

A. THE PROPOSED TRANSFER

1. WHAT IS BEING TRANSFERRED?

We intend to transfer a range of accounts currently provided by BOB (the "**Transferring Business**") from Bob's United Kingdom branch to a subsidiary company of BOB, Bank of Baroda (UK) Limited ("**BOB Newco**") (the "**Proposed Transfer**"). A full list of the accounts to be transferred in Transferring Business can be found in paragraph 1.1 of the explanatory statement which summarises the banking business transfer scheme document. Details of how to obtain additional copies of the explanatory statement and scheme document are set out at the end of this booklet.

The Proposed Transfer will have no impact on the terms, conditions, rights and obligations under any of the agreements that you currently have in place with the UK branch of BOB.

2. WHY IS THE PROPOSED TRANSFER HAPPENING?

In order to meet the regulatory expectations following the release of the Prudential Regulation Authority's ("**PRA**") Supervisory Statement SS10/14 ¹(Supervising international banks: PRA's approach to branch supervision), which sets out the PRA's risk appetite for retail deposit-taking in non-EEA branches, we have decided to transfer the Transferring Business to an authorised subsidiary in the UK. In order to effect this, BOB has set up BOB Newco as its subsidiary, which is authorised to accept deposits and to carry out banking business in the UK. The scheme is required legally to transfer the Transferring Business to BOB Newco in a manner compliant with the requirements of the Financial Services and Markets Act 2000 ("**FSMA**").

3. WHAT ACCOUNTS ARE EXCLUDED FROM THE TRANSFER?

All of the accounts provided by the UK branch will transfer under the scheme document, except for the majority of corporate loans and certain accounts offered to wholesale customers]. BOB will also continue to provide some services such as letters of credit, bank guarantee and remittance services alongside BOB Newco. Some corporate loans will transfer under the scheme document and you will have been notified if you are a counterparty to a transferring corporate loan.

4. WHAT IF I HOLD OTHER BOB ACCOUNTS NOT WITHIN THE SCOPE OF THE PROPOSED TRANSFER?

These are not impacted by the Proposed Transfer and these accounts will continue to be managed by BOB.

5. WHY HAVE I RECEIVED MORE THAN ONE LETTER ABOUT THIS?

If you have more than one account which is transferring to BOB Newco, you may receive more than one information pack relating to the Proposed Transfer. We apologise for any inconvenience this may cause. All of the information packs about the Proposed Transfer contain the same information.

6. DOES THE PROPOSED TRANSFER MEAN THAT I SHOULD DELAY PROCEEDING WITH ANYTHING YOU SEND ME IN THE MEANTIME?

No. Please continue to operate your account(s) as usual.

7. IS THERE ANYTHING I SHOULD DO ABOUT THE PROPOSED TRANSFER OR ABOUT ACCOUNT(S) I HOLD WITH BOB?

No. There is nothing that you need to do. All our accounts continue operating as usual. This information pack and other communication in relation to the Proposed Transfer is for your information only and to explain to you your right to request more information or to object to our proposal. However, your SWIFT number will change and IBAN remains the same as result of the Proposed Transfer. BOB will notify you of the new SWIFT number in due course. Please note that SWIFT/IBAN details are required for accepting payments from outside UK. Although you will need to use your new SWIFT Code and the IBAN number from the effective date, we will have transition arrangements in place for a further six months, so even if you use your old SWIFT/IBAN numbers, it will still be processed into your account.

B. HOW WILL THE PROPOSED TRANSFER AFFECT ME

PART ONE: CHANGES AFFECTING ALL CUSTOMERS

8. WILL THE PROPOSED TRANSFER DISADVANTAGE ME IN ANY WAY?

No. Other than the name of your bank changing to Bank of Baroda (UK) Limited, there will be no material changes as a result of the Proposed Transfer. Accordingly, we do not believe that you will be adversely affected.

9. HOW ARE MY INTERESTS BEING PROTECTED?

We are taking all the steps we believe to be necessary to ensure that the interests of our customers are not adversely affected by the Proposed Transfer. In any event, the Proposed Transfer is subject to the approval of the court. The PRA has approved BOB Newco's application to become an authorised person under FSMA, with permission to carry out the regulated activities necessary to operate the Transferring Business.

The Proposed Transfer will not affect any of your rights under any of the agreements that you currently have in place with the UK branch of BOB.

10. WILL THE PROPOSED TRANSFER COST ME ANYTHING?

No. All costs and expenses incurred in connection with the Proposed Transfer (including legal fees) will be borne by BOB or BOB Newco. No customer of BOB or BOB Newco will incur any charges relating to the Proposed Transfer.

11. WILL THERE BE ANY CHANGES TO MY TERMS AND CONDITIONS?

No. No changes will be made to the terms and conditions of your existing account(s) (including remittance services to India) as a result of the Proposed Transfer. The only change is that from the effective date, any references in your terms and conditions to 'Bank of Baroda' will change to 'Bank of Baroda (UK)Limited'. If you have a mortgage where the interest rate is variable or is linked in some way to a variable rate (either our Standard Variable Rate or the Bank of England Base Rate), then in accordance with your existing mortgage conditions, these interest rates may vary from time to time in line with any changes to our Standard Variable Rate or the Bank of England Base Rate. If your mortgage transfers, BOB Newco will be responsible for the management of any changes to variable interest rates either due to a change in the Bank of England Base Rate, or a decision by BOB Newco to vary its Standard Variable Rate.

12. WILL THERE BE ANY CHANGES TO BRANCH ACCESS?

No, there will be no changes to branch access.

13. SET-OFF RIGHTS

13.1 For some of the transferring accounts the existing terms and conditions provide a right of set-off to BOB. This means that BOB may deduct what you owe to BOB (as part of your loan arrangement with BOB) from what BOB owes to you (as part of your savings account

arrangement with BOB, as an example). Following the Proposed Transfer, the same right of set-off may be enjoyed by BOB Newco provided that your relevant loans, accounts or mortgages have transferred to BOB Newco and are held in the same name.

- 13.2 Please note that where there was a right of set-off in respect of deposit accounts and loans which you held with BOB prior to the Proposed Transfer, such right of set-off will continue even in the situation where your deposit is transferred to BOB Newco while the loan remains with BOB.

Part two: changes applying only to certain types of accounts

14. **EFFECT ON MORTGAGE, LOAN OR OVERDRAFT CUSTOMERS: INTEREST RATES**

The Proposed Transfer does not involve any changes to the interest rates. However, please note that any reference to BOB's variable rate of interest will be deemed to be a reference to the variable rate of BOB Newco such that BOB Newco will be free to vary the rate of interest from time to time in accordance with the terms and conditions that apply to any transferred loan, account or mortgage.

15. **EFFECT ON DEPOSIT, SAVINGS AND CURRENT ACCOUNT CUSTOMERS**

- 15.1 If you have a savings account, a deposit account or a current account with BOB, your account balances are presently protected under the UK Financial Services Compensation Scheme ("FSCS") up to a limit of £85,000 provided that you satisfy the eligibility criteria stipulated by the FSCS rules (for more information about the FSCS, please refer to section 15.4 below). Following the effective date, your account balances held with BOB Newco will continue to be protected under the FSCS up to the same limit set out above. **There will therefore be no changes to the level of protection your eligible deposits enjoy.**

- 15.2 If you are concerned at all about the deposit protection arrangements that will apply to your account(s) following the Proposed Transfer, please contact us using any of the methods set out at the end of this information pack, and a member of our team will be happy to assist you.

- 15.3 In accordance with the requirement contained in section 19.1 of the PRA rulebook on Deposit Protection, we are providing you with at least one month's notice prior to the Proposed Transfer. In any event, you have the right to withdraw (or transfer to any other bank) any of your deposit amounts over and above the FSCS limits, without incurring any penalty, during a period of three months from the date of this letter. For avoidance of doubt, such amount may also include any accrued interest or benefits.

16. **EFFECT ON FSCS DEPOSIT PROTECTION**

- 16.1 The FSCS is a statutory fund for customers of UK financial services firms which are in default (e.g. if a firm is unable, or likely to be unable, to pay claims against it, has stopped trading and has insufficient assets to meet claims, or is insolvent). In such circumstances, the FSCS will provide protection to eligible depositors by allowing them to recover a proportion of their savings which are held with each defaulting firm. Broadly, the FSCS will pay compensation up to a limit of £85,000 held with the defaulting firm. This compensation limit applies to the total value of deposits held with the defaulting firm, rather than to each individual deposit. In the case of a joint account held by two people, the FSCS will protect up to £85,000 in respect of each account holder, meaning the joint account will be covered up to a limit of £170,000. Details of eligibility under the FSCS rules may be obtained from the FSCS website at www.fscs.org.uk.

17. **EFFECT ON CHEQUE BOOK AND DIRECT DEBITS AND STANDING ORDERS**

- 17.1 You can continue to use your current cheque book until it is finished. BOB Newco will honour all cheques that are properly drawn provided you remain within any credit limits agreed between us and within the terms and conditions applying to your account(s) with us. When

your current cheque book is finished, please apply to BOB Newco for a new cheque book in the normal way.

17.2 As a result of the Proposed Transfer your direct debit and standing order instructions to BOB will be transferred to BOB Newco and BOB Newco will, in future, be the bank undertaking your standing orders and direct debits. You will not need to take any other action. If, in the future you wish to put in place a new standing order or direct debit or amend or cancel existing ones you should contact BOB Newco to do this. Your account number(s) and sort code will remain the same. Therefore, if you are sending or receiving payments within the UK, there will not be any changes.

17.3 However, your SWIFT number will change and IBAN number remains the same as result of the Proposed Transfer. BOB will notify you of the new SWIFT number in due course. Please note that SWIFT/IBAN details are required for accepting payments from outside UK. Although you will need to use your new SWIFT Code and IBAN number from the effective date, we will have transition arrangements in place for a further six months, so even if you use your old SWIFT/IBAN numbers, it will still be processed into your account.

18. **EFFECT ON CUSTOMERS HOLDING A CORPORATE LOAN**

Some corporate loans will transfer under the scheme document and you will have been notified if you are a counterparty to a transferring corporate loan before the final court hearing on 15 November 2018. If you have not been notified by this date, your loan is not transferring and there are no changes to it.

19. **EFFECT ON CUSTOMERS HOLDING AN ACCOUNT IN INDIA**

This proposed transfer impacts only our UK business and does not impact our Indian operations. Hence, if you hold any account(s) with one of our Indian branches (including NRI, NRE, Home Loan, FCNR accounts etc.), there are no changes to it.

C. THE TRANSFER PROCEDURE AND COURT PROCESS

20. **HOW AND WHEN WILL THE TRANSFER TAKE PLACE?**

The Proposed Transfer will be carried out under Part VII of FSMA and will be submitted to the court for approval. In order to complete the Proposed Transfer, we are required to follow a strict procedure as laid down by Part VII of FSMA which is designed to protect customers' interests and involves liaising with the Financial Conduct Authority ("FCA") and the PRA.

The final court hearing to consider, and if thought fit approve, the Proposed Transfer is currently scheduled for 15 November 2018 (the "**Final Hearing**"). If approved by the court, the Proposed Transfer will take effect on 1 December 2018 (the "**Effective Date**"), and the Transferring Business will automatically transfer to BOB Newco as of that date. We will release an announcement confirming the outcome of the Final Hearing on our website <http://www.bankofbarodauk.com/subsidiary> on the first business day following the Final Hearing. Notices will also be published in national newspapers in the UK.

21. **WHY DOES THE TRANSFER NEED COURT APPROVAL?**

We are following a statutory process which is set out in Part VII of FSMA. This requires, amongst other things, court approval of the transfer.

22. **WHY IS THERE A DELAY BETWEEN THE DATE OF THE FINAL HEARING AND THE EFFECTIVE DATE?**

This time is to enable us to make various administrative and other arrangements to ensure a seamless transition for our customers from 1 December 2018.

23. WHAT HAS ALREADY HAPPENED AS PART OF THE COURT PROCESS?

At a hearing on 10 September 2018 the court authorised the commencement of the Part VII process in respect of the Proposed Transfer and instructed BOB and BOB Newco to communicate with customers and other interested parties.

24. WHAT WILL HAPPEN BETWEEN NOW AND THE FINAL HEARING?

Before the Final Hearing, the court will receive copies of the scheme document setting out the terms of the Proposed Transfer in detail and various witness statements (one of which will summarise the feedback received from customers and other interested parties on the Proposed Transfer).

25. WHAT WILL HAPPEN AT THE FINAL HEARING?

At the Final Hearing, legal representatives for BOB and BOB Newco will explain the proposals, the notifications made, and any responses received from customers and other interested parties. The court will consider, and be guided by, the views of the PRA and the FCA and any such responses before deciding whether to approve the Proposed Transfer. The court has a wide discretion as to whether to approve a transfer under Part VII of FSMA. The court will take into account the opinions of the PRA, FCA, and any representations made by customers or other interested parties who are concerned that they would be adversely affected by the Proposed Transfer. In addition, the court must be satisfied that: (i) the PRA has given a certificate certifying that BOB Newco has adequate financial resources to act as a UK authorised bank; (ii) BOB Newco has the necessary authorisations required to enable the business of BOB to be carried on by BOB Newco (or will have these before the Proposed Transfer takes effect); and (iii) in all the circumstances of the case, it is appropriate to sanction the Proposed Transfer.

26. IS THERE AN OPPORTUNITY TO VOTE ON THE PROPOSED TRANSFER?

No, customers and other interested parties have no voting rights in respect of the Proposed Transfer. However you do have a right to object to the Proposed Transfer if you believe you will be adversely affected by it and for your objections to be heard by the court (see question 28 below for further information).

27. CAN I OBJECT TO THE PROPOSED TRANSFER?

If you are concerned that the Proposed Transfer could adversely affect you, you can write to us with your concerns or queries. If you have any complaints related to the Proposed Transfer, you can email us at atcustomercare.uksub@bankofbaroda.com or write to us at Customer Care (Subsidiary), 32 City Road, EC1Y 2BD London.

Alternatively, you can appear at the Final Hearing or instruct a legal representative with advocacy rights (at your own cost) to appear at the Final Hearing to object to the Proposed Transfer and make representations on your behalf. The Final Hearing will take place on 15 November 2018 at The Rolls Building, Fetter Lane, London EC4A 1NL.

If you wish to notify us of your intention to appear or be represented at the Final Hearing to object to the Proposed Transfer, please provide written notice of your intention to do so, together with your reasons for wishing to appear, as soon as possible and at the latest by 1 November 2018 to us at the address provided at the end of this information pack.

If you do not intend to appear at the Final Hearing, but have an objection to the Proposed Transfer, please notify us as soon as possible, and at the latest by 1 November 2018, together with the reasons for your objection, by writing to us at the address provided at the end of this information pack. Any objections received will be shared with the Court in advance of and during the Final Hearing.

If you do not agree with our response to your concerns or queries, you can refer the matter to the Financial Ombudsman Service for a review of your complaint, free of charge. For more

information, please visit the Financial Ombudsman website at www.financial-ombudsman.org.uk. You can contact them by email at complaint.info@financial-ombudsman.org.uk or by phone on 0300 123 9123. You can also write to the Financial Ombudsman Service at: Financial Ombudsman Service, Exchange Tower, London E14 9SR.

28. DO I NEED TO DO ANYTHING FURTHER?

If you do not wish to object to the Proposed Transfer, and do not require any further information, there is no need to do anything further.

D. WHAT HAPPENS AFTER THE COURT PROCESS

29. WHAT HAPPENS IF THE COURT DOES NOT APPROVE THE PROPOSED TRANSFER?

If the court does not approve the Proposed Transfer, the changes we propose will not take effect and as such your mortgage, loan, savings account, deposit account, current account, or other BOB product will not transfer to BOB Newco and you will remain a customer of BOB.

30. WHAT WILL MY BANK BE CALLED AFTER THE PROPOSED TRANSFER?

The name of your bank will be Bank of Baroda (UK) Limited.

31. WILL MY ACCOUNT DETAILS BE THE SAME?

Your account number(s) and sort code will remain the same. Therefore, if you are sending or receiving payments within the UK, there will not be any changes.

However, your SWIFT number will change and IBAN number remains the same as result of the Proposed Transfer. BOB will notify you of the new SWIFT number in due course. Please note that SWIFT/IBAN details are required for accepting payments from outside UK. Although you will need to use your new SWIFT Code and IBAN number from the effective date, we will have transition arrangements in place for a further six months, so even if you use your old SWIFT/IBAN numbers, it will still be processed into your account.

32. WILL THE PROPOSED TRANSFER AFFECT TO WHOM I MAKE PAYMENTS AND FROM WHOM I RECEIVE PAYMENTS?

If the court sanctions the Proposed Transfer, from the effective date all of your payments will be made to and from BOB Newco, rather than BOB.

33. WILL THERE BE ANY INTERRUPTIONS TO THE SERVICES YOU PROVIDE AS A RESULT OF THE PROPOSED TRANSFER?

We do not expect any major interruptions to the service. The time between now and the effective date will be used by BOB Newco to ensure that the relevant systems and support services are fully in place. This will enable us to ensure a seamless transition for our customers when the transfer takes effect.

34. WHOM SHOULD I CONTACT IF I HAVE ANY QUESTIONS RELATING TO MY ACCOUNT(S) AFTER THE EFFECTIVE DATE?

If the Proposed Transfer is approved by the court, and your account(s) transfer to BOB Newco, then from the effective date, BOB Newco will become your new contact. Our usual contact details will remain the same and they are provided in the Further Information section below.

Further information

If you have any questions or concerns about the Proposed Transfer, you can find more information, and download copies of the relevant documents (including the scheme document and explanatory statement) on our website at <http://www.bankofbarodauk.com/subsidiary>.

You can request free copies of any of the relevant documents or ask any further questions you may have by calling us on: 020 74481577 and 08008121121. Phone lines are open during banking hours. Alternatively, you can request free copies of any of the relevant documents or ask further questions by writing to us at the below address: **Customer care (Subsidiary)**, 32 City Road, EC1Y 2BD London, or by emailing us at atcustomercare.uksub@bankofbaroda.com.

IF YOU HAVE ANY DIFFICULTY IN UNDERSTANDING THE CONTENTS, PLEASE CALL US ON 02074481577 and 08008121121, OR WRITE TO US AT THE ABOVE ADDRESS.