which is not a business day, payment of interest and/or principal amount shall be made on the next business day without liability for making payment of interest for the delayed period.   |



|  |   |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
|--|---|--------------------|---------------|--------------|--|-----------------------------|--------|-----------|--------------|-----------------------|---|-----------|--------------------------------------|
| Record Date                                    | Reference date for payment of interest/ repayment of principal which shall be the date falling 15 days prior to the relevant Interest Payment Date on which interest or the Redemption/ Maturity Date on which the Maturity Amount 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.  |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Payment Mode                                   | The remittance of application money should be made by electronic transfer of funds through RTGS mechanism for credits as per details given hereunder: <table border="1"> <tr> <td>Name of the Banker</td> <td>Bank of India</td> </tr> <tr> <td>Account Name</td> <td>Bank of India A/c – Tier 2 Bonds 2013-14</td> </tr> <tr> <td>Credit into Current A/c No.</td> <td>100143</td> </tr> <tr> <td>IFSC Code</td> <td>BKID 0000156</td> </tr> <tr> <td>Address of the Branch</td> <td>Bank of India, Treasury Branch, Star House, C 5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051</td> </tr> <tr> <td>Narration</td> <td>Application Money for the Bond Issue</td> </tr> </table>   | Name of the Banker | Bank of India | Account Name | Bank of India A/c – Tier 2 Bonds 2013-14 | Credit into Current A/c No. | 100143 | IFSC Code | BKID 0000156 | Address of the Branch | Bank of India, Treasury Branch, Star House, C 5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 | Narration | Application Money for the Bond Issue |
| Name of the Banker                             | Bank of India   |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Account Name                                   | Bank of India A/c – Tier 2 Bonds 2013-14  |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Credit into Current A/c No.                    | 100143  |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| IFSC Code                                      | BKID 0000156  |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Address of the Branch                          | Bank of India, Treasury Branch, Star House, C 5, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051   |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Narration                                      | Application Money for the Bond Issue  |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Eligible Investors                             | Mutual Funds, Public Financial Institutions as defined under section 4A of the Companies Act, 1956, Scheduled Commercial Banks, Insurance Companies, Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds, Co-operative Banks, Regional Rural Banks authorized to invest in bonds/ debentures, Companies and Bodies Corporate authorized to invest in bonds/ debentures, Trusts authorized to invest in bonds/ debentures, Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures, etc   |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Non-Eligible classes of Investors              | Qualified Foreign Investors, Foreign Nationals, Persons resident outside India, Venture Capital Funds, Alternative Investment Funds, Overseas Corporate Bodies, Partnership firms formed under applicable laws in India in the name of the partners, Hindu Undivided Families through Karta, Person ineligible to contract under applicable statutory/ regulatory requirements etc.   |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Transaction Documents                          | The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue: <ol style="list-style-type: none"> <li>Letter appointing Trustee to the Bondholders;</li> <li>Debenture Trusteeship Agreement;</li> <li>Letter appointing Arranger to the Issue;</li> <li>Letter appointing Registrar and Agreement entered into between the Issuer and the Registrar;</li> <li>Rating Agreement with CRISIL Limited;</li> <li>Tripartite Agreement between the Issuer, Registrar and NDSL for issue of Bonds in dematerialized form;</li> <li>Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>Application made to NSE for seeking its in-principle approval for listing of Bonds;</li> <li>Listing Agreement with NSE.</li> </ol>  |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Conditions precedent to subscription of Bonds  | The subscription from applicants shall be accepted for allocation and allotment by the Issuer subject to the following: <ol style="list-style-type: none"> <li>Rating letter from CRISIL Limited not being more than one month old from the issue opening date;</li> <li>Consent letter from the Trustees to act as Trustee to the Bondholder(s);</li> <li>Letter from NSE conveying in-principle approval for listing &amp; trading of Bonds.</li> </ol>   |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |
| Conditions subsequent to subscription of Bonds | The Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document: <ol style="list-style-type: none"> <li>Credit of demat account(s) of the Allottee(s) by the number of Bonds allotted within 2 working days from the Deemed Date of Allotment;</li> <li>Making application to NSE within 15 days from the Deemed Date of Allotment to list the Bonds and seek listing permission within 20 days from the Deemed Date of Allotment in terms of sub-section (1) of Section 73 of the Companies Act, 1956 (1 of 1956);</li> <li>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.</li> <li>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Disclosure Document.</li> </ol> |                    |               |              |  |                             |        |           |              |                       |   |           |                                      |



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| Cross Default                             | Not Applicable  |
| Role and Responsibilities of Trustees     | <p>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 Section 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 Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Bonds including but not limited to the right to appoint a nominee director on the Board of the Issuer in consultation with institutional holders of such Bonds. The Trustees shall ensure disclosure of all material events on an ongoing basis.</p> <p>The Issuer shall, till the redemption of Bonds, submit its latest audited/ limited review half yearly consolidated (wherever available) and standalone financial information such as Statement of Profit &amp; Loss, Balance Sheet and Cash Flow Statement and auditor qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended. Besides, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustees and the Trustees shall be obliged to share the details so submitted with all 'Qualified Institutional Buyers' (QIBs) within two working days of their specific request.</p> |
| 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 District Courts of Mumbai, Maharashtra.   |
| Additional Covenants                      | <p><b>Delay in Listing:</b> The Issuer shall complete all formalities and seek listing permission within 15 days from the Deemed Date of Allotment. In the event of delay in listing of Bonds beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay penal interest of 1.00% per annum over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Bonds to the Bondholder(s).</p> <p><b>Refusal of Listing:</b> 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, as prescribed under Section 73 of the Companies Act, 1956.</p>  |
| Applicable RBI Guidelines                 | The present issue of Bonds is being made in pursuance of Master Circular No. DBOD.No.BP.BC.2 /21.06.201/2013-14 dated July 01, 2013 issued by the Reserve Bank of India on Basel III capital regulations 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)   |
| 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  |
| Issue Opening Date                        | September 25, 2013  |
| Issue Closing Date                        | September 25, 2013  |
| Pay In Date                               | September 25, 2013  |
| Deemed Date of Allotment                  | September 25, 2013  |



Note: The Issuer reserves its sole and absolute right to modify (pre-poned/ post-poned) 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 Issuer. 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 Redemption Date may also be changed at the sole and absolute discretion of the Issuer.

