

VIII. 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 DBOD.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 No. DBR.BP.BC.No 50/21.06.201/2016-17 dated February 02, 2017

1	Security Name	Bank of India. Tier II Bonds Series 14
2	Issuer	Bank of India ("BOI"/ the "Issuer"/ the "Bank").
3	Issue Size	Upto Rs. 500 Crore with a green shoe option of Upto Rs. 500 crore aggregating upto Rs. 1000 Crore
4	Objects of the Issue / Details of the utilization of the proceeds	Augmenting Tier II Capital and overall capital of the Bank 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.
5	Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	Proposed to be listed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange Limited (NSE).
6	Type of Instrument	Unsecured, Non-Convertible, Taxable, Basel III Compliant Tier 2 Bonds (Series 14) for inclusion in Tier II Capital in the nature of Debentures.
7	Nature and status of Bonds	The Bonds are unsecured bonds. 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. 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.
8	Seniority of Instrument/Claim	The claims in respect of the Bonds, 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) is 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 claims of such subsequent bond holders are senior or subordinate to the Bonds issued under this Information Memorandum or unless the RBI specifies otherwise in its guidelines, the claims of the Bond holders shall be pari passu with claims of holders of such subsequent debentures/bond issuances; and shall be on pari passu ranking with holders of other Tier 2 instruments issued by the Bank. The Bondholders shall have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation. The claims of the bondholders shall be subject to the provisions mentioned in the "Point of Non viability" (PONV) in the term sheet.
9	Tenor	10 Years from the Deemed Date of Allotment
10	Redemption Date	10 years from the Deemed Date of allotment
11	Redemption Amount	Rs. 10 lakhs per bond
12	Redemption Premium /	NA

	Discount	
13	Convertibility	Non-Convertible.
14	Face Value/ Issue Price	Rs. 10,00,000/- (Rupees Ten Lacs) per Bond.
15	Discount at which security is issued and effective yield as a result of such discount	Not Applicable
16	Credit Rating	IND AA+ ; outlook stable by India Ratings Research Pvt. Ltd. ; BWR AA+ (Outlook : Stable) by Brickwork Ratings India Pvt. Ltd.
17	Mode of Issue	Private Placement
18	Security	Unsecured
19	Coupon	8 % per annum payable annually
20	Step up / Step down Coupon Rate	Not Applicable
21	Coupon Reset	Not Applicable
22	Coupon Type	Fixed rate
23	Coupon (interest) Payment Frequency	Annual
24	Coupon Payment Dates	The first interest payment will be made on 01.04.2017 for the period commencing from the Deemed Date of Allotment till 31.03.2017 and for subsequent financial years the Coupon/ Interest Payment Date shall be on April 01 of every financial year, subject to RBI Regulations (up to Call Option Due Date, in case the Call Option is exercised by the Bank)
25	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>
26	Record Date	Reference 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 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.
27	Computation of Interest	<p>Interest for each of the interest periods shall be computed as per Actual / Actual day count conversion on the face value/principal outstanding at the Coupon Rate rounded off to the nearest rupee (as per SEBI circular nos. CIR/IMD/DF/18/ 2013 dated October29, 2013 and CIR/IMD/DF-1/122/2016 dated November 11, 2016).</p> <p>Interest Period means each period beginning on (and including) the Deemed Date of Allotment or any Coupon Payment Date and ending on (but excluding) the next Coupon Payment Date/ Issuer Call Date, Tax Call Date or Regulatory Call Date (each as defined later) (if exercised).</p> <p>In case of a leap year, if February 29 falls during the tenor of the Bonds, then</p>



		the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period.
28	Put Option	No Put Option available.
29	Call Option	<p>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"), exercise a call on the outstanding Bonds.</p> <p>The Issuer Call, which is discretionary, may or may not be exercised on the Fifth 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. For example, to preclude such expectation of the instrument being called, the dividend / coupon reset date need not be co-terminus with the call date. Banks may, at their discretion, consider having an appropriate gap between dividend / coupon reset date and call date;</p> <p>c. Banks will not exercise a call unless</p> <p>(i) It replaces 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% 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 under pillar 2).</p> <p>The use of tax event and regulatory event calls will be permitted. However, exercise of the calls on account of these events is subject to the requirements set out in points (a) to (c) above. RBI will permit the bank to exercise the call only if the RBI is convinced that the bank was not in a position to anticipate these events at the time of issuance of PDIs.</p> <p>To illustrate, if there is a change in tax treatment which makes the capital instrument with tax deductible coupons into an instrument with non-tax deductible coupons, then the bank would have the option (not obligation) to repurchase the instrument. In such a situation, a bank may be allowed to replace the capital instrument with another capital instrument that perhaps does have tax deductible coupons. Similarly, if there is a downgrade of the instrument in regulatory classification (e.g. if it is decided by the RBI to exclude an instrument from regulatory capital) the bank has the option to call the instrument and replace it with an instrument with a better regulatory classification, or a lower coupon with the same regulatory classification with prior approval of RBI. However, banks may not create an expectation / signal an early redemption / maturity of the regulatory capital instrument.</p>
30	Call Option Price	Rs. 10,00,000/- (Rupees Ten Lacs) per Bond.
31	Call Notification Time	Ten (10) calendar days prior to the date of exercise of Call.
32	Depository	National Securities Depository Limited (the "NSDL") and Central Depository Services (India) Limited (the "CDSL")
33	Cross Default	Not Applicable
34	Default Interest Rate	Not Applicable
35	Issuance	Only in dematerialized form



36	Trading	Only in dematerialized form
37	Issue Schedule	
a.	Bids Opening Date	24-03-2017
b.	Bids Closing Date	24-03-2017
c.	Pay-In-Date	27-03-2017
38	Deemed Date of Allotment	27-03-2017
39	Minimum Application and in multiples of Debt securities thereafter	Ten (10) Bond and in multiples of one Bond thereafter.
40	Settlement	Payment of interest shall be made by way of credit through direct credit/ NECS/ RTGS/ NEFT mechanism./ cheque/draft etc
41	(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 read with 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 no. DBR.BP.BC.No 50/21.06.201/2016-17 dated February 02, 2017. 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.
	(b) Loss Absorption at Point of Non-Viability (PONV)	<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-off date; and</p> <p>(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> <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> <p>a. a decision that full permanent write-off, without which the Bank would become non-viable, 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 become non-viable, as determined by the relevant authority.</p> <p>The Write-off of any Common Equity Tier 1 capital will not be required before the write-off of these instruments.</p>



	<p>(ii) Such a decision would invariably imply that the write-off 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>(iv) No compensation will be paid to these Instrument holders 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 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 /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>6. The amount of non-equity capital to be written-off will be determined by RBI.</p> <p>7. When Bank breaches the PONV trigger and the equity is replenished through 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 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> <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> <p>9. The purpose of write-off 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</p>
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		<p>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 alone or write-off 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 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>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 become non-viable, as determined by the Reserve Bank of India. Such a decision would invariably imply that the write-off 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 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>18. If Bank is amalgamated with any other bank after these instruments have been written-off permanently, these cannot be written-up by the amalgamated</p>
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		<p>entity.</p> <p>(b) Scheme of reconstitution or amalgamation of a banking company: (Section 45 of BR Act, 1949)</p> <p>19. 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>
42	Decision to Write off	The decision of write- off shall be exercised across all investors of this Instrument; and order of write off will be same as mentioned in clause 41 or elsewhere in term sheet / disclosure document
43	Treatment in Bankruptcy / Liquidation	The investor will have no rights to accelerate the repayment of future scheduled payments (coupon or principal) except in bankruptcy and liquidation.
44	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. (viii) Listing Agreement with NSE; (ix) Disclosure Document dated 24.03.2017
45	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); (iii) Signing of Issuer Agreement and closure of bidding process and all related requirements with the Electronic Book Provider (EBP) necessary as per relevant SEBI Circular (iv) Letter to NSE for seeking its In-principle approval for listing and trading of Bonds
46	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 working days from the Deemed Date of Allotment (ii) Making listing application to NSE 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; (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.) (iii) 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. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Term Sheet.
47	Business Day Convention	<p>"Business Day" means a day on which the money markets are functioning in Mumbai, India.</p> <p>The Coupon shall be made only on the days when the money market is functioning in Mumbai, India. Therefore, if the Coupon Payment Date falls on a day other than 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 failing on a non-Business Day.</p> <p>If Redemption Date (also being the last Coupon Payment Date) falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Bank on the immediately preceding Business day along with Coupon 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>
48	Event of Default	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 instalment of interest or repayment of principal amount of the Bonds on the respective due dates) except in case of "PONV" mentioned above 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.
49	OTHER GENERAL TERMS	
a.	(i) 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 including EPFO.</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. Limited Liability Partnership</p> <p>l. National Investment Fund set up by resolution no F.No 2/3/2005-DDII dated Nov 23, 2005 of the Government of India published in Gazette of India.</p> <p>m. Insurance funds set up and managed by Army, Navy or Airforce of the Union of India.</p> <p>The potential investors are required to independently verify 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</p>

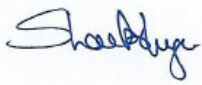
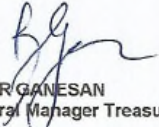


		by applicable RBI guidelines.
	(ii) Non-eligible classes of investors	<ol style="list-style-type: none"> 1. Qualified foreign investors 2. Foreign nationals 3. Persons resident outside India 4. Venture capital funds 5. Alternate investment funds 6. Overseas corporate bodies 7. Partnership firms formed under applicable law in India in the name of the partners. 8. HUF through Karta 9. Persons ineligible to contract under applicable statutory regulatory requirements.
b.	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 Mumbai, Maharashtra.
c.	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-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 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.
d.	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.
e.	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 Operations and Development and Department of Banking Supervision of the Reserve Bank of India, Mumbai.
f.	Trustees	Centbank Financial Services Ltd.
g.	Role and Responsibility of Trustee	<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 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.</p> <p>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</p>
h.	Registrar	Bigshare Services Private Limited
i	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.
j	Electronic book mechanism for issuance of debt securities on private placement basis	<p>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:-</p> <p>a. issues with a single investor and where coupon rate are fixed. However arrangers acting as underwriters shall not be considered as single investors.</p> <p>b. issues wherein the issue size is less than Rs. 500 crores, inclusive of green shoe option, if any.</p> <p>Since the present Issue may be subscribed by single investor and coupon rate is fixed, it will be through the existing mechanism.</p>

** * 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 (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ 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.*

<p>For Bank of India</p>  <p>SHANKER IYER General Manger & CFO</p>	<p>For Bank of India</p>  <p>R. GANESAN General Manager Treasury</p>
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Place: Mumbai, Maharashtra
Date: 24.03.2017





BWR/NCD/HO/ERC/MM/0719/2016-17
March 20, 2017

The General Manager - Treasury
Bank of India,
7th Floor, Star House,
Bandra Kurla Complex
Plot No. C - 5, G - Block, Bandra (E),
Mumbai - 400051.

Dear Sir,

Sub: Rating of Bank of India's proposed fresh issue of Basel III compliant Tier II Bonds amounting to ₹ 1000 Cr (₹ 500 Cr with a green shoe option of ₹ 500 Cr)
Ref: Your request dated March 20, 2017

Thank you for giving us an opportunity to undertake the rating of proposed fresh issue of Basel III compliant Tier II Bonds amounting to ₹ 1000 Cr of Bank of India. Based on the information and clarifications provided by your Bank, as well as information available in public sources, we are pleased to inform you that Bank of India's proposed fresh issue of Basel III compliant Tier II Bonds amounting to ₹ 1000 Cr has been assigned "BWR AA+" (Pronounced BWR Double A Plus) (Outlook: Stable) rating.

Instruments with this rating are considered to have **high degree** of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

The Rating is valid for one year subject to terms and conditions that were agreed in your mandate dated March 20, 2017 and other correspondence, if any, and Brickwork Ratings standard disclaimer appended below. The rated issues would be under surveillance till their full redemption. You are required to submit information periodically for the purpose of surveillance/review. You are also required to keep us informed of any information/development that may affect your Bank's performance without any delay.



Brickwork Ratings India Pvt. Ltd.

Page 2 of 3

3rd Floor, Raj Alaka Park, 28/3 & 33/2 Kalena Agrahara, Banerghatta Road, Bangalore - 560 056

Phone: +91 88 4040 9840 • Fax: +91 88 4040 9841 | info@brickworkratings.com • www.brickworkratings.com

Ahmedabad • Bangalore • Chandigarh • Chennai • Coimbatore • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U07190KA2007PTC042491





**Rating of Bank of India's Proposed Basel III compliant II Bonds
of ₹ 1000 Cr – March 2017**

Please let us have your acceptance of the Ratings within seven days of this letter. Please note that unless acceptance is received by us by the said date, the rating is not valid and should not be used for any purpose whatsoever. If your acceptance is not received within 10 days, we will treat the case as non-acceptance and close at our end. The case can be re-opened as fresh mandate with applicable fees.

Other Outstanding ratings of Bank of India's Bonds reaffirmed is provided in the Annexure -1

Best Regards,


Manjunatha MSR
Director - Ratings



Note: In case of all accepted Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com. If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not ensure the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reason.





Mr. R Ganesan,
General Manager,
Bank of India,
Star House, C-5, "G" Block,
7th Floor, Bandra Kurla Complex,
Bandra - East,
Mumbai, 400 051

March 23, 2017

Dear Mr. R. Ganesan,

Re: Ratings of INR10bn of Basel III Tier II Bonds of Bank of India

India Ratings (see definition below) assigns the following ratings:-

INR 10bn Basel III Tier II Bonds: IND AA+; Outlook Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the



website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in a India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings' ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating to investors.

It is important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

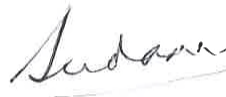
In this letter, "**India Ratings**" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact us at 91 22 4000 1700.

Sincerely,

India Ratings


Sandeep Singh
Senior Director


Sudarshan Shreenivas
Director





CENTFIN:2017:C-182:110
20 March 2017

Bank of India
Head Office: "Star House"
C-5, 'G' Block,
Bandra Kurla Complex
Bandra East
Mumbai 400051

Re.: Your proposal for our appointment as Trustees for your Bonds

Dear Sirs,

Thank you for your proposal to appoint us Bond Trustee for your proposed Non-Convertible Redeemable Unsecured Basel III compliant Tier II Bonds of Rs. 500 Crore with a green shoe option of Rs. 500 crore aggregating Rs. 1000 Crore (Series 14).

We are pleased to give our in-principle consent to act as Bond Trustee to your said proposed private placement of Bonds.

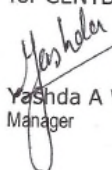
On finalisation of terms, please forward Term Sheet, Offer Document and certified copies of Board/Committee Resolutions with Rating Letters of our final consent.

Before allotment of the captioned NCDs, you shall inform us the final terms (specifying therein tenure, coupon rate, periodicity of payment of interest, etc) together with the Information Memorandum/ Offer Document; and immediately after allotment of the NCDs, you shall furnish proof of allotment (Resolution and Certificate with full details, ISIN), date of credit, copies of acknowledged letter/s of Depositories, letters exchanged with Credit Rating agencies, etc.

Kindly feel free to contact us for any further information.

Thanking you,

Yours faithfully,
for CENTBANK FINANCIAL SERVICES LTD


Yashda A Waghmare
Manager



CENTBANK FINANCIAL SERVICES LIMITED

(Formerly: Centbank Financial & Custodial Services Ltd., erstwhile: The Central Bank Executor & Trustee Co. Ltd.)

Regd. Office : Central Bank of India - MMO Bldg, 3rd Floor, (East Wing)

55, Mahatma Gandhi Road, Fort, Mumbai 400001. ☎ : (022) 2261 6217 ☎ (022) 2261 6208
E-mail: info@cfsi.in Website: www.cfsi.in CIN: U67110MH1929GOI001484





Bigshare Services Pvt. Ltd.



March 18, 2017

BANK OF INDIA
Head Office, Star House,
C-5, 'G' Block, Bandra Kurla Complex,
Bandra (East),
Mumbai 400 051

Dear Sir,

Sub : Bank of India : Additional tier-II Bonds by Private Placement

We, the undersigned, hereby consent to act as Registrar to the Proposed Placement of Bonds and to our name being inserted as Registrar to the offer in the letter offer and other documents filed with statutory authorities.

Yours faithfully,
For Bigshare Services Pvt. Ltd

Ashok Shetty
Chief Operating Officer

CIN : U99999MH1994PTC076534

(An Associate Company of Transfer Online Inc., USA)

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai - 400 072. India.
Tel. : +91 22 28470652 / 40430200 • Fax : +91 22 28475207 • Email : info@bigshareonline.com • Website : www.bigshareonline.com

