IMPORTANT NOTICE

NOT FOR DISTRIBUTION INTO OR WITHIN THE UNITED STATES OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES

Important: You must read the following before continuing. The following applies to the Offering Circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of the Representation: This Offering Circular is being sent at your request and by accepting the electronic mail and accessing this Offering Circular, you shall be deemed to have represented to us that you are outside the United States. In addition, you shall be deemed to have represented to us that the electronic mail address that you gave us and to which this electronic mail has been delivered is not located in the U.S. and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

The materials relating to any offering of Notes under the Programme to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that such offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers (as defined in this Offering Circular) , the Trustee or the Agents or any person who controls any of them or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular

distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

You are responsible for protecting against viruses and other destructive items. Your use of this electronic mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Offering Circular has not been and will not be registered, produced or made available to all as an offer document (whether a prospectus in respect of a public offer or an information memorandum or placement memorandum or private placement offer letter or other offering material in respect of any private placement or general information document or key information document in respect of any public offer or private placement under the (Indian) Companies Act, 2013 ("**Companies Act**"), and the rules framed thereunder, as amended from time to time, or any other applicable Indian securities laws) with any regulatory or statutory body in India including the Registrar of Companies of India (the "**ROC**"), the Securities and Exchange Board of India (the "**SEBI**"), the Reserve Bank of India (the "**RBI**") or the International Financial Services Centres Authority ("**IFSCA**") as promulgated under the International Financial Services Centres Authority Act, 2019, or any Indian stock exchanges, save and except for any information from any part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws or under the rules and regulations applicable to the GIFT City IFSC, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended ("**SEBI PIT Regulations**"), and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") and the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended, and under the rules and regulation applicable to the GIFT City IFSC, or pursuant to the directives of any regulatory and adjudicatory body in India or the GIFT City IFSC. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India and the GIFT City IFSC (including but not limited to SEBI, the IFSCA and any ROC) or any Indian stock exchange, or any other statutory, regulatory or adjudicatory body of like nature in India. The Offering Circular will be made available to the India International Exchange (IFSC) Limited (the "**India INX**") and NSE IFSC Limited (the "**NSE IX**") for the purpose of listing the Programme and any Notes (each as defined below).

In addition, holders and beneficial owners shall be responsible for compliance with restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of the Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. The Notes may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India.

If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and you are not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes.

Offering Circular dated 28 September 2026

Bank of India

(Constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970)

U.S.$1,000,000,000

Medium Term Note Programme

Under this U.S.$1,000,000,000 Medium Term Note Programme (the "**Programme**", as amended, supplemented or restated), Bank of India (the "**Issuer**" or the "**Bank**"), acting through its International Financial Services Centre Banking Unit at the Gujarat International Finance Tec-City ("**GIFT City Branch**"), may from time to time issue notes (the "**Notes**", which expression shall include Senior Notes, Tier 2 Notes and Additional Tier 1 Notes (as defined herein)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

Notes may be issued in bearer or registered form (respectively "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$1,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Summary of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

Application will be made to the Global Securities Market of the India International Exchange (IFSC) Limited ("**India INX**") for the Programme and any subsequent Notes to be admitted for trading on the India INX. The listing of the Notes will be done in compliance with the International Financial Services Centres Authority (Listing) Regulations, 2024 (the "**IFSCA Regulations**"). **India INX has not approved or verified the contents of this Offering Circular.**

Application will be made to the Debt Securities Market of the NSE IFSC Limited (the "**NSE IX**") for the Programme and any subsequent Notes to be admitted for trading on the NSE IX. The listing of the Notes will be done in compliance with the IFSCA Regulations. **NSE IX has not approved or verified the contents of this Offering Circular.**

Admission to trading of the Notes to the NSE IX and/or India INX and quotation of the Notes on the NSE IX and/or India INX is not to be taken as an indication of the merits of the offering, the Notes, the Issuer or its subsidiary or associated companies, as applicable.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**").

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Issuer may agree with any Dealer and the Trustee (as defined herein) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the India INX and NSE IX) a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

See "*Investment Considerations*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

Notes to be listed on the India INX and NSE IX will be accepted for clearance through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") and/or any other clearing system, as specified in the applicable Pricing Supplement.

Each Tranche of Bearer Notes will initially be represented by either a temporary bearer global note (a "**Temporary Bearer Global Note**") or a permanent bearer global note (a "**Permanent Bearer Global Note**" and, together with a Temporary Bearer Global Note, the "**Bearer Global Notes**", and each a "**Bearer Global Note**") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream.

On and after the date (the "**Exchange Date**") which, for each Tranche in respect of which a Temporary Bearer Global Note is issued, is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Bearer Notes of the same Series (each a "**Definitive Bearer Note**"). The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable for Definitive Bearer Notes in certain limited circumstances.

The Offering Circular has not been and will not be registered, produced or made available to all as an offer document (whether a prospectus in respect of a public offer or an information memorandum or placement memorandum or private placement offer letter or other offering material in respect of any private placement or general information document or key information document in respect of any public offer or private placement under the Companies Act, and the rules framed thereunder, as amended from time to time, or any other applicable Indian securities laws with any regulatory or statutory body in India, including the ROC, the SEBI, the RBI or the IFSCA or any Indian stock exchanges, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws or under the rules and regulations applicable to the Gujarat International Finance Tec-City ("**GIFT City**"), including, but not limited to, the SEBI PIT Regulations, and under the listing agreement with any Indian stock exchange pursuant to the SEBI Listing Regulations and the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended, and under the rules and regulation applicable to the GIFT City IFSC, or pursuant to the directives of any regulatory and adjudicatory body in India or the GIFT City IFSC. The Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India and the GIFT City IFSC (including but not limited to SEBI, the IFSCA and any ROC) or any Indian stock exchange, or any other statutory, regulatory or adjudicatory body of like nature in India. This Offering Circular will be made available to the India INX and NSE IX for the purpose of listing the Programme and any Notes.

This Offering Circular and any Notes issued under the Programme are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether to the public or by way of private placement to any person resident in India. The Notes have not been and will not be offered or sold to any person resident in India. If you purchase any of the Notes, you will be deemed to have acknowledged, represented and agreed that you are eligible to purchase the Notes under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. See "*Subscription and Sale*".

Registered Notes sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), which will be sold outside the United States ("**U.S.**") (and in the case of Notes being offered or sold in reliance on Category 2 of Regulation S, only to non-U.S. persons (as defined in Regulation S)), will initially be represented by a global note in registered form, without receipts or coupons, (a "**Registered Global Note**") deposited with a common depositary for Euroclear and Clearstream, and registered in the name of a nominee of such common depositary. Prior to expiry of the distribution compliance period (as defined in Regulation S) (the "**Distribution Compliance Period**") (if any) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person, save as otherwise provided in the Terms and Conditions of the Notes and may not be held otherwise than through Euroclear or Clearstream and such Registered Global Note will bear a legend regarding such restrictions on transfer.

The Notes have not been and will not be registered under the Securities Act or any U.S. State securities laws and may not be offered or sold in the United States or, if Category 2 is specified in the Pricing Supplement, to, or for the account or the benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*".

The Programme has been granted a senior unsecured rating of "BBB" by S&P Global Ratings and "BBB-" by Fitch Ratings Limited. Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in Pricing Supplement and will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Any Subordinated Notes issued under the Programme are not intended to be sold and should not be sold to retail clients (as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time) in the European Economic Area or retail clients (as defined in the Financial Conduct Authority Conduct of Business Sourcebook) in the United Kingdom, other than in circumstances that do not and will not give rise to a contravention of the relevant rules by any person. Prospective investors are referred to the section headed "Restrictions on Marketing and Sales to Retail Investors" in this Offering Circular for further information.

Arrangers and Dealers

BNP Paribas **HSBC** **Mizuho**

The date of this Offering Circular is 28 September 2026.

The Issuer accepts full responsibility for the accuracy of the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Programme and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances, and are based on information presently available and on reasonable assumptions, and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading, and that the statistical, industry and market-related data included in this Offering Circular is based on or derived from sources which the Issuer believes to be accurate and reliable in all material respects. The Issuer accepts responsibility accordingly.

Copies of the Pricing Supplements will be available from the corporate office of the Issuer and the specified office of the Principal Paying Agent (as defined herein) in London.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular.

No person is or has been authorised by the Issuer to give any information or to make any representation other than those contained in this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made by any other person, such information or representations must not be relied upon as having been authorised by the Issuer, any of the Arrangers or the Dealers, the Trustee or the Agents (each as defined herein) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them.

None of the Arrangers, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers or the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them as to the accuracy or completeness of the information contained in or incorporated into this Offering Circular or other statement, made or purported to be made by any of the Arrangers or the Dealers or on its behalf in connection with it or the Programme or any other information provided by the Issuer in connection with the Programme. Each of the Arrangers, Dealers, the Trustee and Agents and each of their respective directors, officers, employees, representatives, agents, affiliates or advisers and each person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, any of the Arrangers or the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in

connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Arrangers or the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to any person to subscribe for or to purchase any Notes.

None of the Dealers, the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date indicated in the document containing the same. Each of the Arrangers, the Dealers, the Trustee and the Agents and each of their respective directors, officers, employees, representatives, agents, affiliates or advisers and each person who controls any of them expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

If a jurisdiction requires that an offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Each of the Issuer, the Arrangers, the Dealers, the Trustee and the Agents and each of their respective directors, officers, employees, representatives, agents, affiliates or advisers and each person who controls any of them does not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, any of the Arrangers or the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including The Netherlands), the United Kingdom ("UK"), India, Singapore, Japan, Hong Kong, Taiwan, Republic of China ("Taiwan") and Republic of Korea. See "*Subscription and Sale*".

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved.

None of the Issuer, the Arrangers, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

AVAILABLE INFORMATION

This Offering Circular has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Regulation to publish a prospectus. As a result, any offer of Notes in any Member State of the EEA which has implemented the Prospectus Regulation (each, a "**Relevant Member State**") must be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus or supplement a prospectus pursuant to the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor

in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2 of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

In connection with the offering of any series of Notes, each Dealer is acting or will act for the Issuer in connection with the offering and no one else and will not be responsible to anyone other than the Issuer for providing the protections afforded to clients of that Dealer nor for providing advice in relation to any such offering.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Programme (each such offering a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the SFC Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order, prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more

corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to an Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the financial information in this Offering Circular relating to the Issuer has been derived from (i) the audited standalone financial statements of the Issuer for the financial years ended 31 March 2024, 2025 and 2026, and (ii) the unaudited reviewed standalone financial statements of the Issuer for the three months ended 30 June 2025 and 2026 (together, the "**Financial Statements**").

The Issuer's financial year ends on 31 March, and references in this Offering Circular to any specific year are to the 12-month period ended on 31 March of such year.

This Offering Circular presents certain selected financial information of the Bank for the years ended 31 March 2024, 31 March 2025 and 31 March 2026, and for the three months ended 30 June 2025 and 2026. The selected financial information is derived from the Bank's audited standalone financial statements as at and for the years ended 31 March 2024, 31 March 2025 and 31 March 2026 and the selected financial information is derived from the Bank's unaudited reviewed standalone financial statements as at and for the three months ended 30 June 2025 and 2026 and has been presented in a summarised manner for the convenience of investors, and is qualified in its entirety by reference to such financial statements, including the notes thereto. The selected financial information is not indicative of future operating results and should not be relied upon as being so indicative.

The Issuer maintains its financial books and records and prepares its financial statements in Indian Rupees in accordance with generally accepted accounting principles in the Republic of India ("**Indian GAAP**") which differ in certain important respects from International Financial Reporting Standards ("**IFRS**"). For a discussion of the principal differences between Indian GAAP and IFRS as they relate to the Issuer, see "*Summary of Principal Differences between Indian GAAP and IFRS*". Unless otherwise stated, all financial data contained herein is stated on a standalone basis. The financial statements and results have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Indian-GAAP, statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949 ("**Banking Regulation Act**"), circulars and guidelines issued by RBI from time to time, Accounting Standards specified under Section 133 of the Companies Act read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, in so far as they apply to banks.

CERTAIN DEFINITIONS

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in the "*Terms and Conditions of the Notes*" or any other section of this Offering Circular.

In this Offering Circular, unless otherwise specified, all references to the "**Group**" are to the Bank and its consolidated subsidiaries and other consolidated entities. All references to "**India**" are to the Republic of India and references to the "**Government**" or "**GOI**" are to the government of India. All references to specific data applicable to particular subsidiaries or other consolidated entities are made by reference to the name of that particular entity. All references to "**fiscal**" or "**fiscal year**" are to the year starting from 1 April and ending on 31 March.

In this Offering Circular, unless otherwise specified, all references to a particular year are to the calendar year ending on 31 December and to a particular "financial year", "Fiscal", "Fiscal Year" or "FY" are to the financial year of the Issuer ending on 31 March of a particular year. References to "FY24", "FY25" and "FY26" are to the financial years ended 31 March 2024, 31 March 2025 and 31 March 2026 of the Issuer, as the context requires.

All references in this document to "**U.S. dollars**", "**U.S.$**" and "**$**" refer to United States dollars and to "**Rupee**", "**Rupees**", "**Rs.**" and 'refer to Indian Rupees. In addition, all references to "**Sterling**" and "**£**" refer to pounds sterling and to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended from time to time.

For convenience only, certain Rupee amounts in this Offering Circular have been translated into dollars. Unless otherwise specified, all such conversions were made at the exchange rate based on market rates prevailing at the relevant dates. No representation is made that the Rupee or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Rupee, as the case may be, at any particular rate, or at all.

References to "**crores**" and "**lakhs**" or "**lac**" in the Bank's consolidated and standalone financial statements are to the following:

One lac or lakh	100,000	(one hundred thousand)
One crore	10,000,000	(ten million)
Ten crores	100,000,000	(one hundred million)
One hundred crores	1,000,000,000	(one thousand million or one billion)

Furthermore certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Additional definitions

Unless otherwise specified or the context otherwise requires, in this Offering Circular:

"**Banking Unit**" means a financial institution under clause (c) of sub-section (1) of Section 3 of the International Financial Services Centres Authority Act, 2019 that is licensed or permitted by the IFSCA to undertake permissible activities under the International Financial Services Centres Authority (Banking) Regulations, 2020, as amended.

"**GIFT City IFSC**" refers to an International Financial Services Centre set up under section 18 of the Special Economic Zones Act, 2005 at GIFT City.

"**IFSC**" refers to an International Financial Services Centre set up, before or after the commencement of the International Financial Services Centres Authority Act, 2019, under section 18 of the Special Economic Zones Act, 2005.

"**IFSC Banking Unit**" or "**IBU**" means a Banking Unit licensed or permitted by the IFSCA to operate in an IFSC as a branch of the parent bank (as defined in the International Financial Services Centres Authority (Banking) Regulations, 2020, as amended).

INDUSTRY AND MARKET DATA

Certain industry and market share data in this Offering Circular are derived from data of the RBI the Government and its various ministries and the Indian Banks Association. Indian economic data in this Offering Circular is derived from data of the RBI, the economic surveys of the Government of India and other sources. Certain financial and statistical figures have been rounded to the nearest tenth of a decimal place. This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. In many cases, there is no readily available external information (whether from trade associations, government bodies or other organisations) to validate market-related analyses and estimates, so the Bank relies on internally developed estimates. While the Bank has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, none of the Bank, the Arrangers, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them has independently verified that data and none of the Bank, the Arrangers, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them makes any representation regarding the accuracy of such data. Similarly, while the Bank believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and none of the Bank, the Arrangers, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

The Issuer has included statements in this Offering Circular which contain words or phrases such as **will**, **would**, **aimed**, **is likely**, **are likely**, **believe**, **expect**, **expected to**, **will continue**, **estimate**, **intend**, **plan**, **seeking to**, **propose to**, **future**, **objective**, **goal**, **should**, **can**, **could**, **may** and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with the expectations of the Issuer with respect to, but not limited to, its ability to successfully implement its strategy, its ability to integrate future mergers or acquisitions into its operations, future levels of non-performing assets ("**NPAs**") and restructured assets, its growth and expansion, the adequacy of its allowance for credit and investment losses, technological changes, investment income, its ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings it is or becomes a party to, the future impact of new accounting standards, its ability to implement its dividend policy, the impact of Indian banking regulations on it, its ability to roll over its short-term funding sources, its exposure to market risks and the market acceptance of and demand for internet banking services.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Offering Circular include, but are not limited to, general economic and political conditions in India, southeast Asia and other countries which have an impact on the Issuer's business activities or investments, political or financial instability in India or any other country caused by any factor including any terrorist attacks in India, the United States or elsewhere or any other acts of terrorism worldwide, any anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, the monetary and interest rate policies of India, political or financial instability in India or any other country caused by tensions between India and Pakistan related to the Kashmir region or by military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, or changes in the value of the Rupee, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets and level of internet penetration in India and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in India and regional or general changes in asset valuations. For a further discussion on the factors that could cause actual results to differ, see the discussion under "*Investment Considerations*" contained in this Offering Circular.

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

AGREEMENTS AND ACKNOWLEDGMENTS OF INVESTORS, INCLUDING HOLDERS AND BENEFICIAL OWNERS

In respect of any Subordinated Notes issued under this Programme, by its acquisition of such Subordinated Notes, each holder and beneficial owner acknowledges and agrees inter alia that upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event (in the case of Additional Tier 1 Notes only), all or some of the rights of holders of Subordinated Notes and the Receipts relating to them shall be subject to Write-Down (as defined in the Terms and Conditions of the Notes) and the right to receive interest on any portion of nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. In addition, in respect of Additional Tier 1 Notes issued under this Program, (1) interest is payable solely at the Bank's discretion, and no amount of interest shall become due and payable to the extent that it has been cancelled by the Bank at its sole discretion and (2) a cancellation of interest (in whole or in part) in

accordance with the terms and conditions of such Additional Tier 1 Notes shall not constitute a default in payment or otherwise under the terms thereof. Any interest cancelled (in whole or in part) in the circumstances described herein shall not be due and shall not accumulate or be payable at any time thereafter, and holders and beneficial owners shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series (as defined below) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS

Any Subordinated Notes issued under this Programme and discussed in this Offering Circular are complex financial instruments and are not a suitable or appropriate investment for all investors (see also "*Risk Factors – Risks Relating to an Investment in the Notes*"), in particular retail investors. In some jurisdictions, including the UK and Hong Kong, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Subordinated Notes to retail investors. Potential investors in the Subordinated Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Subordinated Notes (or any beneficial interests therein).

In the UK, COBS requires, in summary, that the Subordinated Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK.

In Hong Kong, the Hong Kong Monetary Authority (the "**HKMA**") issued updated guidance and a set of answers to frequently asked questions on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products in October 2022 (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss Absorption Products**"), are to be targeted in Hong Kong at "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any subsidiary legislations or rules made under the SFO ("**HK Professional Investors**"). Investors in Hong Kong should not purchase the Subordinated Notes in the primary or secondary markets unless they are HK Professional Investors and understand the risks involved. The Subordinated Notes are generally not suitable for retail investors in Hong Kong in either the primary or the secondary markets.

Certain of the Dealers are required to comply with COBS and/or the HKMA Circular.

By purchasing, or making or accepting an offer to purchase, any Subordinated Notes issued under this Programme (or a beneficial interest in such Subordinated Notes) from the Bank and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Bank and each of the Dealers that:

1. it is not a retail client in the UK;

2. if it is in Hong Kong, it is a HK Professional Investor; and

3. it will not sell or offer the Subordinated Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Subordinated Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK or to retail investors in Hong Kong.

In selling or offering the Subordinated Notes or making or approving communications relating to the Subordinated Notes, you may not rely on the limited exemptions set out in COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Subordinated Notes issued under this Programme (or any beneficial interests therein), whether or not specifically mentioned in the Offering Circular, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Subordinated Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Subordinated Notes issued under this Programme (or any beneficial interests therein) from the Bank and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

The offering of the Subordinated Notes issued under this Programme will be made entirely outside India. This Offering Circular may not be distributed, directly or indirectly, in India or to residents of India and the Subordinated Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India.

Each purchaser of the Subordinated Notes will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Subordinated Notes may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the account of, such persons, unless determined otherwise in compliance with applicable law.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) the most recently published audited consolidated and standalone annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, interim consolidated and standalone financial results (if any) of the Issuer (see "*General Information – Documents Available*" for a description of the financial statements currently published by the Issuer); and

(b) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular. In addition, such documents will be available free of charge from the specified office of the Principal Paying Agent (which for the time being is Citibank, N.A., London Branch (the "**Principal Paying Agent**")). Such audited financial statements of the Issuer which are deemed to be incorporated by reference in this Offering Circular may also be obtained at the India INX's website at https://www.indiainx.com and NSE IX's website at https://www.nseix.com/. Website addresses in this Offering Circular are included for reference only, and the contents of such websites are not incorporated by reference into, and do not form part of, this Offering Circular.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, to an extent which is material in the context of the Programme, a new offering circular will be prepared.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a banking company constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 ("**Banks Nationalisation Act**") and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("**Nationalised Banks Scheme**") of India.

Substantially all of the directors and executive officers of the Issuer and certain experts named herein reside in India, and a substantial portion of the assets of the Issuer and the assets of such directors and executive officers and certain experts are located in India. As a result, it may be difficult for investors to effect service of process upon the Issuer or such directors and executive officers outside India or to enforce judgments against them obtained in courts outside India predicated upon civil liabilities of the Issuer or such directors and executive officers under laws other than Indian law including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The Issuer understands that in India the statutory basis for recognition of foreign judgments is found in Section 13 of the Indian Code of Civil Procedure 1908 (the "**Civil Code**"), which provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the government of India has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties. The United Kingdom, Singapore, Hong Kong and United Arab Emirates are among the territories declared by the Government of India ("**GOI**") to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Since the United Kingdom has been declared by the government of India as a reciprocating territory and the High Courts in England as the relevant superior courts, a judgment of a superior court in the United Kingdom may be enforced by proceedings in execution and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 ("**FEMA**") to execute such a judgment or to repatriate any amount recovered pursuant to execution, and any such amount may be subject to income tax payable in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment.

A foreign judgment which is conclusive under Section 13 of the Civil Code may be enforced either by a fresh suit upon judgment or by proceedings in execution. Under Section 14 of the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the

judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such presumption may be displaced by proving want of jurisdiction.

The Issuer would not be entitled to immunity based on sovereignty from any legal proceedings in India. The Issuer cannot predict whether a suit in India will be disposed of in a timely manner or will be subject to considerable delay.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "*Form of the Notes*".

This Offering Circular and any supplement will only be valid for listing Notes on the India INX and NSE IX in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.$1,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as at the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Issuer	Bank of India, acting through its GIFT City Branch.
Description	Medium Term Note Programme
Arrangers	BNP Paribas The Hongkong and Shanghai Banking Corporation Limited Mizuho Securities (Singapore) Pte. Ltd
Dealers	BNP Paribas The Hongkong and Shanghai Banking Corporation Limited Mizuho Securities (Singapore) Pte. Ltd
Certain Restrictions.....	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular.
Trustee	Citicorp International Limited
Principal Paying Agent and Transfer Agent.....	Citibank, N.A., London Branch
Registrar.....	Citicorp International Limited
Programme Size.....	U.S.$1,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Programme*") in aggregate nominal amount of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Investment Considerations	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under "*Investment Considerations*" and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Notes may be denominated in any agreed currency and with any agreed maturity, subject to any applicable legal or regulatory

	restrictions and any requirements of the relevant central bank (or equivalent body).
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Pricing Supplement, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. Tier 2 Notes shall have a minimum maturity of 5 years. Additional Tier 1 Notes are perpetual and have no maturity date.
Issue Price	Notes may be issued on a fully-paid or (in the case of Notes other than Subordinated Notes) a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes.....	The Notes may be in bearer form and/or registered form. Bearer Notes will be in bearer form and will on issue be represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note, as indicated in the applicable Pricing Supplement. Temporary Bearer Global Notes will be exchangeable either for (i) interests in a Permanent Bearer Global Note or (ii) Definitive Bearer Notes, as indicated in the applicable Pricing Supplement. Permanent Bearer Global Notes will be exchangeable for Definitive Bearer Notes upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described under "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes.....	Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the applicable ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) by reference to EURIBOR, SOFR Benchmark or SONIA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement); or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

	The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.
Index Linked Notes.....	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula, or to changes in the prices of securities or commodities or to such other factors, as the Issuer and the relevant Dealer may agree.
Other provisions in Floating Rate Notes and Index Linked Interest Notes	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes.....	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Partly Paid Notes.....	The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes.....	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes	The Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity other than (i) in specified instalments, if applicable, or (ii) for taxation reasons (in the case of Subordinated Notes, only with the conditions for redemption as set out in Condition 8.13 having been satisfied), or (iii) following a Change of Control (as defined in Condition 8.6) or (iv) in the case of Subordinated Notes, for certain regulatory reasons (only with the conditions for redemption as set out in Condition 8.13 having been satisfied) or (iv) following an Event of Default (as defined in Condition 12) (in the case of Senior Notes, in accordance with the provisions of Condition 12.1 and in the case of Subordinated Notes, only in accordance with the provisions of Condition 12.2), or that such Notes will be redeemable at the option of the Issuer (in the case

	of Subordinated Notes only with the conditions for redemption as set out in Condition 8.13 having been satisfied) and/or (except in the case of Subordinated Notes) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the Terms and Conditions of the Notes or as may be agreed between the Issuer and the relevant Dealer.
Denomination of Notes	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 10), subject as provided in Condition 10. In the event that any such deduction is made, the Issuer will, subject to certain exceptions provided in Condition 10, be required to pay additional amounts to cover the amounts so deducted. Without prejudice to the Issuer's obligation to pay additional amounts as described above, all payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 7.7.
Negative Pledge	The terms of the Notes (other than Subordinated Notes) will contain a negative pledge provision as further described in Condition 4.
Cross Default	The terms of the Notes (other than Subordinated Notes) will contain a cross default provision as further described in Condition 12.
Status of the Senior Notes	The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will rank pari passu among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.
Status, Events of Default and other Terms of or relating to the Tier 2 Notes	The status of the Tier 2 Notes and events of default applicable to the Tier 2 Notes are set out in Conditions 3.2 and 12.2, respectively. Subordinated Notes do not have the benefit of a negative pledge or cross default provision.
Status, Events of Default and other Terms of or relating to the Additional Tier 1 Notes	The status of the Additional Tier 1 Notes and events of default applicable to the Additional Tier 1 Notes are set out in Conditions 3.3 and 12.2, respectively. Additional Tier 1 Notes do not have the benefit of a negative pledge or cross default provision.

Limited Right of Acceleration in respect of Subordinated Notes.....	If any order of the Government is made for the winding-up, liquidation or dissolution of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 8.7. *Pursuant to Section 18 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 as amended from time to time (the Banks Nationalisation Act), Indian statutory provisions relating to winding up do not apply to the Issuer, and it may only be placed in liquidation by order of the Government in such manner as it may direct.*
Additional Tier 1 Notes – Cancellation of Interest	The Issuer may, at its full discretion and as it deems fit, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid in respect of a Series of Additional Tier 1 Notes. Further, the Issuer will be required to cancel (in whole or, as the case may be, in part) the payment of any interest scheduled to be paid on an Interest Payment Date to the extent that such payment of interest is not permitted to be paid under the RBI Guidelines. Interest on the Additional Tier 1 Notes will be non-cumulative and any cancellation of interest on Additional Tier 1 Notes in accordance with Condition 6.7 will not constitute an event of default in respect of the Additional Tier 1 Notes. In the event of any cancellation of interest on Additional Tier 1 Notes, the Issuer will face certain restrictions on its ability to make payments in respect of securities ranking junior to, or *pari passu* with, such Additional Tier 1 Notes, as set out in Condition 6.7(d). See Condition 6.7 for further details.
Subordinated Notes Loss – Absorption	In the event of a PONV Trigger Event, Subordinated Notes will be subject to interest cancellation and Write-Down (as defined in Condition 9.1(c)). Any nominal amount Written-Down due to the occurrence of a PONV Trigger Event will not be restored in any circumstances. Further, Additional Tier 1 Notes will also be subject to interest cancellation and Write-Down upon the occurrence of a CET1 Trigger Event, with any Reinstatement (as defined in Condition 9.2(b)) being at the Issuer's option and subject to regulation. See Condition 9 for further details.
Listing.....	Application will be made to the India INX and NSE IX for the Notes to be admitted for trading on the India INX and NSE IX, respectively.

	Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Use of Proceeds	The net proceeds from each issue of Notes shall be utilised by the Issuer to (i) meet the funding requirements of the Bank's head office in India, foreign offices or branches, and (ii) meet its general corporate purposes, as per applicable laws of India. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.
Rating	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Pricing Supplement.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with any of the foregoing will be governed by, and construed in accordance with, English law except that, Clause 2(G) of the Trust Deed, and in the case of Subordinated Notes, Conditions 3.2 and 3.3 will be governed by Indian law.
Clearing System.....	Euroclear, Clearstream (each as defined in Condition 1) and/or any other clearing system, as specified in the applicable Pricing Supplement (see "*Form of the Notes*").
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including The Netherlands), UK, India, Hong Kong, Japan, Singapore, Taiwan and Korea and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale*").
United States Selling Restrictions.....	Regulation S, Category 1 or 2, as specified in the applicable Pricing Supplement. TEFRA C or D or TEFRA applicable or not applicable, as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached ("**Bearer Notes**"), or registered form, without interest coupons attached ("**Registered Notes**"). Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Notes will be issued both outside the United States (and in the case of Notes offered or sold in reliance on Category 2 of Regulation S, to non-U.S. persons) in reliance on the exemption from registration provided by Regulation S.

Notes to be listed on the India INX and NSE IX will be accepted for clearance through Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") and/or any other clearing system as specified in the applicable Pricing Supplement.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will initially be issued in the form of either a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Pricing Supplement, a permanent bearer global note (a "**Permanent Bearer Global Note**" and together with the Temporary Bearer Global Note, the "**Bearer Global Notes**" and each a "**Bearer Global Note**") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same series or (ii) for Definitive Bearer Notes of the same series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused. The Bearer Notes will be subject to certain restrictions on transfer set forth therein or will bear a legend regarding such restrictions.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory

to the Trustee is available. The Issuer will promptly give notice to the Noteholders and the Trustee in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream or the common depositary on their behalf (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange. Any such exchange following an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

All Notes will be issued pursuant to the Trust Deed (as defined under "*Terms and Conditions of the Notes*") and the Agency Agreement.

The following legend will appear on all Notes (other than Temporary Global Notes) which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold outside the United States (and, in the case of Notes being offered or sold in reliance on Category 2 of Regulation S, only to non-U.S. persons), will initially be represented by a global note in registered form (a "**Registered Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream and such Registered Global Note will bear a legend regarding such restrictions on transfer.

Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record

Date (as defined in Condition 7.3) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system is available. The Issuer will promptly give notice to the Noteholders and the Trustee in accordance with Condition 16 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream or the common depositary on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions. See "*Subscription and Sale*".

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, its agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, its agents and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the Trust Deed, and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder, Receiptholder (as defined below) or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a new Offering Circular or a supplement to the Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 6, 7, 8 (except Condition 8.2), 12, 13, 14, 15 (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 18, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme.

[Date]

Bank of India acting through its International Financial Services Centre Banking Unit at GIFT City

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$1,000,000,000
Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated [●] 2026 [and the supplements] to it dated [●] and [●] (the "**Offering Circular**"). This document constitutes the final terms of the Notes and must be read in conjunction with such Offering Circular.

[**MIFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, MiFID II)]/[MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [MiFID II]/[Directive 2014/65/EU (as amended, "**MiFID II**")]; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the

Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date] [and the supplement to it dated [date]] which are incorporated by reference in the Offering Circular. This document constitutes the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto.]

[*The following to be included for any issuance of Additional Tier 1 Notes*]

[By its acquisition of the Notes, each holder and beneficial owner acknowledges and agrees *inter alia* that upon the occurrence of a PONV Trigger Event [or a CET1 Trigger Event], all or some of the rights of holders of Notes [and the Receipts] relating to them shall be subject to Write-Down (as defined in the Conditions) and the right to receive interest on any portion of nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. [In addition, (1) interest is payable solely at the Issuer's discretion, and no amount of interest shall become due and payable to the extent that it has been cancelled by the Issuer at its sole discretion and (2) a cancellation of interest (in whole or in part) in accordance with the terms and conditions of such Additional Tier 1 Notes shall not constitute a default in payment or otherwise under the terms thereof. Any interest cancelled (in whole or in part) in the circumstances described herein shall not be due and shall not accumulate or be payable at any time thereafter, and holders and beneficial owners shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation.] See "*Investment Considerations – Risks Relating to an Investment in the Notes*" in the Offering Circular.]

[**Notification under Section 309B of the Securities and Futures Act 2001 of Singapore (the** "**SFA**") – [To insert notice if classification of the Notes is not prescribed capital markets products, pursuant to Section 309B of the SFA].][1]

[**Paragraph 21 of the Hong Kong SFC Code of Conduct** – As paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission applies to this offering of Notes, prospective investors should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors*" appearing on pages [●] to [●] of the Offering Circular, and CMIs (as defined in the Offering Circular)

[1] Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)*" appearing on pages [●] to [●] of the Offering Circular.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement*]

1	Issuer:		Bank of India, acting through its International Financial Services Centre Banking Unit at GIFT City
2	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [c] below, which is expected to occur on or about [date]] [Not Applicable]
3	Specified Currency or Currencies:		[ ] [*N.B. - If Rupee denominated Notes are issued:* - The lawful currency of India ("**Indian Rupees**" or "**INR**"), provided that all payments in respect of the Notes will be made in United States Dollars ("**USD**").]
4	Aggregate Nominal Amount:		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] [*N.B. - If Rupee denominated Notes are issued:* - The Issue Price will be payable in USD and will be based on the Aggregate Nominal Amount (in INR) divided by the conversion rate reported by the RBI and displayed on Reuters page "RBIB" at approximately 1:30 p.m., Mumbai, on [ ].]
6	(a)	Specified Denominations: (in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)	[ ] (*N.B. - Notes must have a minimum denomination of €100,000 or equivalent unless the issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation*) (*N.B. - Where Bearer Notes with multiple denominations above €100,000 or equivalent are being used with respect*

			to Bearer Notes, the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof, up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000].") *(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made) (In case of Rupee denominated Notes this means INR10,000,000 and integral multiples thereof*)
	(b)	Calculation Amount (in relation to calculation of interest in global form, see Conditions):	[ ] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor.* *Note: There must be a common factor in the case of two or more Specified Denominations*)
7	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*specify/Issue Date/Not Applicable*] (*N.B. - An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*)
8		Maturity Date:	[- *Specify date or for Floating Rate Notes* - Interest Payment Date falling in or nearest to [*specify month and* year]] (*N.B. - As per current regulations, (i) Tier 2 Notes shall have a minimum maturity of 5 years and (ii) Additional Tier 1 Notes shall be perpetual)*
9		Interest Basis:	[[ ] per cent. Fixed Rate] [[*Specify Reference Rate*] [+/-] [●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)
10		Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] (Not applicable to Additional Tier 1 Notes or Tier 2 Notes) [Instalment] [*specify other*]
11		Change of Interest Basis or Redemption/Payment Basis:	[Applicable/Not Applicable] (*If applicable, specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis) (N.B. - In accordance with*

			the RBI regulations, Subordinated Notes will not have any step-up option. Subordinated Notes shall be free of restrictive clauses and will not be redeemable at the option of the holder or without prior approval of the RBI).
12	Put/Call Options:		[Investor Put] [Change of Control Put] *(N.B. - Investor Put is not possible for Subordinated Notes) [Issuer Call] (N.B. - For Subordinated Notes, Issuer Call may only be exercised after the fifth anniversary of the Issue Date, and is subject to the prior approval of the RBI.)* [*(further particulars specified below)*] [*Not Applicable*]
13	Status of the Notes:		[Senior/Subordinated] (If "Subordinated", specify either "Additional Tier 1" or "Tier 2")
14	(a)	Date of Board approval for issuance of Notes obtained:	[ ] [and [ ], respectively]]/[None required] (*N.B. - Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
	(b)	Date of regulatory approval/consent for issuance of Notes obtained:	[ ]/[None required] (*N.B. - Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes*)
15	Listing:		[India INX/ NSE IX/specify other/None] (*N.B. - Consider disclosure requirements under the EU Prospectus Regulation applicable to securities admitted to an EU regulated market) (N.B. - For unlisted Notes, and certain other Notes, issued by the London Branch, withholding tax may be applicable. See "Taxation - United Kingdom Taxation" in the Offering Circular*)
16	Method of distribution:		[Syndicated/Non-syndicated]
17	Use of proceeds		The net proceeds from each issue of Notes shall be utilised by the Issuer [to (i) meet the funding requirements of the Bank's head office in India, foreign offices or branches, and (ii) meet its general corporate purposes, as per applicable laws of India].

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date

			(*Amend appropriately in the case of irregular coupons*)[, subject to adjustment, for [payment business day purposes only/both interest accrual and payment business day purposes], in accordance with the [*state business day convention*]]
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[ ] per Calculation Amount
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]/[Not Applicable]
	(e)	Day Count Fraction:	[Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)] or [*specify other*] [, [adjusted/unadjusted] for interest accrual purposes]
	(f)	Determination Date(s):	[[ ] in each year] [Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
	(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
19		Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ][, subject to adjustment[, for interest accrual purposes only,] in accordance with the Business Day Convention set out in (b) below/not subject to any adjustment, as the Business Day Convention in (b) below is specified to be not Applicable]
	(b)	Business Day Convention:	[Adjusted]/[Not Adjusted] *(If Not Adjusted, delete the remaining subparagraphs of this paragraph)* [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]] [Not Applicable]
	(c)	Additional Business Centre(s):	[Not Applicable / *give details*][2] For the avoidance of doubt, "business day" for these Notes shall include the following:

[2] Only include where an additional Financial Centre has been indicated for the drawdown (this is typically set out in the term sheet)

		(a) [*give details as per above if applicable*][3] (b) [New York City][4] / [Singapore][5] / [London][6] / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)].[7]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ]
(f)	Screen Rate Determination:	[ ]
	• Reference Rate:	[ ] month [EURIBOR/*Specify Other Reference Rate*] [*EURIBOR, SOFR Benchmark, SONIA Benchmark or other, although additional information is required if other, including fallback provisions in the Agency Agreement*]
	• Interest Determination Date(s):	[ ] (*Second day on which the T2 is open prior to the start of each Interest Period if EURIBOR*) *(To be a minimum of 5 Business Days lookback period for any backward-looking rate)*
	• Relevant Screen Page:	[ ] *(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(g)	SOFR Benchmark:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	• SOFR Benchmark:	[Compounded Daily SOFR/Compounded SOFR Index]
	• Observation Method:	[Not Applicable/SOFR Observation Lag/SOFR Observation Shift] *(Only applicable where the Reference Rate is Compounded Daily SOFR)*
	• [Lookback Days]/[SOFR Observation Shift Days]:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded Daily SOFR)*
(h)	SONIA Benchmark:	[Applicable/Not Applicable]

[3] Only include where an additional Financial Centre has been indicated for the drawdown (this is typically set out in the term sheet)

[4] For USD denominated drawdowns

[5] For SGD denominated drawdowns

[6] For sterling denominated drawdowns

[7] For euro denominated drawdowns

(If not applicable, delete the remaining subparagraphs of this paragraph)

- SONIA Benchmark: [Compounded Daily SONIA/SONIA Index/specify other]
- SONIA Observation Method: [SONIA Observation Lag/SONIA Observation Shift/Not Applicable/specify other]
  (Only applicable where the Reference Rate is Compounded Daily SONIA)
- "x": [*specify number*]

(i) ISDA Determination: [ ]

- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
- Floating Rate Option: [ ]
- Designated Maturity: [ ]
- Reset Date: [ ]
  (*in the case of a EURIBOR based option, the first day of the Interest Period*)
- Compounding: [Applicable/Not Applicable]
  (If not applicable, delete the remaining items of this subparagraph)
  - Compounding Method: [Compounding with Lookback
    Lookback: [[●] Applicable Business Days]/
    [As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days
    Observation Period Shift Additional Business Days: [[●]/[Not Applicable]] /[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]
  - Index Provisions: [Applicable/Not Applicable]
    (If not applicable, delete the remaining items of this subparagraph)
  - Index Method: Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]]

(j) Margin(s): [+/-] [ ] per cent. per annum

(k) Minimum Rate of Interest: [ ] per cent. per annum

(l) Maximum Rate of Interest: [ ] per cent. per annum

(m) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/Actual]
[Actual/365 (Fixed)]

			[Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other] [, [adjusted/unadjusted] for interest accrual purposes only] (*See Condition 6 for alternatives*)
	(n)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Benchmark Discontinuation (General)/Benchmark Discontinuation (SOFR)/specify other if different from those set out in the Conditions]
20	Zero Coupon Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable:	[ ]
	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365] [*specify other*]
21	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent:	[*give name*]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent):	[ ]
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]

	(f)	Business Day Convention:	[Adjusted]/[Not Adjusted] *(If Not Adjusted, delete the remaining subparagraphs of this paragraph)* [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(g)	Additional Business Centre(s):	[ ]
	(h)	Minimum Rate of Interest:	[ ] per cent. per annum
	(i)	Maximum Rate of Interest:	[ ] per cent. per annum
	(j)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other] (*See Condition 6 for alternatives*)
22	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[give or annex details]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Agent):	[ ]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[need to include a description of market disruption or settlement disruption events and adjustment provisions]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

23	Notice periods for condition [Redemption and Purchase - Redemption for tax reasons]:	Minimum period: [30] days Maximum period: [60] days
24	Issuer Call:	[Applicable/Not Applicable]

			(*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount:	[[ ] per Calculation Amount/*specify other/see Appendix*]
	(c)	if redeemable in part	
		(i) Minimum Redemption Amount	[ ]
		(ii) Maximum Redemption Amount	[ ]
	(d)	Notice period (if other than as set out in the Conditions):	Minimum period: [15] days Maximum period: [30] days (*N.B. - If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee*)
25	Investor Put:		[Applicable/Not Applicable] (*N.B. - Investor Put is not applicable for Subordinated Notes*) (*If not applicable, delete the remaining* subparagraphs of this paragraph)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/specify other/see Appendix]
	(c)	Notice period (if other than as set out in the Conditions):	Minimum period: [30] days Maximum period: [60] days (*N.B. - If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or the Trustee*)
26	Change of Control Put:		[Applicable/Not Applicable]
27	Final Redemption Amount:		[[ ] per Calculation Amount/*specify other*/see Appendix]

[*N.B. - If Rupee denominated Notes are issued: - The Final Redemption Amount per Calculation Amount will be payable in USD and determined by the Calculation Agent, on the Rate Fixing Date in respect of the Maturity Date, as follows:*

Calculation Amount divided by the Reference Rate

Where:

"**Calculation Agent**" means [ ]

"**Reference Rate**" means the rate used on each Rate Fixing Date which will be the USD/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Fixing Business Days, reported by the Reserve Bank of India, which is displayed on Reuters page "RBIB" (or any successor page) at approximately 1:30 pm, Mumbai time, on each Rate Fixing Date. If a Price Source Disruption Event occurs on the Scheduled Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent in accordance with the Fallback Provisions set out below.

"**Rate Fixing Date**" means the Scheduled Rate Fixing Date, subject to Valuation Postponement.

"**Scheduled Rate Fixing Date**" means the date which is two Fixing Business Days prior to the Interest Payment Date or the Maturity Date or such other date on which an amount in respect of the Notes is due and payable. If the Scheduled Rate Fixing Date is an Unscheduled Holiday, the Rate Fixing Date shall be the next following relevant Fixing Business Day, subject to the Deferral Period for Unscheduled Holiday set out below.

"**Unscheduled Holiday**" means a day that is not a Fixing Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Fixing Business Days prior to the relevant Rate Fixing Date.

Adjustments to Interest Payment Date and Maturity Date: If a Scheduled Rate Fixing Date is adjusted for an Unscheduled Holiday or if Valuation Postponement applies, then the Interest Payment Date or Maturity Date relating to such Scheduled Rate Fixing Date shall be two (2) Payment Business Day(s) after the date on which the Reference Rate for such Interest Payment Date or Maturity Date is determined. If any Interest Payment Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the

corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date or the Maturity Date, as applicable, and no further adjustment shall apply to the amount of interest payable.

Fallback Provisions:

"**Price Source Disruption Event**" means it becomes impossible to obtain the Reference Rate on a Rate Fixing Date.

Applicable Price Source Disruption Fallbacks:

In the event of a Price Source Disruption Event, the Calculation Agent shall apply each of the following Price Source Disruption Fallbacks for the determination of the Reference Rate, in the following order, until the Reference Rate can be determined.

1. Valuation Postponement	(As defined below)
2. Fallback Reference Price	SFEMCINR Indicative Survey Rate (INR02)
3. Fallback Survey Valuation Postponement	(As defined below)
4. Calculation Agent Determination of Reference Rate	

"**Cumulative Events**" has the following meaning: Notwithstanding anything to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Fixing Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period on which the Reference Rate otherwise would be determined, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the next Price Source Disruption Fallback.

"**Valuation Postponement**" means that the Reference Rate will be determined on the Fixing Business Day first succeeding the day on which the Price Source Disruption

Event ceases to exist, unless the Price Source Disruption Event continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption Event, would have been the Rate Fixing Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Reference Rate will be determined on the next Fixing Business Day after the Maximum Days of Postponement (which will, subject to the provisions relating to Fallback Survey Valuation Postponement, be deemed to be the applicable Rate Fixing Date) in accordance with the next applicable Price Source Disruption Fallback.

"**Maximum Days of Postponement**": 14 calendar days.

"**SFEMC INR Indicative Survey Rate (INR02)**" means that the Reference Rate for a given Rate Fixing Date will be the Indian Rupee/U.S. Dollar Specified Rate for U.S. Dollars, expressed as the amount of Indian Rupees per one U.S. Dollar, for settlement in two Fixing Business Days, as published on the web site of Singapore Foreign Exchange Market Committee (SFEMC) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such date. The Reference Rate shall be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey (as defined below) for the purpose of determining the SFEMC INR Indicative Survey Rate.

"**SFEMC INR Indicative Survey**" means a methodology, dated as of 1 December 2004 as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the Indian Rupee/U.S. Dollar markets for the purpose of determining the SFEMC INR Indicative Survey Rate (INR02).

"**Fallback Survey Valuation Postponement**" means that, in the event that the Fallback Reference Price is not available on or before the third Fixing Business Day (or day that would have been a Fixing Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption Event, Deferral Period for Unscheduled Holiday, or Cumulative Events, as applicable, then the Reference Rate will be determined in accordance with the next Applicable Price Source Disruption Fallback on such day (which will be deemed to be the applicable Rate Fixing Date). For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.

		"**Payment Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Mumbai. "**Fixing Business Day**" means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai. Deferral Period for Unscheduled Holiday: In the event the Scheduled Rate Fixing Date is postponed due to the occurrence of an Unscheduled Holiday, and if the Rate Fixing Date has not occurred on or before the 14th calendar day after the Scheduled Rate Fixing Date (any such period being a "Deferral Period"), then the next day after the Deferral Period that would have been a Fixing Business Day but for the Unscheduled Holiday, shall be deemed to be the Rate Fixing Date.]
28	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required):	[[●] per Calculation Amount/specify other/see Appendix] [*N.B. - If the Final Redemption Amount is 100.00 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100.00 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be*] [*N.B. - If Rupee denominated Notes are issued:* - The Final Redemption Amount as determined in accordance with item 25; *provided that*, for purposes of such determination, the Scheduled Rate Fixing Date shall be the date that is two Fixing Business Days prior to the date upon which the Notes become due and payable.]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]] (*Ensure that this is consistent with the language in the "Form of the Notes" section in the Offering Circular and*

		the Notes themselves. N.B. - The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. *Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes"*) [Registered Notes: Registered Global Note (U.S.$[●] nominal amount) registered in the name of a common depositary for Euroclear and Clearstream]
30	Applicable Financial Centre(s) or other special provisions relating to Payment Dates:	[New York/London/Hong Kong/Singapore/*give details*] (*Note that this item relates to the date of payment and not the end dates of Interest Periods for the purpose of calculating the amount of interest to which items 18(c) and 20(g) relate*)
31	Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form:	[Yes/No. If yes, *give details*]
32	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of a failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*] (*N.B. - a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*)
33	Details relating to Instalment Notes:	[Applicable/Not Applicable] (*If not applicable delete the remaining* subparagraph of this paragraph)
	(a) Instalment Amount(s):	[*give details*]
	(b) Instalment Date(s):	[*give details*]
34	Redenomination applicable:	Redenomination [not] applicable (*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*)
35	Other terms or special conditions:	[Not Applicable/*give details*]
DISTRIBUTION		
36	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give names*]

37	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
38	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
39	Whether Category 1 or Category 2 applicable in respect of the Notes offered and sold in reliance on Regulation S:	[Category 1/Category 2]
40	Additional selling restrictions:	[Not Applicable/*give details*]
41	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified*.)
42	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

HONG KONG SFC CODE OF CONDUCT

43	(i)	Rebates:	A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
	(ii)	Contact email addresses of the [Overall Coordinators/Capital Market Intermediaries] underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the* [*Overall Coordinators/Capital Market Intermediaries*] *where the underlying investor information should be sent - OCs/CMIs to provide*]/[Not Applicable]
	(iii)	Marketing and Investor Targeting Strategy:	[*if different from the Offering Circular*]

OPERATIONAL INFORMATION

44	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
45	Delivery:	Delivery [against/free of] payment

46	Additional Paying Agent(s) (if any):	[ ]
47	Address of the Issuer if the Issuer is an overseas branch of the Bank that is not the GIFT City Branch:	[ ]
48	ISIN:	[ ]
	Common Code:	[ ]
49	Financial Instrument Short Name:	[ ]
50	Classification of Financial Instruments Code:	[ ]
51	Legal Entity Identifier:	21380058KMSRJIL8C294

[**LISTING APPLICATION**

Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the India INX] / [NSE IX].

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$1,000,000,000 Medium Term Note Programme of Bank of India, [acting through its GIFT City Branch].]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes. Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. Signed on behalf of the Issuer:

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following, subject to alteration and except for the paragraphs in italics, are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Bank of India (the "**Issuer**"), acting through its International Financial Service Centre at GIFT City, and constituted by a trust deed dated 28 September 2026 (such Trust Deed as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer and Citicorp International Limited (the "**Trustee**" which expression shall include any successor as Trustee).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(ii) definitive Notes in bearer form ("**Bearer Notes**") issued in exchange (or part exchange) for a Global Note in bearer form ("**Bearer Global Notes**");

(iii) any Global Note; and

(iv) definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form ("**Registered Global Notes**")).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an agency agreement dated 28 September 2026 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer, the Trustee, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor principal paying agent, and, together with any additional paying agents appointed in accordance with the Agency Agreement, the "**Paying Agents**", which expression shall, unless the context otherwise requires, include any additional or successor paying agents), and as transfer agent (the "**Transfer Agent**", which expression shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement), and (where appointed as contemplated herein) as calculation agent (the "**Calculation Agent**") and Citicorp International Limited as registrar (the "**Registrar**", which expression shall include any successor registrar). The Principal Paying Agent, the Paying Agents, the Transfer Agent, the Registrar, (where appointed) the Calculation Agent and any other agents appointed under the Agency Agreement from time to time are, together referred to as the "**Agents**".

Interest bearing Definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons ("**Coupons**") and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the

instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions ("**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which (i) are expressed to be consolidated and form a single series and (ii) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement: (i) are available for inspection at all reasonable times during normal business hours (being between 9.00 a.m. (local time) and 3.00 p.m. (local time) from Monday to Friday (other than public holidays) at the specified office for the time being of the Trustee and the Principal Paying Agent; or (ii) may be provided by email to any Noteholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent. Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of the Trustee and the Principal Paying Agent or by email, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the Principal Paying Agent, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1 FORM, DENOMINATION AND TITLE

The Notes may be in bearer form ("**Bearer Notes**") and/or in registered form ("**Registered Notes**") and, in the case of definitive Notes, will be serially numbered, in the currency (the "**Specified Currency**") and the denomination(s) (the "**Specified Denomination(s)**") specified in the applicable Pricing Supplement. Save as

provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Senior Note, an Additional Tier 1 Note or a Tier 2 Note, as indicated in the applicable Pricing Supplement.

Additional Tier 1 Notes and Tier 2 Notes (together, "**Subordinated Notes**") will be in registered form unless otherwise specified in the applicable Pricing Supplement.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as otherwise provided in Condition 2, Definitive Registered Notes may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Notes of like aggregate nominal amount.

Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

Any minimum denomination required by any law or directive or regulatory authority in respect of the currency of issue of any Note shall be such as applied on or prior to the date of issue of such Note.

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar. The Issuer, the Trustee, the Principal Paying Agent, any Paying Agent, the Registrar and any Transfer Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held by a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Trustee, any Paying Agent, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

In determining whether a particular person is entitled to a particular nominal amount of Notes, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, as the case may be. References to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Trustee and the Principal Paying Agent.

2 EXCHANGE AND TRANSFERS OF REGISTERED NOTES

2.1 Transfers of Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Registered Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Exchanges and transfers of Registered Notes generally

Registered Notes may not be exchanged for Bearer Notes and vice versa.

Holders of Definitive Registered Notes may exchange such Definitive Registered Notes for interests in a Registered Global Note of the same type at any time.

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement) by the holder or holders: (a) surrendering the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (b) completing and depositing such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar, or as the case may be, the relevant Transfer Agent may prescribe (such initial regulations being set out in Schedule 4 to the Agency Agreement), including any restrictions imposed by the Issuer on transfers of Definitive Registered Notes. Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within seven business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the

transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 8.3, the Issuer shall not be required:

(a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the 15th day before the date of the partial redemption and ending on the date on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal or interest or payment on that Note or (ii) during any period commencing on the date of a Loss Absorption Event Notice and ending on the close of business in the city where the specified office of the Registrar is located on the effective date of the related Write-Down.

2.5 Costs of exchange or registration

Registration of transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it provided that the Issuer shall not be responsible for any documentary stamp tax payable on the transfer of Notes effected in the Republic of India ("**India**") unless the Issuer is the counterparty directly liable for that documentary stamp tax.

2.6 Definitions

In these Conditions, the following expressions shall have the following meanings:

"Outstanding Nominal Amount" means the issued nominal amount of a Subordinated Note (the "**Issued Nominal Amount**"), as reduced pursuant to any write-down and as increased pursuant to any Reinstatement (to the extent applicable or permitted and in respect of Additional Tier 1 Notes only), from time to time. All references in these Conditions to "**nominal amount**" will, in respect of Subordinated Notes, refer to Outstanding Nominal Amount or Issued Nominal Amount, as relevant and unless otherwise specified;

"**RBI**" or "**Reserve Bank of India**" means the Reserve Bank of India (being the apex central banking and monetary authority of India) and any successor entity having primary bank regulatory authority with respect to the Issuer;

3 STATUS

3.1 Status of the Senior Notes

Notes the status of which is specified in the applicable Pricing Supplement as Senior (the "**Senior Notes**") and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among

themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding.

3.2 Status of the Tier 2 Notes

*This Condition 3.2 applies only to Notes specified in the applicable Pricing Supplement as "**Tier 2 Notes**".*

The Tier 2 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(a) Status

The Tier 2 Notes are direct and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Tier 2 Notes are subordinated in the manner described in Condition 3.2(b).

(b) Subordination

Tier 2 Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the winding up, liquidation or dissolution (as determined pursuant to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time) (the "**Banks Nationalisation Act**") of the Issuer, the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking, or expressed to rank, equal to or junior to the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed. For the avoidance of doubt, the claims of holders of Tier 2 Notes and any relative Receipts and Coupons shall be senior to the claims of holders of Tier 1 capital as defined in the RBI Guidelines. RBI Guidelines means the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 dated November 28, 2025 as may be amended or updated from time to time.

No Noteholder, Receiptholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Tier 2 Notes and each Noteholder, Receiptholder and Couponholder shall by virtue of its subscription, purchase or holding of any Tier 2 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

"**Subordinated Indebtedness**" means all indebtedness of the Issuer which by its terms is subordinated, in the event of winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, in right of payment to the claims of unsubordinated creditors of the Issuer and so that, for the purpose of this definition, indebtedness shall include all liabilities, whether actual or contingent, under guarantees or indemnities.

3.3 Status of the Additional Tier 1 Notes

This Condition 3.3 applies only to Notes specified in the applicable Pricing Supplement as "**Additional Tier 1 Notes**".

(a) Status

The Additional Tier 1 Notes are direct and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves. The rights and claims of Noteholders in respect of, or

arising under, the Additional Tier 1 Notes are subordinated in the manner described in Condition 3.3(b).

The Additional Tier 1 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates.

(b) Subordination

The Issuer, for itself, its successors and assignees, covenants and agrees, and each Noteholder by subscribing for or purchasing an Additional Tier 1 Note irrevocably acknowledges and agrees, that:

(i) the indebtedness evidenced by the Additional Tier 1 Notes constitutes unsecured and subordinated obligations of the Issuer; and

(ii) the subordination is for the benefit of the holders of indebtedness that ranks senior to the Additional Tier 1 Notes.

In a winding-up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, claims of the holders of Additional Tier 1 Notes and any related Receipts or Coupons pursuant thereto in respect of the Additional Tier 1 Notes will rank:

(i) senior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Issuer;

(ii) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Issuer (including holders of Tier 2 Notes) other than any subordinated debt qualifying as Additional Tier 1 Capital of the Issuer (as defined under the RBI Guidelines); and

(iii) *pari passu* and without preference among themselves and with any other claims in respect of debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines.

The principal of, and interest and any additional amounts payable on, the Additional Tier 1 Notes will be subordinated in right of payment upon the occurrence of any winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) proceeding to the prior payment in full of all deposit liabilities and all other liabilities of the Issuer (including liabilities of all offices and branches of the Issuer wherever located and any subordinated debt securities of the Issuer that rank senior to the Additional Tier 1 Notes), except in each case to those liabilities which by their terms rank, or are expressed to rank, equally in right of payment with or which are subordinated to the Additional Tier 1 Notes, in the manner and to the extent provided in the Trust Deed.

No Noteholder, Receiptholder or Couponholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Additional Tier 1 Notes and each Noteholder, Receiptholder and Couponholder shall, by virtue of its subscription, purchase or holding of any Additional Tier 1 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

The Additional Tier 1 Notes 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 vis-à-vis bank creditors.

The Additional Tier 1 Notes will not contribute to liabilities exceeding assets if such a balance sheet test forms part of a requirement to prove insolvency under any law or otherwise. Accordingly, a payment in respect of the Additional Tier 1 Notes will not be due and payable to the extent that the Issuer is not solvent (as determined pursuant to Indian law) at the time of such payment or would not be solvent (as determined pursuant to Indian law) immediately after such payment. As used in these Conditions:

(a) "**Additional Tier 1 Capital**" has the meaning given to it in the RBI Guidelines;

(b) "**Common Equity Tier 1 Capital**" has the meaning given to it in the RBI Guidelines;

(c) "**Group**" means the Issuer and each subsidiary that is part of its prudential consolidated group from time to time; and

(d) "**Tier 1 Capital**" has the meaning given to it in the RBI Guidelines.

As a consequence of these subordination provisions, if a winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) proceeding should occur, the Noteholders, Receiptholders and Couponholder may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Moreover, holders of Additional Tier 1 Notes would likely be required to pursue their claims on the Additional Tier 1 Notes in proceedings in India as further described in Condition 12.3.

Holders of the Additional Tier 1 Notes 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.

The Additional Tier 1 Notes do not limit the amount of liabilities ranking senior or equal to the Additional Tier 1 Notes.

To the extent that holders of the Additional Tier 1 Notes are entitled to any recovery with respect to the Additional Tier 1 Notes in any Indian proceedings, such holders may not be entitled in such proceedings to a recovery in U.S. dollars and may be entitled to a recovery in Rupees.

For the avoidance of doubt, if the Issuer goes into winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) before any Write-Down under Condition 9, the Additional Tier 1 Notes will absorb losses in accordance with Condition 3.3(b).

The provisions of this Condition 3 (other than Condition 3.1) apply only to the principal and interest in respect of the Subordinated Notes and nothing in this Condition 3 or in Condition 7 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

4 NEGATIVE PLEDGE

This Condition 4 applies only to Notes specified in the applicable Pricing Supplement as Senior Notes.

So long as any of the Senior Notes remain outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "**Security Interest**") upon, or with respect to, any part of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer to secure any Relevant Indebtedness (as defined below), unless the Issuer, in

the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

(i) all amounts payable by it under the Senior Notes and the Trust Deed (in respect of the Senior Notes) are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee in its absolute discretion; or

(ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon) of the holders of the Senior Notes.

For the purposes of these Conditions,

(a) "**Relevant Indebtedness**" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other debt securities of the Issuer which (a) by their terms are payable in a currency other than Rupees or are denominated in Rupees and more than 50.00 per cent. of the aggregate principal amount of which is initially distributed outside India by or with the authorisation of the Issuer and (b) are for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

5 [*Reserved*]

6 INTEREST

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (in the case of a Subordinated Note, on its Outstanding Nominal Amount) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up or, if they are Subordinated Notes, the Outstanding Nominal Amount); or

(b) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (as defined in the applicable Pricing Supplement) (as modified, in respect of Subordinated Notes, pursuant to any Write-Downs or Reinstatements),

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.1:

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; or

(b) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

6.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (in the case of a Subordinated Note, on its Outstanding Nominal Amount) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where "ISDA Determination" is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (i), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or such other party specified in the applicable Pricing Supplement under an interest rate swap transaction if the Principal Paying Agent or such other party were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) if the applicable Pricing Supplement specifies either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(I) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;

(II) the Designated Maturity (as defined in the relevant ISDA Definitions) is a period specified in the applicable Pricing Supplement;

(III) the relevant Reset Date (as defined in the relevant ISDA Definitions) is the date specified in the applicable Pricing Supplement;

(IV) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:

(1) Compounding with Lookback is specified as the Compounding Method in the applicable Pricing Supplement, Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement; or

(2) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement, (x) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (y) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Pricing Supplement; and

(V) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and (1) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (2) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Pricing Supplement;

(VI) references in the relevant ISDA Definitions to:

(1) "Confirmation" shall be deemed to be references to the applicable Pricing Supplement;

(2) "Calculation Period" shall be deemed to be references to the relevant Interest Period;

(3) "Termination Date" shall be deemed to be references to the Maturity Date; and

(4) "Effective Date" shall be deemed to be references to the Interest Commencement Date; and

(B) if the Pricing Supplement specifies "2021 ISDA Definitions" as the applicable ISDA Definitions:

(I) Administrator/Benchmark Event shall be disapplied; and

(II) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

For the purposes of this sub-paragraph (i):

(I) "**ISDA Definitions**" means (i) if "2006 ISDA Definitions" is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes; and

(II) "**Floating Rate**", "**Calculation Agent**", "**Compounding with Lookback**", "**Compounding with Observation Period Shift**" and "**Compounded Index Method with Observation Period Shift**" have the meanings given to those terms in the applicable ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be the rate (expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR) which appears on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as SOFR Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or such other party specified in the applicable Pricing Supplement on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or SOFR Index as follows (subject to Condition 6.8(b)):

(A) If Compounded Daily SOFR is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where "SOFR Observation Lag" is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where "SOFR Observation Shift" is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

"**Compounded Daily SOFR**" shall be calculated by the Principal Paying Agent or such other party in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Pricing Supplement:

(I) where SOFR Observation Lag is specified as the Observation Method in the applicable Pricing Supplement:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SOFR}_{i-\times\mathrm{USBD}}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i-xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_0**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"***i***" means a series of whole numbers ascending from one to d_0, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**");

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of Lookback Days prior to the first day of such Interest Period to (but excluding) the date falling the number of Lookback Days prior to the Interest Payment Date for such Interest Period.

(II) where SOFR Observation Shift is specified as the Observation Method in the applicable Pricing Supplement:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_0**" for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"***i***" means a series of whole numbers ascending from one to d_0, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**" for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of this sub-paragraph (iii)(A):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the reference rate determined by the Principal Paying Agent or such other party in accordance with the following provision:

(1) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(2) if the reference rate specified in (1) above of this definition does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website;

(3) in the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 6.8, the Rate of Interest shall be:

(x) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or

(y) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period); or

(4) if the reference rate specified in (1) above of this definition does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.8 shall apply; and

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(B) If Compounded SOFR Index ("**Compounded SOFR Index**") is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Principal Paying Agent or such other party as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

(1) in the event that the value originally published is subsequently corrected and such corrected value appears on the SOFR Administrator's Website on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index in relation to such U.S. Government Securities Business Day;

(2) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in sub-paragraph (iii)(A)(II) "SOFR Observation Shift"; or

(3) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6.8 shall apply;

"**SOFR Index$_{\text{End}}$**" means, in respect of an Interest Period, the SOFR Index value on the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{\text{Start}}$**" means, in respect of an Interest Period, the SOFR Index value on the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period;

"**SOFR Index Determination Time**" means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

"$\mathbf{d_c}$" means the number of calendar days in the applicable SOFR Observation Period.

(C) The following defined terms shall have the meanings set out below for purpose of this sub-paragraph (iii):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, unless otherwise specified in the applicable Pricing Supplement, the U.S. Government Securities Business Day immediately following the SOFR Observation Period;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York (currently, being *https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index*), or any successor source;

"**SOFR Benchmark Replacement Date**" means the date of occurrence of a Benchmark Event with respect to the then-current Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current Benchmark; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(D) If the relevant Series of Notes becomes due and payable in accordance with Condition 12, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the SOFR formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(iv) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as SONIA Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is

SONIA Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SONIA Benchmark plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Principal Paying Agent or such other party specified in the applicable Pricing Supplement on the relevant Interest Determination Date.

The "**SONIA Benchmark**" will be determined based on Compounded Daily SONIA or SONIA Index as follows (subject to Condition 6.8(a)):

(A) If Compounded Daily SONIA is specified in the applicable Pricing Supplement as the relevant SONIA Benchmark, Compounded Daily SONIA shall be calculated by the Principal Paying Agent or such other party on the relevant Interest Determination Date in accordance with the formula referenced below:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{SONIA}_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

"**Compounded Daily SONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average ("**SONIA**") rate as reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

where:

"**Applicable Period**" means, in relation to an Interest Period:

(1) where "SONIA Observation Lag" is specified as the SONIA Observation Method in the applicable Pricing Supplement, such Interest Period; or

(2) where "SONIA Observation Shift" is specified as the SONIA Observation Method in the applicable Pricing Supplement, the SONIA Observation Period relating to such Interest Period;

"**d**" means the number of calendar days in the relevant Applicable Period;

"**d_0**" means, for the relevant Applicable Period, the number of London Business Days in such Applicable Period;

"***i***" means, for the relevant Applicable Period, a series of whole numbers from one to d_0, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in such Applicable Period;

"**London Business Day**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**", for any London Business Day "*i*", means the number of calendar days from and including such London Business Day "*i*" up to but excluding the following London Business Day;

"**SONIA*i***" means, in respect of any London Business Day "*i*" in the Applicable Period, the SONIA Reference Rate for the SONIA Determination Date in relation to such London Business Day "*i*";

"**SONIA Determination Date**" means, in respect of any London Business Day "*i*":

(1) where "SONIA Observation Lag" is specified as the SONIA Observation Method in the applicable Pricing Supplement, the London Business Day falling "*x*" London Business Days prior to such London Business Day "*i*"; and

(2) otherwise, such London Business Day "*i*";

"**SONIA Observation Period**" means, for the relevant Interest Period, the period from (and including) the date falling "*x*" London Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling "*x*" London Business Days prior to the Interest Payment Date at the end of such Interest Period (or the date falling "*x*" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**SONIA Reference Rate**" means, in respect of any London Business Day, a reference rate equal to the daily SONIA rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Business Day immediately following such London Business Day); and

"***x***" means five London Business Days (or such other number of London Business Days as specified in the applicable Pricing Supplement).

(B) If SONIA Index ("**SONIA Index**") is specified in the applicable Pricing Supplement as the relevant SONIA Benchmark, the SONIA Benchmark for each Interest Period shall be equal to the rate of return of a daily compound interest investment during the SONIA Observation Period corresponding to such Interest Period (with the daily SONIA rate as reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{\text{SONIA Compounded Index}_{\text{END}}}{\text{SONIA Compounded Index}_{\text{START}}} - 1\right) \times \left(\frac{365}{\text{d}}\right)$$

provided, however, that, subject to Condition 6.8(a), if the SONIA Compounded Index Value is not available in relation to any Interest Period on the Relevant Screen Page for the determination of either or both of SONIA Compounded IndexSTART and SONIA Compounded IndexEND, the Rate of Interest shall be calculated for such Interest Period on the basis of Compounded Daily SONIA and using the "SONIA Observation Shift" method (as set out in sub-paragraph (iv)(A)).

In the formula above:

"***d***" means the number of calendar days in the relevant SONIA Observation Period;

"**London Business Day**", means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**SONIA Observation Period**" means, in respect of an Interest Period, the period from and including the date falling "*x*" London Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date which is "*x*" London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "*x*" London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

"**SONIA Compounded Index**" means, in respect of an Interest Period, the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index$_{START}$**" means the SONIA Compounded Index Value on the date which is "*x*" London Business Days preceding the first day of such Interest Period (or in the first Interest Period, the Interest Commencement Date);

"**SONIA Compounded Index$_{END}$**" means, in respect of an Interest Period, the SONIA Compounded Index Value on the date which is "*x*" London Business Days preceding (i) the Interest Payment Date of such Interest Period, (ii) in the final Interest Period, the Maturity Date (in the case of a final Interest Period ending on the Maturity Date), or (iii) the date on which the relevant Series of Notes becomes due and payable;

"**SONIA Compounded Index Value**" means, in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England's Website at www.bankofengland.co.uk/boeapps/database/(or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on the next following London Business Day, provided, however, that in the event that the value originally published is subsequently corrected and such corrected value is published by the Bank of England, as the administrator of SONIA (or any successor administrator of SONIA) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SONIA Compounded Index Value in relation to such London Business Day; and

"*x*" means, for any Interest Period, five London Business Days (or such other number of London Business Days as specified in the applicable Pricing Supplement).

(C) If, subject to Condition 6.8(a), in respect of any London Business Day in the relevant Applicable Period, the SONIA Reference Rate is not available on the

Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(I) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus

(II) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

(D) Notwithstanding the paragraph above, and without prejudice to Condition 6.8(a), in the event the Bank of England publishes guidance as to:

(I) how the SONIA Reference Rate is to be determined; or

(II) any rate that is to replace the SONIA Reference Rate,

the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable Pricing Supplement, and in consultation with the Issuer) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA rate for the purpose of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors, provided that nothing in this paragraph shall apply if following such guidance would have the effect of imposing more onerous obligations upon the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the Pricing Supplement) or exposing the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the Pricing Supplement) to any additional duties, responsibilities or liabilities, or decreasing or amending the protections or rights or exculpatory provisions, of the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the Pricing Supplement).

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 6.8(a), the Rate of Interest shall be:

(I) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or

(II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration

to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 12, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the SONIA formula) and the Rate of Interest on such Notes shall, for so long as any such Notes remain outstanding, be that determined on such date.

(G) The following defined term shall have the meanings set out below for purpose of this sub-paragraph (iv):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, unless otherwise specified in the applicable Pricing Supplement, the London Business Day immediately following the SONIA Observation Period.

(c) Minimum and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and Calculation of Interest Amounts

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. If required to be calculated by it, the Principal Paying Agent or, as the case may be, the Calculation Agent shall cause the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange or other relevant authority so require, such stock exchange or other relevant authority as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6.2:

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**"**, "360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1) \pm (D_2 - D_1)]}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1) \pm (D_2 - D_1)]}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] \pm [30 \times (M_2 - M_1) \pm (D_2 - D_1)]}{360}$$

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

(e) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee and notice thereof to be published by the Issuer in accordance with Condition 16 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Issuer to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 16. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(f) Determination or Calculation by Issuer/Independent Adviser of the Issuer

Notwithstanding anything included in the offering circular, the applicable Pricing Supplement and/or any other transaction document (the "**Transaction Documents**") for a Series of Notes to the contrary, the Issuer agrees that each of the Agents will have no obligation to exercise any discretion (including, but not limited to, determinations of alternative or substitute benchmarks, successor reference rates, screen pages, interest adjustment factors/fractions or spreads, market disruptions, benchmark amendment conforming changes, selection and polling of reference banks), and to the extent the Transaction Documents for the relevant Series of Notes requires the Calculation Agent to exercise any such discretions and/or make such determinations, such references shall be construed as the Issuer or its financial adviser or alternate agent appointed by the Issuer exercising such discretions and/or determinations and/or actions and not the Calculation Agent.

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine, or has, in its opinion, uncertainty as to the calculation of, the Rate of Interest or the Principal Paying Agent is unable to determine, or has, in its opinion, uncertainty as to the calculation of, any Interest Amount in accordance with sub-paragraph (b)(i) or subparagraph (b)(ii) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with paragraph (d) above, the Issuer or the Independent Adviser shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Issuer or the Independent Adviser shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as applicable. In such circumstances, the Principal Paying Agent or, as the case may be, the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability to the Issuer, the Noteholders or any other person for not doing so.

(g) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, notification and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition

6, whether by the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee or the Independent Adviser, and all quotations given or obtained for such purposes, whether by the Issuer or, if applicable, the Independent Adviser, shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee or the Independent Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

6.4 Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

6.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed.

6.6 Definitions

In these Conditions, if a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(a) in any case where Specified Periods are specified in accordance with Condition 6.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

(b) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(c) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(d) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than T2) specified in the applicable Pricing Supplement;

(b) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system ("**T2**") is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively or (ii) in relation to any sum payable in euro, a day on which T2 or any successor system is open.

6.7 Payment limitation – Additional Tier 1 Notes

This Condition 6.7 applies only to Additional Tier 1 Notes.

(a) The Issuer may, at its full discretion and as it deems fit, in accordance with the RBI Guidelines, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid on an Interest Payment Date. The Issuer shall have full access to cancelled payments to meet its obligations as they fall due. Further, the Issuer will cancel (in whole or, as the case may be, in part) the payment of any interest otherwise scheduled to be paid on an Interest Payment Date to the extent that such payment of interest on the Additional Tier 1 Notes is not permitted to be paid under the RBI Guidelines.

*Pursuant to the RBI Guidelines, coupons on all Additional Tier 1 instruments (such as the Additional Tier 1 Notes) must be paid out of distributable items. In this context, coupons may be paid out of current year profits. However, if current year profits are not sufficient, coupons may be paid subject to availability of (i) profits brought forward from previous years, and/or (ii) reserves representing appropriation of net profits, including statutory reserves, and excluding share premium, revaluation reserve, foreign currency translation reserve, investment reserve and reserves created on amalgamation. The accumulated losses and deferred revenue expenditure, if any, shall be netted off from sub-paragraphs (i) and (ii) above, to arrive at the available balances for payment of coupon. If the aggregate of (x) profits in the current year, (y) profits brought forward from the previous years, and (z) permissible reserves as at sub-paragraph (ii) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of coupon, then the Issuer shall make the appropriation from the statutory reserves. In such cases, the Issuer is required to report to the RBI within 21 days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act, 1949, as amended (the "**BR Act**").*

However, payment of coupons on Additional Tier 1 Notes from the revenue reserves is subject to the Issuer meeting minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios including the additional capital requirements for Domestic Systemically Important Banks at all times and subject to the restrictions under the capital buffer frameworks (i.e. capital conservation buffer and countercyclical capital buffer as referred to in the RBI Guidelines).

(b) Interest on the Additional Tier 1 Notes will be non-cumulative. If interest is not paid in whole or in part on an Interest Payment Date pursuant to and in accordance with this Condition 6.7, or is cancelled pursuant to Condition 9, such interest will not be due and payable and the right of Noteholders, Receiptholders and Couponholders to receive interest in respect of the Interest Period ending on such Interest Payment Date will be lost and the Issuer will have no further obligation in respect of the interest for such Interest Period, whether or not any amount of interest is paid for any future Interest Period. Non-Payment of interest in accordance with this Condition 6.7 will not constitute an event of default in respect of the Additional Tier 1 Notes. For the avoidance of doubt, no Noteholder shall have any claim in respect of any interest or part thereof cancelled pursuant to this Condition 6.7. Accordingly, such interest shall not accumulate for the benefit of Noteholders or entitle the Noteholders to any claim in respect thereof against the Issuer.

(c) In the event that the Issuer determines that it shall not, or is not permitted to, make a payment of interest on Additional Tier 1 Notes in accordance with this Condition 6.7, the Issuer shall notify or procure notification as soon as possible, but not more than 60 calendar days prior to the relevant Interest Payment Date, to the Trustee (in a certificate signed by two directors of the Issuer), the Paying Agents, the relevant stock exchange(s) (if any) on which the Additional Tier 1 Notes are for the time being listed and the holders of Additional Tier 1 Notes (in accordance with Condition 16) of that fact and of the amount that shall not be paid provided that failure to give such notice shall not affect the cancellation of any interest payment (in whole or, as the case may be, in part) and shall not constitute a default.

(d) If for any reason any payment of interest is not paid in full on an Interest Payment Date then, from the date of which such cancellation has first been notified to the Trustee, the Principal Paying Agent or the Noteholders (a "**Dividend Stopper Date**"), the Issuer will not, so long as any of the Additional Tier 1 Notes are outstanding:

(i) declare or pay any discretionary distribution or dividend or make any other payment on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier 1 Capital (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or

(ii) pay discretionary interest or any other distribution on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, *pari passu* with or junior to the Additional Tier 1 Notes (excluding securities the terms of which stipulate a mandatory redemption),

in each case unless or until the next Interest Payment Date following the Dividend Stopper Date on which an interest amount has been paid in full (or an equivalent amount has been separately set aside for payment to the Noteholders), or the prior approval of the Noteholders has been obtained via an Extraordinary Resolution.

(e) Nothing in Condition 6.7(d) will:

(i) stop payment on another instrument where the payments on such an instrument are not fully discretionary;

(ii) prevent distribution to shareholders for a period that extends beyond the point in time at which interest on the Additional Tier 1 Notes is resumed;

(iii) impede the normal operation of the Issuer, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or

(iv) impede the full discretion that the Issuer has, at all times, to cancel distributions or payments on the Additional Tier 1 Notes nor act in a way that could hinder the recapitalisation of the Issuer.

6.8 Benchmark Discontinuation

(a) Benchmark Discontinuation (General)

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with sub-paragraph (ii)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with sub-paragraph (iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6.8(a) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Principal Paying Agent, the Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition 6.8(a).

If (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this sub-paragraph (i) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this sub-paragraph (i).

(ii) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.8(a)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the

relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 6.8(a)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Adjustments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6.8(a) and the Independent Adviser, determines (A) that amendments to these Conditions, the Agency Agreement and/or the Trust Deed are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with sub-paragraph (v), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Agency Agreement and/or the Trust Deed to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate in English signed by an authorised officer of the Issuer pursuant to sub-paragraph (v), the Trustee and the Agents shall (at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed and/or the Agency Agreement) (and the Trustee and the Agents shall not be liable to the Issuer, any Noteholder or any other person for any consequences thereof), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agents, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or the Agents in these Conditions or the Trust Deed or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

Notwithstanding any other provision of these Conditions, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any Successor Rate, Alternative Rate or other substitute or successor rate for the Original Reference Rate, or for making any adjustments to any such rate, the applicable Adjustment Spread, the business day convention, Interest Determination Dates or any other relevant methodology for calculating any such substitute or successor rate. In connection with the foregoing, the Trustee and the Agents shall be entitled to rely conclusively on any determinations made by the Independent Adviser pursuant to this Condition 5.8(a) and shall have no liability for any action taken, or omitted to be taken, at the direction of the Issuer or the Independent Adviser.

Notwithstanding any other provision of these Conditions, none of the Trustee or the Agents shall be required to determine what Benchmark Amendments (if any) are necessary to give effect to any Successor Rate or Alternative Rate under this Condition

5.8(a). Such determination shall be made by the Issuer or the Independent Adviser appointed by the Issuer for that purpose.

In connection with any such variation in accordance with this sub-paragraph (iv), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 6.8(a), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Subordinated Notes and/or the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the loss absorption regulations as set out in the RBI Guidelines.

Notwithstanding any other provision of this Condition, none of the Trustee or the Agents is obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition to which, in the sole opinion of the Trustee or that Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent, as the case may be, in the Trust Deed, the Agency Agreement and/or these Conditions, as the case may be, or would be operationally infeasible to the Trustee or the relevant Agent.

(v) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6.8(a) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an authorised officer of the Issuer:

(A) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) the applicable Adjustment Spread and (IV) the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6.8(a); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee and the Agents shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof and none of them shall be liable to the Issuer, the Noteholders, the Couponholders or any other person for so doing. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the

Trustee's or the relevant Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Principal Paying Agent and the Noteholders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under sub-paragraphs (i), (ii), (iii) and (iv), the Original Reference Rate and the fallback provisions provided for in sub-paragraph (ii) will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

As used in this Condition 6.8(a):

"**Adjustment Spread**" means either (A) a spread (which may be positive, negative or zero) or (B) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(1) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(2) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(3) (if the Independent Adviser determines that no such spread is customarily applied) the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with sub-paragraph (ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes;

"**Benchmark Amendments**" has the meaning given to it in sub-paragraph (iv);

"**Benchmark Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least five business days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or

(E) it has become unlawful for the Principal Paying Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or

(F) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market,

provided that (1) in the case of sub-paragraphs (B), (C) and (D) of this definition, the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and (2) in the case of sub-paragraph (F), the Benchmark Event shall occur on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case of (1) and (2), not the date of the relevant public statement.

For the avoidance of doubt, none of the Trustee or the Agents shall have any responsibility for monitoring or determining whether or not a Benchmark Event has occurred or may occur.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under sub-paragraph (i);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (I) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (II) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (III) a group of the aforementioned central banks or other supervisory authorities or (IV) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) Benchmark Discontinuation (SOFR)

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified as applicable in the applicable Pricing Supplement:

(i) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(ii) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time, and the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an Authorised Signatory of the Issuer:

(A) confirming that: (1) a Benchmark Event has occurred and (2) the Benchmark Replacement, in each case as determined in accordance with the provisions of this Condition 6.8(b); and

(B) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement.

For the avoidance of doubt, the Trustee and any of the Agents shall, upon receipt of such certificate and (subject to the immediately succeeding paragraph) at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this sub-paragraph (ii), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way or if they impact the operational feasibility of the Trustee or the Agents (or any of them) in any way. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Principal Paying Agent, the Registrar or the Transfer Agent shall be responsible or liable to the Issuer, the Noteholders, the Couponholders or any other person for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. No such determination, decision or election shall be binding on the Trustee and the Agents and none of the Trustee and the Agents shall be obliged to concur in any consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 6.8(b) if in the opinion of the Trustee or the relevant Agent (as the case may be) it would impose more onerous obligations upon the Trustee or, as the case may be, the relevant Agent or expose the Trustee or, as the case may

be, the relevant Agent to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) (as the case may be) or if they impact the operational feasibility of the Trustee or the Agents (or any of them) in any way.

Notwithstanding any other provision of these Conditions, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any Benchmark Replacement or other substitute or successor rate for the Benchmark, or for making any Benchmark Replacement Adjustment or any Benchmark Replacement Conforming Changes, the business day convention, Reference Time or any other relevant methodology for calculating any such substitute or successor rate. In connection with the foregoing, the Trustee and the Agents shall be entitled to rely conclusively on any determinations made by the Issuer or its designee pursuant to this Condition 5.8(b) and shall have no liability for any action taken, or omitted to be taken, at the direction of the Issuer or its designee.

Notwithstanding any other provision of these Conditions, none of the Trustee or the Agents shall be required to determine what Benchmark Replacement Conforming Changes (if any) are necessary to give effect to any Benchmark Replacement under this Condition 5.8(b). Such determination shall be made by the Issuer or its designee.

Notwithstanding any other provision of this Condition 6.8(b), no Benchmark Replacement will be adopted, nor will any Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Subordinated Notes and/or the Notes as eligible liabilities or loss absorbing capacity instruments for the purposes of the loss absorption regulations as set out in the RBI Guidelines.

(iii) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6.8(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (A) will be conclusive and binding absent manifest error, (B) will be made in the sole discretion of the Issuer or its designee, as applicable, and (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) Definitions

The following defined terms shall have the meanings set out below for purpose of this Condition 6.8(b):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of:

(I) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(II) the Benchmark Replacement Adjustment;

(B) the sum of:

(I) the ISDA Fallback Rate; and

(II) the Benchmark Replacement Adjustment; or

(C) the sum of:

(I) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate Notes at such time; and

(II) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (A) or (B) of the definition of "Benchmark Event", the later of:

(I) the date of the public statement or publication of information referenced therein; and

(II) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means (i) where "2006 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where "2021 ISDA Definitions" are specified in the applicable Pricing Supplement, the 2021 ISDA Interest Rate Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

7 PAYMENTS

7.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

7.2 Presentation of Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of any Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of the Bearer Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

Payments of Instalment Amounts (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 7.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 7.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 10.2) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 11) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

If, upon presentation of a Subordinated Note at the specified office of any Paying Agent, the Outstanding Nominal Amount of the Subordinated Note is less than its Issued Nominal Amount, the relevant Paying Agent shall procure that a statement indicating (1) the amount and the date of any Write-Down and (if applicable and only in relation to Additional Tier 1 Notes) any Reinstatement in relation to the Subordinated Note and (2) the Outstanding Nominal Amount of the Subordinated Note as at the date on which it is so presented, be endorsed on the relevant Subordinated Note prior to any payment in respect of such Subordinated Note being made.

7.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes or otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made in the manner specified in Condition 7.1 to the persons in whose name such Registered Notes are registered (i) where in global form, at the close of the business day (being for this purpose, a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Notes at the specified office of the Registrar.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in Condition 7.1 to the person in whose name such Note is registered (i) where in global form, at the close of the business day (being for this purpose, a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the

close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the "**Record Date**")) prior to such due date.

If payment in respect of any Registered Notes is required by credit or transfer as referred to in Condition 7.1(a), application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

7.4 General provisions applicable to payments

The holder of a Global Note (or as provided in the Trust Deed, the Trustee) shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream for his share of each payment so made by the Issuer in respect of such Global Note to, or to the order of, the holder of such Global Note.

7.5 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 11) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

  (i) in the case of Notes in definitive form only, the relevant place of presentation;

  (ii) each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement; and

(b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open; and

(c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively or (B) in relation to any sum payable in euro, a day on which the T2 is open.

7.6 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 10 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 8.7); and

(g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 10 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7.7 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretation thereof, or any laws implementing an intergovernmental approach thereto.

8 REDEMPTION AND PURCHASE

For the avoidance of doubt, any redemption or repurchase of Tier 2 Notes or Additional Tier 1 Notes under this Condition 8 shall be subject to regulatory preconditions, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem the securities, may take into consideration, amongst other things, the Issuer's capital adequacy position both at the time of the proposed redemption and thereafter.

8.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) save for any Additional Tier 1 Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date, subject to compliance with the applicable regulatory requirements.

The Additional Tier 1 Notes are perpetual with no scheduled maturity date and may only be redeemed in accordance with Conditions 8.2, 8.3 or 8.4 and subject to the conditions and limitations set forth therein.

8.2 Redemption or variation for tax reasons

In the case of Senior Notes or Tier 2 Notes with no Optional Redemption Date, at any time prior to the applicable Maturity Date or, in the case of Tier 2 Notes with an Optional Redemption Date or Additional Tier 1 Notes, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer, at its sole discretion in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 16, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 9 in respect of Subordinated Notes, be irrevocable), if the Issuer satisfies the Trustee (in its absolute discretion) immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10, or (in the case of Subordinated Notes only) will, having been entitled to claim a deduction, no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to interest on the Subordinated Notes, in each case as a result of any change in, or amendment to, the laws, rulings or regulations of a Tax Jurisdiction (as defined in Condition 10.2) or any change in (i) the official application of such laws, regulations or rulings or (ii) the official interpretation of existing or new provisions contained in such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series (or, in the case of Subordinated Notes, the Issue Date of such Notes); and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, (a "**Tax Event**")

provided that (1) in the case of Subordinated Notes, the Conditions for Redemption set out in Condition 8.13 having been satisfied, and (2) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. In the case of Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Tax Event, instead to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (1) a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled without further action or enquiry to accept the certificate and the opinion as conclusive and sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

As used in this Condition 8:

(a) "**Qualifying Subordinated Notes**" means instruments issued by the Issuer (or by Bank of India acting through another of its branches) that:

(i) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes), including that they are fully paid-in;

(ii) have terms and conditions not materially less favourable to a Noteholder than the Subordinated Notes (as reasonably determined by the Issuer (provided that in making this determination the Issuer is not required to take into account the tax treatment of the new instrument in the hands of all or any holders of the Subordinated Notes, or any transfer or similar taxes that may apply on the acquisition of the new instrument) provided that a certification to such effect of an authorised signatory of the Issuer shall have been delivered to the Trustee prior to the variation of the terms of the instruments);

(iii) shall not at such time be subject to a Tax Event or a Regulatory Event;

(iv) will constitute direct obligations of the Issuer (or the Bank of India acting through another of its branches, as applicable);

(v) rank, on a winding-up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, at least *pari passu* with the obligations of the Issuer in respect of other Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes);

(vi) have at least the same Outstanding Nominal Amount and interest payment or distribution dates as the Subordinated Notes and at least equal interest or distribution rate or rate of return as the Subordinated Notes;

(vii) are listed on the same stock exchange as the Subordinated Notes (or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets);

(viii) have, to the extent such payment is not cancelled, the same claim to accrued but unpaid interest;

(ix) (where the instruments are varied prior to the first-occurring Optional Redemption Date) have the same issuer call date as the Subordinated Notes;

(x) have the same claim to amounts payable upon any redemption; and

(xi) which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes) under the RBI Guidelines then applicable to the Issuer.

Notes redeemed pursuant to this Condition 8.2 will be redeemed at their Early Redemption Amount referred to in Condition 8.7 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

8.3 Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, (1) in the case of Subordinated Notes, at its sole discretion but only upon the expiry of five years from the Issue Date and subject to the Conditions for Redemption, and (2) in the case of any Note having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 16; and

(b) not less than seven days before the giving of the notice referred to in (a) above, notice to the Trustee and the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall specify the date fixed for redemption) and which shall, subject to Condition 9 in respect of Subordinated Notes, be irrevocable, redeem all or (except in the case of Subordinated Notes) some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate (and subject to Condition 6.7 in respect of Subordinated Notes), with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes (or, as the case may be, parts of Registered Notes), the Notes

to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**") and (ii) in the case of Redeemed Notes represented by a Global Note, be selected, in accordance with the rules of Euroclear and/or Clearstream. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 16 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall in each case bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes.

Any optional redemption of the Subordinated Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem any Notes, may take into consideration, amongst other things, the Issuer's capital adequacy position both at the time of the proposed redemption and thereafter.

8.4 Redemption or Variation for Regulatory Reasons

Subject to the Conditions for Redemption in Condition 8.13 having been satisfied, the Issuer may elect at its sole discretion to redeem the Subordinated Notes in whole, but not in part, at any time prior to the first Optional Redemption Date (or, in the case of Tier 2 Notes with no Optional Redemption Date, at any time prior to the Maturity Date), on giving not less than 30 nor more than 60 days' notice to the Trustee, the Paying Agents, the Transfer Agents, the Registrar, India INX and NSE IX, and, in accordance with Condition 16, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 9, be irrevocable), if a Regulatory Event has occurred and is continuing.

In the case of Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Regulatory Event, to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes.

A "**Regulatory Event**" occurs if, as a result of a change in regulation, the Issuer is notified in writing by the RBI to the effect that the Outstanding Nominal Amount (or the amount that qualifies as regulatory capital, if some amount of the Notes is held by the Issuer or whose purchase is funded by the Issuer) of the Notes is fully or partly excluded from, in the case of Tier 2 Notes, the consolidated Tier 2 capital of the Issuer or, in the case of Additional Tier 1 Notes, the consolidated Tier 1 Capital of the Issuer.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee or the Principal Paying Agent to make available at its specified office to the Noteholders a certificate signed by an authorised officer of the Issuer stating that the circumstances referred to in this Condition 8.4 exist and are prevailing (including the requirements of Condition 8.13) and setting out the details of such circumstances, and the Trustee shall be entitled without further action or inquiry to accept the certificate as conclusive and sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, Receiptholders and Couponholders.

Subordinated Notes redeemed pursuant to this Condition 8.4 will be redeemed at their Early Redemption Amount.

8.5 Redemption of the Senior Notes at the Option of the Noteholders (Investor Put)

(a) If Investor Put is specified in the applicable Pricing Supplement

If Investor Put is specified as being applicable in the applicable Pricing Supplement with respect to Senior Notes only, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 16 not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Senior Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(b) Put Option Exercise Procedures

To exercise the right to require redemption of a Senior Note the holder of such Senior Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "**Put Notice**") accompanied by, if the Senior Note is in definitive form, the definitive Senior Note, to the specified office of any Paying Agent, in the case of Bearer Notes, or of any Transfer Agent or the Registrar in the case of Registered Notes, at any time within the notice period during normal business hours of such Paying Agent, Transfer Agent or the Registrar. In the Put Notice the holder must specify a bank account to which payment is to be made under this Condition.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Paying Agent, in the case of a Bearer Global Note, or to any Transfer Agent or the Registrar in the case of a Registered Global Note of such exercise in accordance with the standard procedures of Euroclear and Clearstream (which may include notice being given on his instruction by Euroclear or Clearstream or any common depositary, as the case may be, for them to the Paying Agent, the Transfer Agent or, as the case may be, the Registrar by electronic means) in a form acceptable to Euroclear and/or Clearstream from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent or, as the case may be, the Registrar for notation accordingly.

8.6 Redemption upon Change of Control

Within 15 days following any Change of Control, the Issuer will give notice to the Noteholders, the Trustee and the Principal Paying Agent in accordance with Condition 16 stating that a Change of Control has occurred.

Following the occurrence of a Change of Control, each Noteholder will have the right to require the Issuer to redeem any of the Notes held by such Noteholder at a purchase price equal to 101.0 per cent of the nominal amount, together with interest (including additional amounts pursuant to Condition 10, if any) accrued to (but excluding) the date of redemption.

If Change of Control Put Option is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 16 not less than 15 nor more than 30 days' notice (such notice being given within 15 days after the occurrence of a Change of Control), the Issuer will, upon the expiry of such notice redeem any of the Notes held by such Noteholder at a purchase price equal to 101.0 per cent. of the nominal amount, together with interest (including additional amounts pursuant to Condition 10, if any) accrued to (but excluding) the date of redemption.

To exercise the right to require redemption of the Note the holder of the Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice (a "**Change of Control Put Notice**") and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2. If the Note is in definitive bearer form, the Change of Control Put Notice must be accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Change of Control Put Notice, be held to its order or under its control.

The Issuer is obliged to redeem any such Notes on the first business day in the place where such Change of Control Put Notice is deposited falling 30 days after such deposit.

A Change of Control Put Notice given by a holder of any Note shall be irrevocable and no Note deposited with a Paying Agent, Transfer Agent or the Registrar pursuant to this Condition 8.6 may be withdrawn without the prior written consent of the Issuer.

The right of any Noteholder to require the Issuer to redeem any Note upon a Change of Control is not conditional upon a Change of Control notice having been given by the Issuer, but will, if such notice is given by the Issuer, be exercised by such Noteholder within 45 days of the giving of such notice.

In this Condition 8.6:

a "**Change of Control**" occurs when the Government of India, directly or indirectly through another government entity, ceases to be the owner of, or have the voting power over, 51.0% or more of the Issuer's issued share capital giving the right to vote at a general meeting;

"**shares**" or "**share capital**" includes equivalent ownership interests (and "**shareholder**" and similar expressions shall be construed accordingly).

8.7 Early Redemption Amounts

For the purpose of Conditions 8.2 and 8.5 above and Condition 12:

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) each Zero Coupon Note will be redeemed, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^{y}$ where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is the Day Count Fraction specified in the applicable Pricing Supplement which will be either 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and

repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365); and

(c) each Subordinated Note will be redeemed at its Outstanding Nominal Amount together with any accrued (subject to Condition 6.7) but unpaid interest relating to the then current Interest Period up to (and excluding) the date on which the Subordinated Note is redeemed,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

8.8 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 8.7 above.

8.9 Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

8.10 Purchases

The Issuer or any of its Subsidiaries may at any time purchase (i) Senior Notes and (ii) (subject to the Conditions for Redemption) Subordinated Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent and/or the Registrar for cancellation.

8.11 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 8.10 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and may not be reissued or resold.

8.12 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 8.1, 8.2, 8.3 or 8.5 above or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 8.7(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Trustee or the Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 16.

8.13 Conditions for Redemption or Purchase of Subordinated Notes

The Issuer shall not redeem or vary any of the Subordinated Notes unless:

(i) the Issuer has obtained the prior approval of the Reserve Bank of India (Department of Banking Regulation);

(ii) in the case of a Tax Event Call or a Regulatory Event Call, the change of law or regulation giving rise to the right to redeem or vary the Subordinated Notes has occurred after the Issue Date and the Reserve Bank of India is convinced that the Issuer was not in a position to anticipate the Tax Event or the Regulatory Event at the time of issuance of the Subordinated Notes; and

(iii) in the case of a redemption or purchase, either (A) the Issuer replaces the Subordinated Notes with capital of the same or better quality and the replacement is done on conditions which are sustainable for the income capacity of the Issuer or (B) the Issuer demonstrates to the satisfaction of the Reserve Bank of India that its capital position would, following such redemption or purchase, be well above its minimum capital requirements after the call option or purchase is exercised,

(collectively, the "**Conditions for Redemption**"). Prior to any redemption of Subordinated Notes under this Condition 8, the Issuer shall deliver to the Trustee a certificate signed by an authorised officer of the Issuer confirming that the Issuer is entitled to effect the redemption and setting forth a statement of facts showing which Conditions have been satisfied. Such certificates shall be made available for inspection by the Noteholders. The Trustee shall be entitled without further action or enquiry to accept the certificate as conclusive and sufficient evidence of the contents and matters set forth therein.

9 LOSS ABSORPTION – SUBORDINATED NOTES

Each holder of Subordinated Notes shall be deemed to have authorised, directed and requested the Trustee, the Registrar and the other Agents, as the case may be, to take any and all necessary action to give effect to any Write-Down required by this Condition 9.

Neither the Trustee nor any Agent shall have any responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with any Write-Down or any consequent cancellation of the Subordinated Notes, and neither the Trustee nor the Agents shall be responsible for any calculation or determination or the verification of any calculation or determination in connection with the same.

9.1 Principal write-down on PONV Trigger Event

This Condition 9.1 is applicable only to Subordinated Notes. If a PONV Trigger Event occurs, the Issuer will:

(a) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent;

(b) cancel any interest which is accrued and unpaid up to the relevant Loss Absorption Effective Date; and

(c) in relation to Additional Tier 1 Notes, *pari passu* and *pro rata* with any other Tier 1 Loss Absorbing Instruments (where possible), or, in relation to Tier 2 Notes, *pari passu* and *pro rata* with any other Tier 2 Loss Absorbing Instruments and taking into account the prior loss

absorption in full of Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, reduce the Outstanding Nominal Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a "**Write-Down**" and "**Written Down**" being construed accordingly),

subject as is otherwise required by the RBI at the relevant time. The Issuer will effect a Write-Down within 30 days of the Write-Down Amount being determined by the RBI.

If a Write-Down occurs in respect of less than the full Outstanding Nominal Amount of the Subordinated Notes, one or more further Write-Downs may occur in respect of one or more subsequent PONV Trigger Events. Once the Outstanding Nominal Amount of a Note has been Written Down pursuant to this Condition 9.1, the relevant Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of Additional Tier 1 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Additional Tier 1 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice and, where possible, within 30 days of the amount of the permanent write-down of such Tier 1 Loss Absorbing Instrument being determined by the RBI.

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of Tier 2 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument and Tier 2 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity in full and, the PONV Trigger Event having been cured, the prevailing nominal amount of each Tier 2 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Tier 2 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice and, where possible, within 30 days of the amount of the permanent write-down of such Tier 1 Loss Absorbing Instrument or Tier 2 Loss Absorbing Instrument (as the case may be) being determined by the RBI.

For the avoidance of doubt, following any Write-Down of the Notes in accordance with these provisions the principal amount so written down will be cancelled and interest will continue to accrue only on the Outstanding Nominal Amount.

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 Notes have been Written Down, the Notes will become, if Additional Tier 1 Notes, part of the Additional Tier 1 capital of the new bank emerging after the merger or, if Tier 2 Notes, part of the Tier 2 capital of the amalgamated bank. For the avoidance of doubt, if the Issuer is amalgamated with any other bank after the Notes have been Written Down pursuant to a PONV Trigger Event, these cannot be reinstated by the new bank emerging after the merger. 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 Notes will be permanently Written-Down in full prior to any reconstitution or amalgamation.

Following a Write-Down due to a PONV Trigger Event having occurred, all rights of any Noteholder for payment of any amounts under or in respect of the PONV Write-Down Amount in respect of their

Notes (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, any default) shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Loss Absorption Event Notice or the Loss Absorption Effective Date and even if the PONV Trigger Event has ended.

A Write-Down due to a PONV Trigger Event shall occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.

The RBI Guidelines as at the Issue Date state that, for this purpose, a non-viable bank will be 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 RBI 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 a permanent write-off in combination with or without other measures as considered appropriate by the RBI.

A bank facing financial difficulties and approaching a point of non-viability shall be deemed to achieve viability if within a reasonable time in the opinion of the RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including a permanent write-off or public sector injection of funds are likely to:

(a) restore confidence of the depositors/investors;

(b) improve rating/creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and

(c) augment the resource base to fund balance sheet growth in the case of fresh injection of funds.

9.2 Principal write-down on CET1 Trigger Event

This Condition 9.2 is applicable only to Additional Tier 1 Notes.

(a) Write-Down on the occurrence of a CET1 Trigger Event

If a CET1 Trigger Event occurs, the Issuer will:

(i) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent;

(ii) cancel any interest which is accrued and unpaid on the Additional Tier 1 Notes up to the relevant Loss Absorption Effective Date; and

(iii) *pari passu* and *pro rata* with any other Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, Write-Down the Outstanding Nominal Amount of each Additional Tier 1 Note by the relevant Write-Down Amount.

A Write-Down may occur on more than one occasion and (if applicable) the Additional Tier 1 Notes may be Written Down following one or more Reinstatements pursuant to Condition 9.2(b). Once the nominal amount of an Additional Tier 1 Note has been Written Down pursuant to this Condition 9.2, it may only be restored in accordance with Condition 9.2(b).

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of the Additional Tier 1 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument (in accordance with its terms), and the

prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Additional Tier 1 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice.

If the Issuer is amalgamated with any other bank pursuant to Section 44 A the BR Act before the Additional Tier 1 Notes have been Written Down, the Additional Tier 1 Notes will become part of the Additional Tier 1 capital of the new bank emerging after the merger. If the Issuer is amalgamated with any other bank after the Additional Tier 1 Notes have been Written Down pursuant to a CET1 Trigger Event, the amalgamated bank can reinstate these instruments according to its discretion, unless the Write-Down was full and permanent.

For the avoidance of doubt, a Write-Down of the Additional Tier 1 Notes on a CET1 Trigger Event is not subject to the prior loss absorption of Common Equity Tier 1 Capital of the Issuer.

The purpose of a Write-Down on occurrence of the CET1 Trigger Event shall be to shore up the capital level of the Issuer. If the Issuer or the Group breaches the CET1 Trigger Event Threshold and equity is replenished through Write-Down of the Additional Tier 1 Notes, such replenished amount of equity will be excluded from the total equity of the Issuer for the purpose of determining the proportion of earnings to be paid out as dividend in terms of rules laid down for maintaining the capital conservation buffer (as described in the RBI Guidelines). However, once the Issuer or the Group (as the case may be) has attained a total Common Equity Tier 1 Ratio of 8 per cent. without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.

(b) Reinstatement

Following a Write-Down pursuant to Condition 9.2(a), the Outstanding Nominal Amount of the Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (a "**Reinstatement**") at the Issuer's option and subject to any conditions specified in (i) the applicable Pricing Supplement or (ii) the RBI Guidelines, or as are otherwise notified to the Issuer by the RBI, from time to time. Additional Tier 1 Notes may be subject to more than one Reinstatement. The Issuer will not reinstate the principal amount of any Tier 1 Loss Absorbing Instrument that has been written down (and which is capable under its terms of being reinstated) unless it does so on a *pro rata* basis with a Reinstatement on the Additional Tier 1 Notes.

The Issuer must give notice of any Reinstatement to Noteholders in accordance with Condition 16 and to the Trustee and the Principal Paying Agent at least 10 Business Days prior to such Reinstatement. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such notice, which shall be binding upon all Noteholders, Receiptholders and Couponholders.

Neither the Trustee nor any Agents shall have the responsibility to monitor whether any Reinstatement has been undertaken or completed, and neither the Trustee nor the Agents shall have any responsibility to ensure that any Reinstatement, once undertaken, is completed.

9.3 Interpretation

In these Conditions:

(a) CET1 Trigger Event means that the Issuer's or the Group's Common Equity Tier 1 Ratio is at or below the CET1 Trigger Event Threshold;

(b) CET1 Trigger Event Threshold means 6.125 per cent;

(c) "**Common Equity Tier 1 Ratio**" means the Common Equity Tier 1 Capital (as defined and calculated in accordance with the applicable RBI Guidelines) of the Issuer or the Group (as the case may be) expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the applicable RBI Guidelines) of the Issuer or the Group (as applicable);

(d) "**Loss Absorption Effective Date**" means the date that will be specified as such in the Loss Absorption Event Notice;

(e) "**Loss Absorption Event Notice**" means a notice which specifies that a PONV Trigger Event or CET1 Trigger Event (as applicable) has occurred, the Write-Down Amount and the date on which the Write-Down will take effect. Any Loss Absorption Event Notice must be accompanied by a certificate signed by an authorised officer of the Issuer stating that the PONV Trigger Event or CET1 Trigger Event, as relevant, has occurred. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such certificate and notice, which shall be binding upon all Noteholders, Couponholders and Receiptholders;

(f) "**Maximum Reinstatement Amount**", in respect of an Additional Tier 1 Note, means the Issued Nominal Amount of such Additional Tier 1 Note as reduced pursuant to: (i) any Write-Down in accordance with Condition 9.1; and (ii) any Write-Down in accordance with Condition 9.2(a) if such Write-Down has been made permanent due to a subsequent PONV Trigger Event;

(g) "**Ordinary Share**" means an ordinary share of the Issuer;

(h) "**PONV Trigger Event**", in respect of the Issuer or the Group, means the earlier of:

(i) a decision that a write-down, without which the Issuer or the 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 the Group (as the case may be) would have become non-viable, as determined by the RBI

For the avoidance of doubt, with respect to paragraph (ii) above, any capital infusion in the ordinary course from the Government of India to the Issuer or the Group (as the case may be) shall not constitute a PONV Trigger Event;

(i) "**Tier 1 Loss Absorbing Instrument**" means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Notes, which (a) is eligible to qualify as Additional Tier 1 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied;

(j) "**Tier 2 Loss Absorbing Instrument**" means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Notes, which (a) is eligible to qualify as Tier 2 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied; and

(k) "**Write-Down Amount**" means the amount by which the then Outstanding Nominal Amount of each Note is to be Written Down pursuant to a Write-Down, being the minimum of:

(i) the amount (together with the Write-Down of the other Subordinated Notes and the write-down or conversion into equity of, in the case of a Write-down of Additional Tier 1 Notes, any Tier 1 Loss Absorbing Instruments or, in the case of a Write-Down of Tier 2 Notes, any Tier 1 Loss Absorbing Instruments and Tier 2 Loss Absorbing Instruments) that:

(A) in the case of a Write-Down due to a PONV Trigger Event, would be sufficient to satisfy the RBI that the Issuer will not become non-viable; or

(B) in the case of a CET1 Trigger Event, would, as determined by the Issuer in its absolute discretion, immediately return the Issuer's or the Group's (as the case may be) Common Equity Tier 1 Ratio to between the CET1 Trigger Event Threshold and 8 per cent.; and

(ii) the amount necessary to reduce the Outstanding Nominal Amount to zero.

For the avoidance of doubt, the Write-Down Amount in the case of a Write-Down due to a PONV Trigger Event will be such amount as is required by the RBI or other relevant authority at the relevant time.

10 TAXATION

10.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined in Condition 10.2), unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction (the "**Additional Amounts**"); except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with India or, as the case may be, the relevant Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 7.5); or

(c) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim; or

(d) with respect to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code and any regulations or agreements thereunder, official interpretations thereof, or law implementing an intergovernmental approach thereto.

For the avoidance of doubt, neither the Trustee nor any Agent shall be responsible or liable for paying any tax, duty, assessment, governmental charge, withholding or other payment referred to in this Condition 9 and none of the Trustee or any of the Agents shall be responsible or liable for (A) determining whether the Issuer or any Noteholder, Receiptholder or Couponholder is liable to pay any tax, duty, assessment, governmental charge, withholding or other payment referred to in this Condition; or (B) determining the sufficiency or insufficiency of any Additional Amounts so paid. None of the Trustee or the Agents shall be responsible or liable for any failure of the Issuer, any Noteholder, Receiptholder, Couponholder, or any other third party to pay such tax, duty, assessment, governmental charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, interest or other amount under or in respect of the Notes, Receipts or Coupons without withholding or deduction for or on account of any tax, duty, assessment, governmental charge, withholding or other payment imposed by or in any jurisdiction.

10.2 Interpretation

As used herein,

(a) "**Tax Jurisdiction**" means:

(i) where the Issuer is acting through its registered office in India, India or any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; or

(ii) where the Issuer is acting through any other branch outside India as specified in the applicable Pricing Supplement, (x) India or any political subdivision or any authority thereof or therein having power to tax and (y) the tax jurisdiction applicable to such branch or any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; and

(b) "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 16.

11 PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 10.2) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7.2 or any Talon which would be void pursuant to Condition 7.2.

12 EVENTS OF DEFAULT AND ENFORCEMENT

12.1 Events of Default relating to Senior Notes

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Senior Notes then outstanding or if so directed by an Extraordinary Resolution

of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an "**Event of Default**") shall occur:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of three days; or

(b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

(c) if (i) any other present or future Indebtedness for Borrowed Money of the Issuer becomes capable of being declared due and payable prior to its stated maturity otherwise than at the option of the Issuer, or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period, or (iii) any security given by the Issuer for any Indebtedness for Borrowed Money becomes enforceable; or (iv) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than in circumstances where (A) the Issuer is contesting in good faith in appropriate proceedings the fact that any such amount is due or (B) the Issuer is prohibited from making payment of any such amount by the order of a court having appropriate jurisdiction, provided that no event described in this sub-paragraph (c) shall constitute an Event of Default unless that the aggregate amount outstanding of the relevant Indebtedness for Borrowed Money or amounts payable under the guarantees and/or indemnities or subject to the security in respect of one or more events mentioned above in this sub-paragraph (c) exceeds U.S.$20,000,000 or its equivalent in other currencies; or

(d) if any order by the Government is made for the winding-up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or

(e) if the Issuer ceases or threatens to cease to carry on the whole or substantially all of its business, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or

(f) the Issuer stops or threatens to stop or suspends payment of, or is unable to, or admits an inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts (or any class of its debts) pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or

(g) if the Issuer (or its directors) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or

(h) if a moratorium is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligation arising under any guarantee) of the Issuer; or

(i) if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Receipts, the Coupons, the Agency Agreement or the Trust Deed; or

(j) if any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer without fair compensation, unless, and for so long as, such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings; or

(k) if the Issuer is or becomes entitled or subject to, or is declared by law or otherwise to be protected by immunity (sovereign or otherwise) and Condition 21.4 is held to be invalid or unenforceable; or

(l) if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 14 days; or

(m) if any event occurs, which has, under the law or any relevant jurisdiction, an analogous effect to any of the events referred to in subparagraphs (e) to (h) inclusive, (j) and (l).

For the purposes of this Condition, "**Indebtedness for Borrowed Money**" means (i) any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or (ii) any borrowed money or (iii) any liability under or in respect of any acceptance or acceptance credit.

12.2 Rights of enforcement relating to Subordinated Notes

Pursuant to Section 18 of the Banks Nationalisation Act, Indian statutory provisions relating to winding up, liquidation or dissolution do not apply to the Issuer, and it may only be placed in liquidation by order of the Government in such manner as it may direct.

If any order of the Government is made for the winding up, liquidation or dissolution (as determined pursuant to the Banks Nationalisation Act) of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due and repayable at the amount provided in, or calculated in accordance with, Condition 8.7.

12.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit or as instructed by the Noteholders to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any steps and/or actions and/or institute any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in outstanding nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

13 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and relevant stock exchange regulations at the specified office of the Principal Paying Agent or (where applicable) the Paying Agent in Singapore (in the case of Bearer Notes, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14 PRINCIPAL PAYING AGENT, REGISTRAR, PAYING AND TRANSFER AGENTS

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Registrar and the other initial Transfer Agents and their initial specified offices are set out below.

The Issuer is, with the prior written approval of the Trustee, entitled to vary or terminate the appointment of any Paying Agent, the Registrar or the Transfer Agent and/or appoint additional or other Paying Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any of the same acts, provided that:

(i) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent and, if appropriate, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange; and

(ii) there will at all times be a Principal Paying Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 7.2. Any appointment, variation, termination or change in Paying Agents will be given to the Noteholders in accordance with Condition 16.

In acting under the Agency Agreement, the Principal Paying Agent, the Registrar, the Paying Agents and the Transfer Agents act solely as agents of the Issuer and, in certain limited circumstances, of the Trustee and do not assume any obligation or trust for or with any Noteholders.

15 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal

Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

16 NOTICES

Notices to holders of Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an overseas address) by air mail to them at their respective addresses as recorded in the Register and will be deemed to have been validly given on the fourth day after the date of such mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia as the Trustee may approve. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange (or any other relevant authority) on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If, in the opinion of the Trustee, publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, be substituted for such mailing and publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority). Any such notice shall be deemed to have been given to the holders of the Notes on the first day after the day on which the said notice was given to Euroclear and/or Clearstream.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, as the case may be, may approve for this purpose.

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 16.

17 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10.00 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not

less than 50.00 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts, the Coupons or the Trust Deed (including, *inter alia*, modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-fourths of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-fourths in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so or may (but shall not be obliged to) agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of laws. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 16 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 10 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 10 pursuant to the Trust Deed.

The Issuer may at any time, without the consent of the Trustee, elect to substitute (the "**Substitution**") the GIFT City Branch (the "**Substitute**") in place of the office, unit or branch through which the Issuer originally acted when the Notes were issued provided that:

(a) the obligations of the Issuer under the Notes, the Conditions and the Trust Deed shall remain obligations of the Issuer and not merely the Substitute;

(b) the Issuer shall comply with such requirements of law or regulation as may be imposed by any authority in any jurisdiction to which the Substitute is or becomes subject and the Issuer shall have obtained all relevant regulatory and other approvals in relation to the Substitution; and

(c) the Substitution is not, in the opinion of the Issuer (based on the advice of such independent auditors, tax advisers and/or legal advisers of recognized standing as the Issuer shall determine), materially prejudicial to the interests of the Noteholders or prior to the Substitution, the Substitution is approved by an Extraordinary Resolution of the Noteholders.

The conditions set out in paragraphs (a) to (c) above shall be deemed to be satisfied upon delivery to the Trustee of a certificate of two Directors of the Issuer detailing the proposed Substitution and certifying that the conditions set out in paragraphs (a) to (c) above have been satisfied in relation to such Substitution (a "**Substitution Certificate**"). The Trustee may rely on a Substitution Certificate absolutely and shall not be required to take any action to independently verify the matters stated therein nor shall the Trustee be liable for any loss caused by any inaccuracy therein. Upon receipt by the Trustee of a Substitution Certificate, the Trustee shall enter into such documentation as may be necessary or desirable to give effect to the Substitution, provided that the Trustee shall not be required to enter into any documentation (i) which would have the effect of increasing the duties or obligations, or decreasing the protections or rights, of the Trustee and (ii) unless it shall first have been indemnified and/or secured and/or pre-funded to its satisfaction.

Not later than seven days prior to the Substitution, the Issuer shall give notice thereof to the Noteholders in the manner provided in Condition 16.

Any such modification, waiver, authorisation, determination or substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders.

Any modification or substitution in accordance with this Condition 17 is subject to the prior approval of the RBI (if required) having been obtained for such modification or substitution. The Trustee shall have no obligation or duty in obtaining any such approval or in complying with RBI requirements in connection with the exercise by it of any of its trusts, powers, authorities and discretions.

18 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforcement payment or repayment unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

19 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from

which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

20 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act, 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

21 GOVERNING LAW AND SUBMISSION TO JURISDICTION

21.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with any of the foregoing are governed by, and shall be construed in accordance with, English law except that, Clause 2(G) of the Trust Deed and, in the case of Tier 2 Notes, Condition 3.2, and in the case of Additional Tier 1 Notes, Condition 3.3, are governed by, and shall be construed in accordance with, Indian law.

21.2 Submission to jurisdiction

(a) Subject to Condition 21.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a "**Dispute**") and all Disputes will be submitted to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 21.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) This Condition 21.2(c) is for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction and (ii) concurrent proceedings in any number of jurisdictions.

21.3 Appointment of Process Agent

The Issuer irrevocably appoints Bank of India, London Branch at its specified office for the time being as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and agrees that, in the event of Bank of India, London Branch being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

21.4 Waiver of immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of

any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Dispute.

USE OF PROCEEDS

The net proceeds from each issue of the Notes will be used to (i) meet the funding requirements of the Bank's head office in India, foreign offices or branches, and (ii) meet its general corporate purposes, as per applicable laws of India.

CAPITALISATION

The following table sets forth the standalone indebtedness and capitalisation of the Bank as at 30 June 2026. This table should be read in conjunction with the Bank's unaudited reviewed standalone financial statements as at 30 June 2026 and the schedules and notes presented elsewhere herein.

	As of 30 June 2026	
	(Rs. in crores, unless otherwise indicated)	*(U.S.$ in billions, unless otherwise indicated)*[(1)]
Borrowings		
Secured	61,362.56	6.48
Unsecured	53,978.84	5.70
Total Borrowings	**115,341.40**	**12.18**
Shareholder Funds		
Capital	4,553.41	0.48
Reserve and Surplus	84,401.86	8.92
Total	**88,955.27**	**9.40**
Total Capitalisation	**204,296.67**	**21.58**
Capital Adequacy Ratio (%) calculated under Basel III	18.69%	18.69%
Tier 1 (%)	16.27%	16.27%
Of which CET I (%)	15.97%	15.97%
Tier 2 (%)	2.42%	2.42%

Notes:

(1) U.S. dollar translations have been made using the exchange rate of U.S.$1.00 = Rs. 94.6626 as at 30 June 2026 based on market rates prevailing at that date.

(2) There has been no significant change in the standalone indebtedness or capitalisation or standalone contingent liabilities of the Bank since 30 June 2026.

SELECTED FINANCIAL INFORMATION

The following financial information is derived from the Bank's audited standalone financial statements as at and for the years ended 31 March 2026, 31 March 2025 and 31 March 2024 and for the three months ended 30 June 2026 and 2025 and has been presented in a summarised manner for the convenience of investors, and is qualified in its entirety by reference to such financial statements, including the notes thereto. The following information is not indicative of future operating results and should not be relied upon as being so indicative.

Standalone Balance Sheet derived from the financial statements

Particulars	As at 31 March			As at 30 June
	2024	2025	2026	2026
		(Rs. in crores)		
CAPITAL AND LIABILITIES				
Capital	4,553.41	4,553.41	4,553.41	4,553.41
Reserves and Surplus	64,327.26	74,048.03	83,436.81	84,401.86
Deposits	737,920.21	816,541.49	927,270.88	957,923.85
Borrowings	80,924.07	123,856.43	118,591.54	115,341.40
Other Liabilities and Provisions	24,872.97	23,582.59	29,580.15	30,979.52
TOTAL	**912,597.92**	**1,042,581.95**	**1,163,432.79**	**1,193,200.04**
ASSETS				
Cash and Balances with Reserve Bank of India	38,556.27	51,730.43	47,300.07	47,089.01
Balances with Banks and Money at Call and Short Notice	44,380.86	48,550.48	51,604.79	55,035.94
Investments	227,144.47	259,111.80	268,629.30	269,541.09
Advances	563,144.67	649,657.04	760,334.88	787,340.09
Fixed Assets	10,226.46	11,938.71	11,749.34	11,648.52
Other Assets	29,145.19	21,593.49	23,814.40	22,545.39
TOTAL	**912,597.92**	**1,042,581.95**	**1,163,432.79**	**1,193,200.04**

Standalone Profit and Loss Account derived from the financial statements

Particulars	For the Fiscal ended 31 March			For the quarter and three months ended 30 June	
	2024	2025	2026	2025	2026
			(Rs. in crores)		
Interest earned	60,709.49	70,826.30	75,161.27	18,352.19	19,949.32
Other Income	6,094.85	8,993.62	9,874.27	2,166.10	2,579.15
Total Income	**66,804.34**	**79,819.92**	**85,035.54**	**20,518.29**	**22,528.47**
Interest expended	37,656.57	46,432.35	49,988.51	12,284.08	13,116.78
Operating expenses	15,079.16	16,975.46	17,998.30	4,224.83	4,360.61
Total Expenses	**52,735.73**	**63,407.81**	**67,986.81**	**16,508.91**	**17,477.39**

Particulars	For the Fiscal ended 31 March			For the quarter and three months ended 30 June	
	2024	2025	2026	2025	2026
			(Rs. in crores)		
Operating Profit	**14,068.61**	**16,412.11**	**17,048.73**	**4,009.38**	**5,051.08**
Provisions (other than tax) and Contingencies	3,969.54	3,977.67	3,103.07	1,096.08	963.60
of which provision for Non-performing Assets	4,109.49	4,593.00	3,392.67	1,104.41	1,144.11
Profit/ (Loss) from Ordinary Activities before tax	**10,099.07**	**12,434.44**	**13,945.66**	**2,913.30**	**4,087.48**
Tax Expense	3,781.15	3,215.42	3,418.51	661.18	1,019.58
Net Profit/ (Loss) from Ordinary Activities after tax	**6,317.92**	**9,219.02**	**10,527.15**	**2,252.12**	**3,067.90**
Net Profit/ Loss for the period	**6,317.92**	**9,219.02**	**10,527.15**	**2,252.12**	**3,067.90**

Standalone Statement of Cash Flow derived from the financial statements

		For the Fiscal ended 31 March		
		2024	2025	2026
			(Rs. in crores)	
A	**Cash Flow from Operating Activities**			
	Net Profit/ (Loss) after Tax	6,317.92	9,219.02	10,527.15
	Provision for Tax	3,781.15	3,215.42	3,418.51
(I)	**Net Profit/ (Loss) before tax**	**10,099.07**	**12,434.44**	**13,945.67**
(II)	Adjustments for:			
	Depreciation on Fixed Assets	498.59	594.09	720.39
	(Profit)/Loss on sale of Fixed Assets (net)	(28.46)	(203.00)	(237.93)
	Depreciation/(Release) and Provision on Investments (Net)	311.09	(455.39)	493.06
	Interest paid on Bonds	794.11	1,302.47	2,099.30
	Provisions for Non Performing Assets	4,109.49	4,592.72	3,392.67
	Provision on Standard Assets	(406.03)	(387.06)	99.61
	Other Provision (net)	193.94	54.10	(389.22)
	Dividend from Subsidiary/Others	(15.43)	(36.08)	(65.31)
	Profit on Sale of equity Investments held in AFS	—	—	—
	Income from investment in Subsidiaries/ Joint Ventures/ Associates	—	—	—
	(Profit)/ Loss on sale of Investments held in SBJVAS	—	—	—
	Sub Total	**5,457.30**	**5,461.85**	**6,112.57**
(III)	**Adjustment for:**			

		For the Fiscal ended 31 March		
		2024	**2025**	**2026**
			(Rs. in crores)	
	Decrease/ (Increase) in Investments	(21,914.93)	(31,083.44)	(10,767.31)
	Decrease/ (Increase) in Advances	(81,354.52)	(91,105.09)	(114,070.51)
	Decrease/ (Increase) in Other Assets	(3,287.07)	4,458.15	(5,325.30)
	Increase/ (Decrease) in Deposits	68,334.43	78,621.28	110,729.39
	Increase/ (Decrease) in Borrowings	15,445.04	40,432.36	(3,412.89)
	Increase/ (Decrease) in Other Liabilities & Provisions	3,020.95	(898.13)	7,676.10
	Sub Total	**(19,756.10)**	**425.13**	**(15,170.52)**
	Cash generated from Operations	(4,199.73)	18,321.42	(4,887.72)
	Direct Taxes paid (net off refund)	1,266.41	(79.61)	(261.38)
	Net Cash from/(used) in Operating Activities	**(2,933.30)**	**18,241.81**	**4,626.34**
B	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets	(830.27)	(696.94)	(614.28)
	Sale of Fixed Assets	17.34	41.55	14.80
	Dividend received from Subsidiary/Others	15.43	36.08	65.31
	Investment in Subsidiary/Others (net)	(1,092.73)	(201.50)	326.90
	Net Cash from/(used) in Investing Activities	(1,890.23)	(820.81)	(207.27)
C	**Cash Flow from Financing Activities**			
	Proceeds of Issuance of Equity Shares including Share Premium (Net of issue expense)	4,480.16	—	—
	Issue/ (Redemption) of Bonds (net)	500.00	2,500.00	(1,852.00)
	Interest paid on Bonds	(794.11)	(1,302.47)	(2,099.30)
	Dividend paid	(820.71)	(1,274.75)	(1,843.83)
	Net Cash from/ (used) in Financing Activities	**3,365.34**	**(77.22)**	**(5,795.13)**
D	**Net (decrease)/ increase in Cash and Cash Equivalents**	**(1,458.19)**	**17,343.78**	**(1,376.05)**
	Cash and Cash Equivalents at the beginning of the year	**84,395.32**	**82,937.13**	**100,280.91**
	Cash and Cash Equivalents at the end of the year	**82,937.13**	**100,280.91**	**98,904.86**
	Cash and Balances with Reserve Bank of India	38,556.27	51,730.43	47,300.07
	Balances with Banks & Money at Call & Short Notice	44,380.86	48,550.48	51,604.79

Notes:

(1) Cash flow statement has been prepared under the Indirect Method and figures have been regrouped wherever considered necessary.

(2) Direct taxes paid (net off refund) are treated as arising from operating activities and are not bifurcated between investing and financing activities.

(3) Figures of previous year have been regrouped wherever considered necessary to conform current year classification.

(4) Cash and Cash equivalents includes Cash in hand, Balance with RBI & Other Banks and Money at Call and Short Notice

INVESTMENT CONSIDERATIONS

Investors should carefully consider the following investment considerations as well as the other information contained in this Offering Circular prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Bank and the terms of the offering of the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Bank or that the Bank currently deems immaterial may also impair the Bank's business operations.

Risks Relating to the Bank's Business

The Bank's business is particularly vulnerable to interest rate risk, and any volatility in interest rates could decrease the value of its fixed income investments and have an adverse effect on its Net Interest Margin.

The Bank's results of operations are substantially dependent on the amount of its Net Interest Income, which the Bank defines as interest earned less interest expended ("**Net Interest Income**"). Interest rate risk depends on the nature of gaps between rate-sensitive assets and rate-sensitive liabilities. The Bank's Net Interest Income could be adversely affected by a rise or fall in interest rates on assets and liabilities, particularly if the changes were sudden or sharp. The requirement that the Bank maintain a portion of its assets in fixed-income government securities could also have a negative impact on its Net Interest Income and Net Interest Margin, since the Bank typically earns interest on this portion of its assets at rates that are generally less favourable than those typically received on its other interest-earning assets.

The Bank's interest-earning assets consist principally of its advances and investments and its interest-bearing liabilities consist principally of its deposits and borrowings. As at 30 June 2026, 8.39% of the Bank's domestic advances and 95.78% of the Bank's investments were on fixed interest rates, and 91.61% of the Bank's domestic advances and 1.86% of the Bank's interest rate linked investments were on floating interest rates. As at 30 June 2026, 100.00% of the Bank's domestic deposits and 100.00% of the Bank's domestic borrowings were on fixed interest rates.

Interest rates are highly sensitive and volatility in interest rates could result from many factors, including the RBI's monetary policies, further deregulation of the financial services sector in India, domestic and international economic and political conditions, inflation and economic policies in India. In a rising interest rate environment, if the yield on the Bank's interest-earning assets does not increase simultaneously with, or to the same extent as, its cost of funds — and, conversely, in a declining interest rate environment, if its cost of funds does not decline simultaneously with, or to the same extent as, the yield on its interest-earning assets — the Bank's Net Interest Income and Net Interest Margin would be adversely impacted. While any reduction in the interest rates the Bank pays on its deposits and borrowings may be passed on to customers on their loans, the Bank is unable to pass on any increase in the interest rates at which it lends to customers who have existing loans on fixed interest rates. Competitive pressures may also require the Bank to reduce the interest rates at which it lends to customers without a proportionate reduction in the interest rates at which it raises funds. An increase in the interest rates the Bank charges on its advances could result in customers, particularly those with variable interest rate loans, prepaying their loans if less expensive loans are available from other sources, which may adversely affect the Bank's Net Interest Income and, in turn, its results of operations and cash flows. Volatility in external benchmarks underlying loan pricing may also compress the Bank's Net Interest Margin.

The Bank has concentration of loans to certain single borrowers and industry sectors, and a default by such borrowers or a deterioration in the performance of any industry sector in which the Bank has

significant exposure could adversely affect the Bank's financial condition, results of operations and cash flows.

The Bank has credit exposure to various categories of borrowers and industry sectors and any default by such borrowers could have a material adverse impact on the Bank's profitability. As at 30 June 2026, on a standalone basis, aggregate exposure (fund-based and non-fund based) to the Bank's single largest borrower amounted to Rs.12,570.49 crores, representing 13.63% of the Bank's total Tier 1 and Tier 2 capital, and aggregate exposure (fund-based and non-fund based) to the Bank's 10 largest standard individual borrowers amounted to Rs.86,903.62 crores, representing 94.25% of the Bank's total Tier 1 and Tier 2 capital. If any of these advances were to become non-performing, the Bank's credit risk exposure would increase, its financial condition, results of operations and cash flows would be adversely affected and its ability to meet regulatory capital requirements could be jeopardised. The RBI's large exposures framework and the Bank's internal concentration risk controls may also restrict the Bank's ability to grow its business with certain customers, thereby impacting its earnings.

The Bank also has credit exposure to a number of industrial sectors, including infrastructure, iron and steel and other metals, textiles, chemicals and chemical products and gems and jewellery, which together account for 59.42% of the Bank's gross domestic advances as at 30 June 2026. Any financial difficulties experienced by the Bank's customers, or any significant deterioration in the performance of a particular sector of the Indian economy to which the Bank has significant exposure, could adversely impact the ability of borrowers in that sector to service their debt obligations to the Bank. As a result, the Bank may experience increased delinquencies, which could adversely affect its business, financial condition, results of operations and cash flows.

An increase in the Bank's NPAs or provisioning requirements under the applicable RBI regulations could materially and adversely affect the Bank's business, financial condition, results of operations and cash flows.

As at 30 June 2026, the Bank's standalone gross non-performing assets ("**NPAs**") amounted to Rs. 14,453.54 crore (or 1.81%) and net NPAs amounted to Rs. 4,018.59 crore (or 0.51%). A number of factors will affect the Bank's ability to control and reduce non-performing and restructured loans. Some of these factors, including developments in the Indian economy, movements in global commodity markets, global competition, interest rates and exchange rates, are not within the Bank's control. Any future increases in provisions mandated by the RBI could have an adverse impact on the Bank's business, financial condition, results of operations and cash flows. Further, the provisioning requirements prescribed by the RBI may differ from the Bank's internal provisioning requirements, and the Bank may accordingly be required to increase its provisions to comply with the RBI's requirements. The RBI may take enforcement action based on divergences between assessments of asset classification and provisioning, which could adversely affect the Bank's business, financial condition and results of operations.

There is also no assurance that there will be no deterioration in provisions for loan losses as a percentage of the Bank's NPAs or otherwise or that the percentage of NPAs that the Bank will be able to recover will be similar to the Bank's past experience of recoveries of NPAs. In the event of any deterioration in the Bank's asset portfolio, there could be an adverse impact on its business, financial condition and results of operations. Certain assets classified as restructured may subsequently be classified as delinquent or non-performing in the event a borrower fails to restore its financial viability and honour its loan servicing commitments to the Bank.

The Bank's loan portfolio contains significant advances to the agricultural sector, micro, small and medium enterprises and other priority sectors. If the Bank does not meet its priority sector lending requirements, its results of operations could be materially and adversely affected.

In accordance with current RBI guidelines, all banks in India, including the Bank, are required to lend a minimum of 40.00% of adjusted net bank credit or credit equivalent amount of off-balance sheet exposure,

whichever is higher, to certain eligible sectors such as agriculture and small enterprises, which are categorised as "priority sectors", such as agriculture, MSMEs, export credit, education, housing, social infrastructure and renewable energy. Of these, banks have targets or sub-targets for lending to key segments or sectors, such as agriculture, micro-enterprises and advances to weaker sections. The RBI requires domestic commercial banks to extend at least 18% of the adjusted net bank credit or the credit equivalent amount of off-balance sheet exposures, whichever is higher, to the agricultural sector, within this target 14% is prescribed for non-corporate farmers out of which a target of 10% is prescribed for small and marginal farmers. Further, 7.5% of the adjusted net bank credit or the credit equivalent amount of off-balance sheet exposures, whichever is higher, is prescribed for micro-enterprises and 12% is prescribed for advances to weaker sections.

The Bank has substantial exposure by way of loans and advances to the agricultural sector and to micro, small and medium enterprises ("**MSMEs**"). Any revision in the definition or classification of segments eligible for priority sector lending could impact the Bank's ability to meet priority sector lending requirements. Further, if the Bank is required to increase its exposure to the agricultural sector pursuant to any directed lending mandated by the Government, its financial condition and results of operations could be adversely affected. Public sector banks may be required to lend at below-market rates in the agricultural sector in accordance with the Government's agricultural lending plans, which may lead to a perception in the market that the exposure of public sector banks to the agricultural sector involves higher risks. As at 30 June 2026, on a standalone basis, gross NPAs in the priority sector as a percentage of total priority sector advances were 4.67%, gross NPAs in the MSME portfolio as a percentage of total outstanding MSME advances were 4.48% and gross NPAs in the agricultural portfolio as a percentage of total agricultural advances were 5.54%.

Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI's request, in Government schemes that yield low returns, which are determined depending on the prevailing bank rate and on the level of the shortfall, thereby adversely affecting the Bank's income. The aggregate amount of funding required by such schemes is drawn from banks that have shortfalls in achieving their priority sector lending targets, with the amounts drawn from each bank determined by the RBI. Under RBI guidelines, failure to achieve priority sector lending targets and sub-targets is also taken into account by the RBI when granting regulatory clearances and approvals for various purposes. The Bank's loan portfolio contains significant advances to the agricultural sector, and there is inadequate historical data on delinquent loans to farmers, which increases the risk of such exposures. Economic difficulties, such as poor harvests in the agricultural sector due to drought, are likely to affect borrowers in priority sectors more severely. While the cost of certain agricultural relief schemes is borne by state governments, such schemes, or borrower expectations of such schemes, may result in higher delinquencies, including in the kisan credit card portfolio, for banks, including the Bank. Under RBI guidelines, specified categories of agricultural loans are classified as non-performing when they are overdue for more than two crop seasons in the case of short-duration crops, and one crop season in the case of long-duration crops, as compared to 90 days for loans in general. Accordingly, the classification of overdue loans as non-performing occurs at a later stage in respect of such loans than in respect of the loan portfolio generally. A penalty of Rs.0.59 crore was imposed on the Bank for non-compliance with the RBI directions on 'Priority sector Lending (PSL) – Targets and classification and Interest Rate on Deposits'. The Bank has implemented system level checks since 17 November 2025, which were later updated on 11 March 2026.

As the Bank increases its direct lending to certain sectors, its exposure to the risks inherent in such sectors also increases, which could materially and adversely impact the Bank's business and financial performance. Any future changes by the RBI to the directed lending norms may require the Bank to increase its lending to relatively riskier segments, which may result in an increase in NPAs in its directed lending portfolio.

The Bank may face cyber threats attempting to exploit its network to disrupt services to customers or to steal sensitive internal data or customer information, which may cause damage to the Bank's reputation and adversely affect its business, financial condition, results of operations and cash flows.

The Bank is exposed to various cyber threats, including (i) phishing and Trojans targeting the Bank's customers, whereby fraudsters send unsolicited mails to customers soliciting account-sensitive information or infect customer machines to search for and attempt to exfiltrate account-sensitive information; (ii) hacking, whereby attackers seek to hack into the Bank's website with the primary intention of causing reputational damage by disrupting the Bank's services; and (iii) data theft, whereby cyber criminals may attempt to enter the Bank's network with the intention of stealing its data or information. In addition, the Bank faces the risk that customers may incorrectly attribute to the Bank, and terminate their accounts with the Bank as a result of, cyber security breaches that occur on their own systems or on those of unrelated third parties, or through compromise of their own security credentials. Cyber security breaches could also lead to the loss of trade secrets or other intellectual property, or to the public exposure of personal information of the Bank's customers and employees. The frequency of such cyber threats may increase in the future with the increased digitisation of the Bank's services. Any cyber security breach could subject the Bank to additional regulatory scrutiny and expose it to civil litigation and related financial liability. Cyber security risks may increase in the future as the Bank continues to expand its mobile payment and other internet-based product offerings and its internal use of web-based products and applications.

In addition, cyber-attacks or security breaches involving third-party vendors with access to the Bank's data may not be disclosed to the Bank in a timely manner. The Bank also faces indirect technology, cyber security and operational risks relating to clients and other third parties with whom it does business, or on whom it relies to facilitate or enable its business activities, including, for example, financial counterparties, regulators and providers of critical infrastructure such as internet access and electrical power. As a result of the increasing consolidation, interdependence and complexity of financial entities and technology systems, a technology failure, cyber-attack or other information or security breach that significantly degrades, deletes or compromises the systems or data of one or more financial entities could have a material impact on counterparties or other market participants, including the Bank.

The Bank's income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations.

The Bank's income from treasury operations is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, an increase in interest rates decreases the value of fixed income investments, such as Government securities and corporate bonds, and may, under certain circumstances, require the Bank to mark down the value of these investments on its balance sheet and recognise a loss on its income statement. Changes in corporate bond spreads also affect valuations and expose the Bank to the risk of valuation losses. Realised and mark-to-market gains or losses on investments in fixed income securities, including Government securities, are an important element of the Bank's income and are impacted by movements in market yields. As a result of the RBI's reserve requirements, the Bank is structurally more exposed to increasing interest rates than banks in many other countries and maintains a large portfolio of fixed-income Government securities.

The Bank's derivatives portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require the Bank to mark down the value of its derivatives portfolio. The Bank is also exposed to the risk of a corporate bond issuer defaulting on its obligations. Although the Bank has risk and operational controls and procedures in place for its treasury operations that are designed to mitigate the extent of such losses, such as sensitivity limits, value at risk ("**VaR**") limits, position limits, stop loss limits and exposure limits, there can be no assurance that the Bank will not lose money on its investments in the course of

trading on its fixed income book. Any such losses could materially and adversely affect the Bank's financial condition, results of operations and cash flows.

Any material weaknesses or failures in the Bank's internal control systems may cause significant operational errors, which may in turn materially and adversely affect the Bank's profitability and reputation.

The Bank is exposed to the risk of fraud or other misconduct by employees or outsiders, unauthorised transactions by employees and third parties, and operational errors, including clerical or record-keeping errors or errors resulting from faulty computer or telecommunication systems. The Bank's dependence on automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. Losses may also arise from deal errors, deficiencies in the credit sanction process, settlement problems, errors in computation of net asset value, pricing errors, inaccurate financial reporting and failures of critical systems and infrastructure. Given the high volume of transactions the Bank processes, it is possible that errors may recur or compound before they are discovered and rectified. The Bank's management information systems and internal control procedures, which are designed to monitor its operations and overall compliance, may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, the actions taken by the Bank may not be sufficient to fully correct such weaknesses.

The Bank has, in the past, experienced acts of fraud (as defined under applicable RBI guidelines) committed by or involving its customers or employees. Such acts could bind the Bank to transactions that exceed authorised limits, present unacceptable risks or hide unauthorised or unlawful activities from the Bank. The Bank also files complaints in respect of fraud matters with various police stations and the Central Bureau of Investigation, in accordance with the applicable RBI circulars and guidelines on fraud classification and reporting. There is no guarantee that the Bank's existing fraud monitoring systems, or improvements to them, will be able to monitor or detect all cases of fraud that may occur in the future. In addition, the Bank continues to carry out certain processes manually, which may increase the risk that human error, tampering or manipulation results in losses that are difficult to detect. As a result, the Bank may suffer material monetary losses. There is also the possibility of employee misconduct, which could involve improper use or disclosure of confidential information and could result in regulatory sanctions and serious reputational or financial harm, including harm to the Bank's brand. Any instances of misconduct or fraud could adversely affect the Bank's reputation, business, results of operations and financial condition.

The Bank may not be successful in implementing its growth strategies or penetrating new markets.

The Bank's growth strategies may ultimately fail to contribute to its growth or profitability. Even if such strategies are partially successful, the Bank cannot assure that it will be able to manage its growth effectively or fully deliver on its growth objectives. Challenges that may result from the Bank's growth strategies include the Bank's ability to, among other things, manage efficiently the operations and employees of its expanding businesses, maintain or grow its existing customer base, develop the technology and infrastructure necessary for the digital platforms and offerings required to compete effectively, assess the value, strengths and weaknesses of future investments, finance strategic investments, apply its risk management policy effectively to a larger group and hire, train and retain additional skilled personnel. The Bank's growth strategies may also involve strategic acquisitions and restructurings, partnerships, joint ventures and strategic business arrangements with other parties. These arrangements may not necessarily contribute to business growth and profitability, and may be unsuccessful. Furthermore, the Bank could experience difficulty in assimilating personnel and integrating operations and cultures, and may not realise the anticipated synergies or efficiencies from such transactions. These difficulties could disrupt the Bank's ongoing business, distract its management and employees and increase its expenses.

The Bank's business operations are heavily reliant on its information technology systems. Any failure of, or disruption in, those systems could have an adverse impact on the Bank's operations and financial condition.

The Bank services customers, expands its portfolio of products and services and undertakes its risk management, deposit servicing and loan origination functions through information technology systems. The Bank also relies on its technology platform to undertake financial control and to process transactions. In addition, the Bank's systems connect its ATMs, branches and other delivery channels. The Bank's hardware and software systems are subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events, and are also subject to the loss of support services from third parties such as internet backbone providers. The Bank's information technology systems may not remain free of interruptions and may not meet its requirements or be suitable for use in any particular condition. Any failure to maintain the reliability and efficiency of the Bank's systems could adversely affect its reputation and lead to difficulties in attracting and retaining customers. Any system interruption, failure or downtime, and any failure to develop the necessary technology, may materially and adversely affect the Bank's business, financial condition and results of operations.

Any failure by the Bank's third-party vendors to perform key processes and support critical application systems could adversely affect the Bank's business, financial condition and results of operations. The Bank has experienced failures in its IT systems in the past that have resulted in all or some of its banking services and payment systems being unavailable for short periods of time. However, these IT failures did not have a material adverse effect on the Bank's business, financial condition, results of operations or cash flows. Material interruptions in the Bank's IT systems in the future could give rise to a deterioration in customer service and to liabilities for the Bank's business, which could adversely affect its business, financial condition, results of operations and cash flows. Although the Bank intends to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will be adequate or successful. Failed security measures could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Indian banking industry is very competitive and the Bank's growth strategy depends on its ability to compete effectively.

The Bank competes in its domestic operations principally with other nationwide public sector and private sector commercial banks in India in all its products and services, but also faces competition from a number of additional sources, including regional rural banks, local area banks, cooperative banks, small finance banks, payment banks, specialised banks and branches of foreign banks operating in India, as well as various other types of financial institutions, including non-banking finance companies, credit card companies, securities companies, insurance companies, asset management companies, mutual funds, development financial institutions and investment banks. Certain private sector banks in India have larger customer bases and greater financial resources than the Bank, and the amalgamation of certain public sector banks in recent years has increased the financial strength, management capabilities, resources, operational experience, customer base and distribution channels of certain of the Bank's public sector peers, thereby enhancing their ability to compete with the Bank. Over the last several years, several Indian banks have increased their focus on retail loans and technology-enabled financial services, and new entrants in the financial technology sector, including international technology companies and large e-commerce players offering payment platforms and other selected financial services, have further intensified competition, especially in digital banking and payment services.

In addition, since the Bank raises funds from market sources and individual depositors, it will face increasing competition for such funds. The Indian financial sector may also experience further consolidation and the entry of new banks and specialised banks (including small finance banks and payment banks), resulting in greater

competition. Subject to regulatory approvals, foreign banks may be permitted to invest in Indian private sector banks and enter into merger and acquisition transactions. Technology innovations in mobility and the digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services, and increasing use of mobile banking and cashless payment platforms may enable new types of banks and non-bank participants to expand their presence in adjacent financial products, such as insurance and mutual funds. These trends may increase competitive pressures on the Bank to adapt to new operating models and upgrade its back-end infrastructure on an ongoing basis. Due to these and other competitive pressures, the Bank may be unable to successfully execute its growth strategy and offer products and services at reasonable returns, which may adversely impact its business and future financial performance.

The Bank's risk management policies and procedures may not adequately address unidentified or unanticipated risks.

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk (including fraud) and legal risk, which it seeks to manage through its risk management framework, policies and procedures. The effectiveness of the Bank's risk management is limited by the quality and timeliness of available data and other factors outside the Bank's control. Certain of the Bank's methods of managing risk are based upon observed historical market behaviour and various models for risk and data analysis. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. There can be no assurance that these models and the data they analyse are accurate or adequate to guide the Bank's strategic and operational decisions and to protect the Bank from risks.

If the Bank were to expand the scope of its operations, it would also face the risk of not being able to develop risk management policies and procedures that are properly designed for new business areas, and it may not be able to effectively manage the risks associated with the growth of its existing businesses. Any lingering or future shortcomings in the Bank's internal compliance and risk management policies and procedures, or a failure to follow them, may have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank's loan portfolio includes long-term project finance loans, which are particularly vulnerable to completion and other risks.

The Bank's loan portfolio includes long-term project finance loans. As at 30 June 2026, on a standalone basis, the aggregate amount of the Bank's project finance loans amounted to Rs. 41,356.34 crores, representing 5.18% of the Bank's gross loans. The quality of the Bank's project finance portfolio could be adversely impacted by a range of factors. The viability of these projects depends on a number of factors, including market demand, government policies, the processes for awarding government licences and access to natural resources and any subsequent judicial or other review of those processes, the financial condition of the Government or other entities that are the primary customers for the output of such projects and the overall economic environment in India and international markets. Project finance loans are also particularly vulnerable to a variety of project-specific risks, including delays in regulatory approvals, environmental and social issues, completion risk and counterparty risk, any of which could adversely impact the projects' ability to generate revenue and, in turn, the borrowers' ability to service their obligations to the Bank. Future project finance losses, or elevated levels of restructuring of project finance loans, could have a material adverse effect on the Bank's business, financial condition and results of operations.

If borrowers who have availed themselves of secured loans default, there may be delays and difficulties in enforcing the sale of collateral and the Bank may be unable to recover the expected value of the

collateral, which could have an adverse effect on the Bank's business, financial condition, results of operations and cash flows.

As at 30 June 2026, on a standalone basis, Rs.572,788.40 crores of the Bank's advances were secured by tangible assets, which collectively represented 72.75% of the Bank's total net advances. However, the Bank may be unable to realise the full value of such collateral, if at all, owing to factors such as: (i) delays in bankruptcy and foreclosure proceedings, including as a result of the introduction of any laws, rules or regulations that provide for moratoriums or exemptions on the sale of collateral in response to any adverse economic or financial conditions; (ii) deficiencies in the perfection of collateral (including as a result of the inability to obtain approvals that may be required from third parties); (iii) fraud by borrowers; (iv) decreases in the value of the collateral; (v) errors in assessing the value of the collateral; (vi) an illiquid market for the sale of the collateral; (vii) current legislative provisioning coverage or changes thereto; (viii) future judicial pronouncements; (ix) volatility in commodity prices; (x) stock market volatility; (xi) changes in the economic policies of the Government; (xii) borrowers and guarantors not being traceable; and (xiii) the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated.

In India, foreclosure on collateral may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral. In addition, pursuant to the RBI's prudential guidelines on restructuring of advances by banks, where the aggregate exposure of lenders to a borrower is ₹1,500 crore or above, lenders may enter into an inter-creditor agreement. A resolution plan approved by lenders representing 75% by value of total outstanding credit facilities and 60.00% by number is binding on all lenders, including dissenting lenders. Dissenting lenders are entitled to receive a payout not less than the amount they would have received in a liquidation scenario. In addition, in respect of collateral held by the Bank in jurisdictions outside India, the applicable laws in such jurisdictions may affect the Bank's ability to foreclose on collateral and realise its value. If the Bank is unable to realise the full value of collateral, or otherwise fails to recover the full amount owed to it, there could be a material adverse effect on the Bank's financial condition, results of operations and cash flows.

The Bank has existing indebtedness and may incur additional indebtedness, which could adversely affect its financial condition, its ability to obtain financing in the future, its ability to react to changes in its business and its ability to satisfy its obligations.

As at 30 June 2026, on a standalone basis, the Bank had Rs.115,341.40 crores of outstanding borrowings on a standalone basis, including capital instruments (comprising perpetual bonds, upper Tier 2 bonds and Tier 2 bonds), borrowings in India (comprising borrowings from institutions and agencies such as the Micro Units Development and Refinance Agency, the National Bank for Agriculture and Rural Development and the National Housing Bank) and borrowings outside India, which amounted to is Rs.19,566.16 crores. The Bank's existing indebtedness could impose restrictions on its business operations, including that:

- the Bank may be unable to obtain additional financing, should such a need arise, which may limit its ability to satisfy its obligations in respect of its debt;
- a portion of the Bank's financial resources must be dedicated to the payment of principal and interest on its debt, thereby reducing the funds available for other purposes;
- it may be difficult for the Bank to satisfy its obligations to its creditors, resulting in possible defaults on, and acceleration of, such debt;
- the Bank may be more vulnerable to general adverse economic and industry conditions;
- the Bank's ability to refinance debt may be limited or the associated costs may increase; and

- the Bank's flexibility to adjust to changing market conditions could be limited, or the Bank may be prevented from carrying out capital spending that is necessary or important to its growth strategy and its efforts to improve the operating margins of its businesses.

In addition, any failure to comply with the terms of the Bank's financing agreements may lead to action being taken against the Bank and may require the Bank to accelerate payment of its debt. Any default in the Bank's repayment obligations may also affect its ability to raise financing in the future, which could have a material adverse effect on its business, financial condition and results of operations.

The Bank's funding is primarily in the form of deposits and if depositors do not roll over deposited funds upon maturity the Bank's business could be adversely affected.

The Bank's funding is primarily derived from deposits placed with the Bank by its corporate and retail customers, supplemented by capital reserves and borrowings. The Bank's funding requirements are met primarily through short-term and medium-term customer deposits. Although retail deposits constitute a significant part of the Bank's deposit base, the Bank also accepts high-value deposits depending on its funding requirements. As at 30 June 2026, the Bank's standalone deposits amounted to Rs. 957,924.00 crores and its standalone borrowings amounted to Rs. 115,341.40 crores.

In the past, a substantial portion of the Bank's customer term deposits has been rolled over upon maturity and has represented a stable source of funding for the Bank. However, if a significant portion of the Bank's depositors do not roll over deposited funds upon maturity, or do so for a shorter maturity than that of the Bank's assets, which tend to have medium- to long-term maturities, the Bank's liquidity position could be adversely affected. The failure to obtain rollover of customer deposits upon maturity or to replace them with fresh deposits with a maturity profile similar to that of the Bank's assets could have a material adverse effect on the Bank's business and its future financial performance. There can be no assurance that there will not be any premature withdrawal or non-renewal of deposits from the depositors. If depositors do not renew their deposits or if the Bank is unable to raise new deposits, the Bank may face liquidity constraints and may be required to pay higher rates of interest to attract deposits, or to seek funding from more expensive sources to finance its operations, which could adversely affect its results of operations.

Any downgrade in the Bank's credit ratings could adversely affect its ability to access cost-effective funding and increase its financing costs.

The pricing on the Bank's issuances of debt could be adversely affected by any downgrade, or potential downgrade, in the Bank's credit ratings, which could increase its financing costs and adversely affect its future issuances of debt and its ability to raise new capital on a competitive basis. Any downgrade in the Bank's credit ratings may also increase the interest rates payable on any refinancing of the Bank's outstanding debt in domestic and international markets, and could result in additional terms and conditions being included in any financing or refinancing arrangements entered into by the Bank in the future, which may, in turn, adversely affect the Bank's profitability and future growth. There can be no assurance that the Bank's credit ratings will not be revised, or that any rating agency will not downgrade India's sovereign credit rating, which could in turn adversely affect the Bank's credit ratings.

The Bank faces asset-liability mismatches, which could adversely affect its liquidity and, consequently, its financial condition, results of operations and cash flows.

The Bank faces liquidity risk due to mismatches in the maturity of its assets and liabilities. Liquidity risk is the risk that the Bank either does not have sufficient financial resources available to meet its obligations as they fall due or can secure them only at an excessive cost. This risk is inherent in any retail and commercial banking business and can be heightened by a number of enterprise-specific factors, including overreliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the

Bank implements liquidity management processes to seek to mitigate and control this risk, unforeseen systemic market factors make it difficult to eliminate it entirely.

The Bank may rely on funding options with a short-term maturity profile for extending long-term loans, which may lead to an asset-liability mismatch for certain periods. Mismatches between the Bank's assets and liabilities are compounded in the case of pre-payments of advances granted to customers. Asset-liability mismatches can create liquidity surplus or liquidity crunch situations and, depending on interest rate movements, such situations may adversely affect the Bank's net interest income. If the Bank is unable to obtain additional borrowings or renew its existing credit facilities for matching tenors in relation to its loan portfolio in a timely and cost-effective manner, this may lead to mismatches between its assets and liabilities, which could adversely affect its financial condition, results of operations and cash flows.

The Bank's retail assets portfolio has experienced significant growth. If the Bank is unable to address credit risk in its retail asset portfolio, then its financial performance may be adversely affected.

As part of the Bank's business and growth strategy, it continues to focus on growth in its retail banking business. The availability of comprehensive credit history reports for new first-time borrowers is limited in India. As a result, the Bank is exposed to higher credit risk in the retail business compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. This may impact the Bank's future financial performance and credit ratings. Although India has a credit bureau industry and the Bank reviews credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, may be limited. Additionally, a significant portion of the Indian economy is largely cash-based, making it difficult for the Bank to monitor the credit of its retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk of delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. Further, if the Bank is unable to maintain the quality of its retail loan portfolio as it grows its retail business, NPAs may increase, which could materially and adversely affect its business, results of operations and financial condition.

The Bank and its customers are exposed to fluctuations in foreign exchange rates.

As a financial intermediary, the Bank is exposed to foreign exchange rate risk. Some of the Bank's borrowers enter into derivative contracts to manage their foreign exchange rate exposures. Volatility in exchange rates may result in increased mark-to-market losses on derivative transactions entered into with the Bank's clients, and upon the maturity or early termination of such derivative contracts, any such mark-to-market losses become receivables owed to the Bank. Some of the Bank's borrowers with foreign exchange and derivative exposures may also be adversely affected by any depreciation of the Rupee, including borrowers with: (i) higher foreign currency-denominated interest or principal repayment obligations on unhedged foreign currency borrowings; (ii) increases in the cost of raw material imports where there is limited ability to pass through such cost increases to customers; (iii) escalation of project costs due to higher imported equipment costs; or (iv) adverse positions in the foreign exchange markets. The failure of the Bank's borrowers to manage their exposure to foreign exchange rate and derivative risk, particularly adverse movements and volatility in foreign exchange rates, may adversely affect those borrowers and, consequently, the quality of the Bank's exposure to them and its business volumes and profitability.

The Bank also undertakes various foreign exchange transactions to hedge its own foreign exchange risk and for proprietary trading purposes, which are themselves exposed to a range of risks, including foreign exchange risk. The Bank has adopted market risk management policies to seek to mitigate such risks by imposing various risk limits, including counterparty limits, country-wise exposure limits, overnight limits and intraday limits, and by monitoring VaR. However, the Bank remains exposed to fluctuations in foreign exchange rates in respect of

any unhedged exposures. Any adverse movements in foreign exchange rates, whether affecting the Bank's own positions or the credit quality of its borrowers with foreign exchange exposures, could adversely affect the Bank's business, financial condition and results of operations. As at 30 June 2026, the Bank's credit exposure on account of outstanding gross forward exchange contracts was Rs. 573,818.76 crores. As at 30 June 2026, the Bank has availed foreign currency borrowings amounting to USD128.00 million or Rs.1211.68 crores.

The level of restructured loans in the Bank's portfolio may increase and the failure of restructured loans to perform as expected could adversely affect the Bank's business, results of operations and financial condition.

As at 31 March 2024, 31 March 2025, 31 March 2026 and as at 30 June 2026, the Bank's gross domestic restructured standard assets as a proportion of gross domestic advances were 1.35%, 0.85%, 0.52%, and 0.47%, respectively. The Bank restructures assets based on borrowers' potential to restore their financial health. As a result of adverse macroeconomic conditions, rising interest rates or the limited ability of corporations to access capital due to volatility in global markets, the level of restructured loans in the Indian banking system may increase from time to time. There can be no assurance that borrowers will be able to meet their obligations under restructured advances in accordance with regulatory requirements, and certain assets classified as restructured may subsequently be classified as delinquent or non-performing. Any resulting increase in delinquency levels may adversely impact the Bank's business, financial condition and results of operations. As at 30 June 2026, the Bank had outstanding domestic standard restructured accounts of Rs.3,735.00 crores, with a provision of Rs.228.00 crores on these accounts.

A combination of changes in regulations regarding restructured loans, provisioning, any substantial increase in the level of restructured assets and the failure of restructured loans to perform as expected could increase the level of restructured loans in the Bank's portfolio and materially and adversely affect its business, financial condition, results of operations and cash flows.

The Bank is involved in various litigation matters. Any final judgment awarding material damages against the Bank could have a material adverse impact on its future financial performance.

The Bank is involved in certain litigation matters in the ordinary course of its business. These matters generally arise because the Bank seeks to recover from borrowers or because customers seek counter claims against it. Although it is the Bank's policy to make provisions for probable loss, the Bank does not make provisions or disclosures in its financial statements where its assessment is that the risk is insignificant. The Bank cannot guarantee that the judgments in any of the litigation in which the Bank is involved will be favourable to it and, if its assessment of the risk changes, its view on provisions will also change. Increased provisioning for such potential losses could have a material adverse effect on the Bank's results of operations and financial condition. If the Bank's provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on the Bank's business. See "*Description of the Bank – Legal Proceedings*" for further information.

A portion of the Bank's loans have a tenor exceeding one year or are unsecured, exposing the Bank to risks associated with economic cycles.

The Bank offers unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals, and unsecured loans to corporates, small businesses and individual business owners. As at 30 June 2026, unsecured loans contributed to 21.40% of the Bank's gross advances and 21.68% of the Bank's net advances. Unsecured loans carry a higher credit risk than secured loans as they are not supported by collateral that could serve as an adequate source of repayment for the loan. Although the Bank may obtain direct debit instructions or post-dated cheques from its customers in respect of unsecured loan products, it may be unable to collect part or all of the amounts due in the event of non-payment by a borrower.

Any increase in delinquency in the Bank's unsecured loan portfolio could require the Bank to increase its provisions for credit losses, which would adversely affect its results of operations.

In addition, as at 30 June 2026, loans with a tenor exceeding one year constituted 56.21% of the Bank's total standard domestic advances. Long-tenor loans may expose the Bank to risks arising out of economic cycles, including liquidity risk, and to a variety of borrower-specific and project-specific risks that may only become apparent over a multi-year horizon. Non-payment on unsecured or long-tenor loans could adversely affect the Bank's income and financial condition.

Banking is a heavily regulated industry in India and material changes in the regulations which govern the Bank could cause its business to suffer.

Banks in India are subject to detailed regulation and supervision by the RBI, which sets guidelines on matters relating to, among other things, the cash reserve ratio ("**CRR**"), the statutory liquidity ratio ("**SLR**"), capital adequacy ratio, priority sector lending, recognition and provisioning for NPAs, export credit, market risk, branch licensing and outsourcing. The Bank operates under licences and registrations obtained from the appropriate regulators, including the RBI, the SEBI and the Insurance Regulatory and Development Authority of India ("**IRDAI**"), and is subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circulars, notifications and regulations. The Bank's business could be directly affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. Banks are also generally subject to changes in Indian law, regulations, government policies and accounting principles. The Bank may in addition be subject to other changes in laws and regulations, such as those affecting the extent to which it can engage in specific businesses, those that reduce its profits through limits on fees or interest rates that the Bank may charge its customers, or those affecting foreign investment in the banking industry, as well as to changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles. The Bank is subject to CRR and SLR requirements, capital adequacy requirements, priority sector lending requirements and other prudential requirements, and any failure to comply with these requirements may expose the Bank to penalties and regulatory action. For further information, see "*Supervision and Regulatory*".

In addition, the Bank has a presence through its subsidiaries, joint ventures and associates in diverse segments of the Indian financial sector, including asset and funds management, treasury operations, credit cards, payment services and life insurance. The regulatory and policy environment in which the Bank operates is evolving and subject to change, and there can be no assurance that the Government will not implement new regulations and policies that would require the Bank or any of its subsidiaries, joint ventures or associates to obtain further approvals and licences from the Government and other regulatory bodies. Any such changes, and the related uncertainties with respect to the implementation of any new regulations, may have a material adverse effect on the Bank's business, financial condition and results of operations. In addition, the Bank may have to incur capital expenditure to comply with the requirements of any new regulations, which may also materially harm its results of operations.

If Indian Accounting Standards are made applicable to banks, it is possible that the Bank's financial condition, results of operations and cash flows may appear materially different than under Indian GAAP.

The Bank currently prepares its annual and interim financial statements in accordance with Indian GAAP. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated 18 January 2016, issued a roadmap for the implementation of Indian Accounting Standards converged with IFRS ("**Ind AS**") for scheduled commercial banks. However, pursuant to an RBI circular dated 22 March 2019, and as reflected in the Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, the implementation of Ind AS by scheduled commercial banks has been deferred until further

notice, as the legislative amendments recommended by the RBI are under consideration of the Government. The adoption of Ind AS, when implemented, would change, among other things, the Bank's methodology for estimating allowances for expected loan losses and for classifying and valuing its investment portfolio, and the Bank's revenue recognition policy. For the estimation of expected loan losses, the new accounting standards may require the Bank to calculate the present value of the expected future cash flows realisable from its advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate), which may result in the Bank recognising allowances for expected loan losses in the future that may be higher than under the current Indian GAAP. The mark-to-market requirements under Ind AS may also impact the Bank's revenues and profitability. It is possible that the Bank's financial condition, results of operations and cash flows may appear materially different under Ind AS than under Indian GAAP.

If the Bank is required to report under Ind AS, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There is also no significant body of established practice on which to draw in forming judgments regarding the implementation and application of Ind AS. In addition, the Bank will need to modify its internal control framework and adopt new internal controls to report under Ind AS. These new internal controls will require, among other things, a transition to more model-based evaluation of certain items, as well as staff who are adequately knowledgeable in Ind AS. There can be no assurance that the Bank will be able to implement effective internal controls under Ind AS in a timely manner, or at all, and any failure to do so could adversely affect the Bank's business, financial condition and results of operations.

The Bank is required to maintain minimum cash reserve ratios and statutory liquidity ratios in accordance with RBI guidelines, and any increase in these requirements, or any failure by the Bank to comply with them, could adversely affect its business, financial condition and results of operations.

Under RBI regulations, the Bank is subject to a CRR requirement. The Bank is required to maintain by way of a cash reserve, a sum equivalent to such percentage of the total of its net demand and time liabilities ("**NDTL**"), in such manner and for such dates, as the RBI may notify from time to time. The CRR currently applicable to banks in India is 3.00% and the Bank's CRR as at 30 June 2026 was 3.02%. In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's NDTL in India required to be maintained in the form of liquid assets, such as cash, gold or approved unencumbered securities. Approved unencumbered securities consist of unencumbered Government securities and such other securities as may be approved from time to time by the RBI, which earn lower levels of interest as compared to advances to customers or investments made in other securities. The SLR currently applicable to banks in India is 18.00% and the Bank's SLR as at 30 June 2026 was 23.37%. The RBI may increase the CRR or SLR requirements to significantly higher levels as a monetary policy measure. Any substantial increase in the CRR or SLR from current levels could affect the Bank's ability to deploy its funds or make investments, which could in turn have a negative impact on its results of operations. If the Bank is unable to meet the CRR or SLR requirements prescribed by the RBI, the RBI may impose penal interest on the Bank or prohibit the Bank from receiving further fresh deposits, which could have a material adverse effect on the Bank's business, financial condition and results of operations.

The Bank has a large portfolio of Government securities and its business is particularly vulnerable to volatility in interest rates.

As a result of Indian reserve requirements, the Bank is more structurally exposed to interest rate risk than banks in many other countries. Under RBI regulations, the Bank's liabilities are subject to the SLR requirement, which requires that assets the value of which shall not be less than a minimum specified percentage of a bank's NDTL in India (as on the last day of the second preceding fortnight) be maintained in approved securities. The Bank earns interest on such Government securities at rates which could be less favourable than those which it typically receives in respect of its retail and corporate loan portfolio.

In a rising interest rate environment, the Bank could be materially adversely affected by the decline in market value of this portfolio and other fixed income securities. However, in a declining interest rate environment, the SLR generally has a negative impact on net interest income and net interest margin, since it requires the Bank to invest in lower interest-earning securities. To reduce the risk of interest rate fluctuations, the Bank classifies a significant portion of its Government securities as held to maturity in accordance with the Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025. However, the concentration of securities in such classification can limit gains in the Bank's treasury operations and impact interest amortisation expenses.

Any failure by the Bank to maintain or grow its Current Account and Savings Account ratio may result in higher costs of deposits.

The Bank has traditionally maintained a high level of Current Account and Savings Account ("**CASA**") deposits owing to its large retail customer base spread across India, and it seeks to increase its CASA deposits in the future. As at 30 June 2026, on a standalone basis, the share of CASA deposits was 36.68% of the Bank's total deposits. The Bank may not be able to maintain its CASA deposits or ratio owing to increased competition from other banks and lending institutions. In order to attract retail customers and increase its CASA deposits, the Bank intends to introduce new products and promote them through marketing campaigns. The interest rates that the Bank must pay to attract customer deposits are determined by numerous factors, including the prevailing interest rate structure, the competitive landscape, Indian monetary policy and inflation, and there can be no assurance that the Bank will be successful in growing its CASA base. If the Bank is unable to maintain or grow its CASA ratio, its financial condition and results of operations could be materially and adversely affected.

The Bank is subject to capital adequacy requirements and is required to maintain a capital-to-risk-weighted assets ratio at the minimum level required by the RBI. Any failure to maintain adequate capital due to changes in regulation or any inability to access capital could materially and adversely affect the Bank's business, financial condition and results of operations.

The Bank is subject to regulations relating to the capital adequacy of banks, which determine the capital-to-risk-weighted assets ratio ("**CRAR**"), or the minimum amount of capital that the Bank must hold as a percentage of the risk-weighted assets on its portfolio. The Bank is required to maintain minimum capital ratios in accordance with the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025, as amended from time to time (the "**Capital Adequacy Directions**"). Under the Capital Adequacy Directions, the Bank is required to maintain a minimum total CRAR of 11.50% (including a capital conservation buffer of 2.50%), a minimum Common Equity Tier 1 ("**CET 1**") capital ratio of 8.00% (including a capital conservation buffer of 2.50%) and a minimum Tier 1 CRAR of 9.50% (including a capital conservation buffer of 2.50%) of its risk-weighted assets. The Bank is also required to maintain any additional buffers prescribed by the RBI from time to time, including a countercyclical capital buffer and a buffer for domestic systemically important banks, where applicable. The Bank is exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Any incremental capital requirement may adversely impact the Bank's ability to grow its business and may even require the Bank to withdraw from, or curtail, some of its current business operations.

On a standalone basis as at 30 June 2026, applying the Basel III guidelines, the Bank's CET 1 ratio was 15.97%, its Additional Tier 1 ratio was 0.30% and its total CRAR was 18.69%. As at 31 March 2026, on a standalone basis, the Bank's CET 1 ratio was 15.05% and its total CRAR was 18.01%. Although the Bank has implemented and follows a policy of maintaining a minimum CRAR as stipulated in the Capital Adequacy Directions, there can be no assurance that the Bank will be able to maintain this ratio in the future or that the Government will provide additional capital infusions or that the Bank will be able to raise adequate additional capital from other sources on terms favourable to it, or at all. Implementation of Basel III or other capital adequacy requirements imposed by the RBI may result in the incurrence of substantial compliance and monitoring costs by the Bank,

and any breach of applicable laws and regulations could adversely affect the Bank's reputation, business operations and financial condition. In addition, if additional or more stringent guidance on capital adequacy norms is imposed by the RBI or the Basel Committee on Banking Supervision, the Bank may be required to raise or maintain additional capital in a manner which could materially and adversely affect its business, financial condition and results of operations.

The Bank is subject to periodic inspections by various regulatory authorities, including the RBI and has previously been subject to penalties. Non-compliance with the observations of such regulators could adversely affect the Bank's business, financial condition, results of operations and cash flows.

The RBI is empowered under the Banking Regulation Act, 1949, and the circulars, guidelines and notifications issued thereunder to impose penalties on banks and their employees to enforce applicable regulatory requirements. In the past, the RBI has levied penalties on the Bank for non-compliance with guidelines and instructions issued by the RBI from time to time. Key instances of penalties imposed by the RBI include: (i) on October 4, 2023, a monetary penalty of Rs. 1.41 crore was imposed on the Bank under Sections 35, 35A, 46 and 47A of the Banking Regulation Act, 1949 for system issues pertaining to application of interest on loan and deposit accounts and data reporting to Central Repository of Information on Large Credits ('CRILC'); (ii) on multiple occasions during Fiscal 2023-24, penalties aggregating Rs. 27.00 lakh were imposed on the Bank for operational lapses in managing the work of currency chests; (iii) on January 24, 2025, a penalty aggregating Rs.1.00 crore was imposed on the Bank for contravention of the provisions of Section 26A of the Banking Regulation Act, 1949 read with the Depositor Education and Awareness Fund Scheme, 2014; and (iv) on various dates and occasions during Fiscal 2024-25, penalties aggregating Rs. 23.09 lakh were imposed on the Bank for operational lapses in managing the work of currency chests. Recently, on July 9, 2026, RBI imposed a penalty of Rs.427,600.00 on the Bank for the mutilated, counterfeit and shortages of notes detected in soiled note remittances of Nagpur currency chest.

The Bank is subject to periodic inspections by various regulatory authorities, including the RBI under the 'Supervisory Programme for Assessment of Risk and Capital'. Inspection by the RBI is a regular exercise for all banks and financial institutions in India, pursuant to which the RBI may issue observations, directions and action plans on various matters, such as risk management systems, credit concentration risk, counterparty credit risk, internal controls, credit allocation and regulatory compliance. The most recent inspection conducted by the RBI covered the period up to 31 March 2025. During the inspection, the RBI has observed concerns on the need for strengthening system level control for Risk Weighted Assets ("**RWA(s)**") computation, need for systemic approach for external/internal validations of material rating models, need for strong consent framework especially for micro insurance schemes, need for 'Enterprise Fraud Risk Management System' for strengthening small value transactions in accounts eligible for transfer to 'Depositor Education and Awareness Fund', need for system level check for levy of (ineligible charges, penal charges, compounding of penal charges, payment of interest in deceased accounts), data cleaning and prevention of dual hatting of officers. The RBI inspection for Fiscal 2026 is presently ongoing, and the RBI has not presently offered observations in respect of the same.

Failure to adequately address or comply with observations, directions or requirements arising from RBI's supervisory assessments may result in supervisory or regulatory action, which could have an adverse effect on the Bank's reputation, financial condition and results of operations. While the Bank has, in the past, undertaken steps to comply with observations made by the RBI in its inspection reports and has kept the RBI informed regarding the status of its compliance, there can be no assurance that the RBI will consider such steps adequate or treat the observations as duly complied with. Any significant deficiencies identified by the RBI or by any other regulator in a final inspection report that the Bank is unable to rectify to the relevant regulator's satisfaction could lead to sanctions and penalties being imposed on the Bank, which could materially and adversely affect the Bank's reputation, business, financial condition, results of operations and cash flows.

The Bank's overseas branches, subsidiaries and joint ventures are also subject to inspections, supervision and regulatory oversight by regulators in their respective jurisdictions. Any adverse findings or regulatory actions by such authorities may adversely affect the Group's business, financial condition and results of operations.

The Bank is also subject to various listing obligations and compliance requirements prescribed by BSE and NSE under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and related circulars issued from time to time. In this regard, the BSE and NSE have levied a penalty of Rs.10,000.00 and Rs.10,000.00 on the Bank for the late submission of voting results of the Extraordinary General Meeting held on 14 January 2025 in the prescribed XBRL format. There can be no assurance that the Bank will not face similar instances of non-compliance or delays in filing with the stock exchanges in the future. Any failure to comply with the listing and disclosure requirements within the prescribed timelines may result in additional penalties, fines, or other regulatory actions by the stock exchanges, SEBI, or other regulatory authorities.

The Bank's exposure to security receipts issued by asset reconstruction companies could adversely affect its business, financial condition, results of operations and cash flows.

The Bank has investments in security receipts arising from the sale of NPAs by it to asset reconstruction companies ("**ARCs**") registered with the RBI. As at 30 June 2026, on a standalone basis, the Bank had an outstanding net investment of Rs.381.51 crores (at book value) in security receipts issued by ARCs. The Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025, provide a comprehensive framework for transfer of stressed loans, including to asset reconstruction companies. Under these directions, if the transferor's investment in security receipts issued against loans transferred by it is more than 10.00% of all security receipts issued against the transferred asset, the valuation of such security receipts on the books of the transferor shall be the lower of: (i) the redemption value based on the net asset value declared by the ARC, or the net book value of the transferred stressed loan at the time of transfer, whichever is lower; and (ii) the face value of the security receipts reduced by the notional provisioning rate applicable if the loans had continued on the books of the transferor. Further, security receipts which are not redeemed at the end of the resolution period shall be treated as a loss asset and fully provided for. Further, the framework requires banks to maintain an internal list of stressed assets identified for sale, and continued review of assets classified as 'doubtful' above a threshold amount on a periodic basis with a view to consider a sale or other disposition. There can be no assurance that ARCs will be able to recover these assets and redeem the Bank's investments in security receipts, or that there will be no reduction in the value of these investments. Any such inability to recover assets or redeem investments without a diminution in value could adversely affect the Bank's business, financial condition, results of operations and cash flows.

The Bank has contingent liabilities.

As at 30 June 2026, the Bank had contingent liabilities on a standalone basis on account of claims against the Bank not acknowledged as debt, liabilities on account of outstanding forward exchange contracts, guarantees, acceptances, endorsements, interest rate swaps and other obligations. If the Bank's contingent liabilities crystallise, this may have an adverse effect on the Bank's financial condition and future financial performance.

The Bank relies on correspondent banks in other countries to facilitate its foreign exchange operations. Any failure to maintain such relationships or enter into new such relationships could impact the Bank's ability to grow its foreign exchange business.

The Bank maintains nostro accounts in foreign currencies with correspondent foreign banks for facilitating its treasury, trade and remittance transactions. Opening and maintaining such accounts requires compliance with strict KYC norms, and any failure to adhere to such norms may result in the correspondent bank closing these accounts. Further, a correspondent bank may discontinue any of the services that it offers in relation to such accounts, which may result in customer dissatisfaction. In addition, the Bank depends on its relationships with

correspondent banks to access intra-day facilities, both in India and in other jurisdictions, which is required in the ordinary course of its business. There can be no assurance that the Bank will be able to retain its existing correspondent banking relationships or enter into similar arrangements with new correspondent banks on commercially reasonable terms, if at all. In the event that the Bank is unable to open new accounts or continue to maintain existing accounts with its correspondent banks for any reason, it could be forced to scale back its treasury, trade and remittance business, which could adversely affect its business, results of operations and financial condition.

The Bank has reported some of its borrowers as Wilful Defaulters. An increase in the number of Wilful Defaulters may have a material adverse impact on its business, financial condition and results of operations.

The Bank has, from time to time, reported certain borrowers as Wilful Defaulters to the RBI. In respect of borrowers classified as non-cooperative and Wilful Defaulters, the Bank is required to make accelerated provisions as per extant RBI guidelines, including the Reserve Bank of India (Commercial Banks – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, as amended. An increase in the number of Wilful Defaulters reported by the Bank could adversely affect the Bank's business, financial condition and results of operations.

Commission, exchange and brokerage income, profit on foreign exchange transactions and other sources of fee income are important elements of the Bank's income and market conditions as well as regulatory changes could cause these income streams to decline and adversely affect the Bank's financial results.

The Bank earns commission, exchange and brokerage income from a variety of activities, including loan processing, corporate banking and advisory services (such as origination and syndication of loans, structured finance, distribution of retail investment and insurance products, transaction banking and retail credit products) and fee-based income from its foreign exchange and treasury operations businesses. The Bank's fee income is therefore impacted by the level of corporate activity, the demand for retail financial products and the overall level of economic and trade activity. It is also impacted by applicable regulations governing various products and segments of financial services, and changes in these regulations (including regulatory measures aimed at enhancing transparency and competition and lowering costs to customers) may adversely impact the Bank's ability to grow this income stream and could therefore adversely affect its business and results of operations.

The Bank's success depends in part on its management team and skilled personnel, and any inability to attract, retain and motivate talented professionals could negatively affect the Bank.

The Bank's growth and continued success depend in part on the continued service of key members of its management team and its ability to attract, train, motivate and retain highly qualified professionals. The Bank's employees are a key element of its competitive advantage and its growth strategy. The Bank recognises the importance of attracting and retaining talented professionals and, through various human resource initiatives, including employee engagement, health and wellness programmes, comprehensive benefits, learning and development and career development opportunities, seeks to foster an environment where employees feel valued and motivated, thereby supporting talent retention. As at 30 June 2026, on a standalone basis, the Bank had 52,366 employees. With increasing competition for qualified personnel in the Indian banking sector, the Bank continues to face challenges in recruiting a sufficient number of suitably skilled personnel, particularly as it grows. If the Bank is unable to attract, motivate or retain talented employees, or if it loses one or more of its key senior executives or qualified young professionals and fails to replace them in a satisfactory and timely manner, the Bank's business and operations, including its control and operational risks, may be adversely affected. In addition, the retirement of key executives and personnel on superannuation in large numbers could also have an adverse impact on the Bank's business.

The Bank's remuneration schemes are guided by industry-level settlements negotiated between bank management represented by the Indian Banks' Association ("**IBA**") and officers and workmen represented by their respective unions. Remuneration levels are broadly similar across public sector banks, other than perquisites which are determined by individual banks. However, the Bank generally pays wages that are lower than those paid by private sector banks, which could adversely affect its ability to hire and retain qualified employees. If the Indian banking industry increasingly moves towards incentive-based pay schemes, employee attrition rates at public sector banks could increase and the Bank could be forced to alter its remuneration structure. The resulting pressures may result in diminished profitability, particularly if the Bank's rates of return do not experience a commensurate rise.

The Bank's employees are largely unionised, and any labour action may adversely affect the Bank's business.

A significant portion of the Bank's employees, in particular clerical and subordinate grade employees and officers, belong to recognised employee unions and officers' associations. The Bank's employees have in the past gone on strike and it is possible that future calls for work stoppages or other similar actions could force the Bank to suspend all or part of its operations until the relevant dispute is resolved. Any such work stoppage or disruption, particularly if for a significant period, could adversely affect the Bank's business, results of operations and financial condition. While the Bank believes that it maintains constructive working relationships with the unions and associations, there can be no assurance that the Bank will continue to have such relationships in the future.

The Bank distributes third-party products, including mutual fund and insurance products. Any failure to effectively manage these distribution arrangements could adversely affect the Bank's business, results of operations and financial condition.

The Bank distributes third-party products, such as mutual funds and insurance products, and has engaged with various third parties to distribute such products. The Bank does not have control over the actions of these third parties or the products they offer. Any failure on the part of such third parties, including any failure to comply with applicable regulatory norms, could result in adverse publicity or regulatory action against such parties, which could in turn adversely impact the Bank's brand and reputation. Further, if customers to whom such products are sold experience deficient service or are otherwise aggrieved, the Bank may be subject to litigation or claims for damages by such aggrieved customers, which could have an adverse effect on the Bank's business, financial condition and results of operations.

If the Bank does not manage its foreign operations effectively, or if it fails to comply with applicable regulations in various international jurisdictions, regulatory action may result, including financial penalties and restrictions on, or suspension of, the related business operations.

The Bank has a significant international presence through overseas branches, representative offices, subsidiaries and joint ventures. As at 30 June 2026, the Bank had a network of 46 overseas offices and branches, including 4 overseas subsidiaries, 1 representative office, 1 joint venture and 1 IFSC Banking Unit, in 15 countries, including the GIFT City Branch in India. Given this international network, the Bank and its overseas branches, subsidiaries and affiliates are subject to international banking and financial services laws and regulations, and to a large number of regulatory and enforcement authorities in the jurisdictions in which they operate, with sometimes overlapping jurisdictional or enforcement authority. Such laws and regulations govern a wide variety of issues, including interest rates, liquidity, capital adequacy, securitisation, investments, ethical issues, money laundering, sanctions, privacy, record-keeping, outsourcing and marketing and selling practices.

Failure to comply with applicable laws and regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, may result in regulatory action including financial penalties and restrictions on, or suspension of, the related business operations. In addition, failure or perceived

failure to comply with applicable laws and regulations, either in or outside the course of their services, may result in inquiries or investigations by regulatory and enforcement authorities and in regulatory or enforcement action against the Bank or its overseas branches, subsidiaries or affiliates or such employees, representatives, agents or third-party service providers. Such actions may, among other consequences, impact the reputation of the Bank and its overseas branches, subsidiaries and affiliates, result in adverse media reports, lead to increased regulatory or supervisory concerns or lead to additional costs, penalties, claims and expenses being incurred by the Bank and its overseas branches, subsidiaries and affiliates. In addition, the Bank may face competition in the jurisdictions in which it operates from banks that have greater experience with operations in those jurisdictions or with international operations generally, and the Bank may also face difficulties in integrating new facilities in different countries into its existing operations, and in integrating employees hired in different countries into its existing corporate culture. If the Bank does not effectively manage its foreign operations, it may incur losses in those countries, which could adversely affect the Bank's business, financial condition and results of operations.

Any failure by the Bank to adapt to technological advancements that could potentially disrupt the banking industry may affect the performance and features of the Bank's products and services and reduce their attractiveness to customers.

Any technological advancement in the way customers prefer to execute their banking transactions may change the way banking is perceived and carried out. Technological innovations such as mobile wallets, mobile operator banking, payment banks and smartphone-based internet banking could disrupt the banking industry as a whole. There can be no assurance that the Bank will be able to adapt its systems quickly and efficiently to such changing environments. Even if the Bank is able to maintain, upgrade or replace its existing systems, or to innovate, customise and develop new technologies and systems, it may not be as quick or efficient as its competitors in upgrading or replacing its systems. Any failure by the Bank to adapt to such technological advancements quickly and effectively could affect the performance and features of the Bank's products and services and reduce their attractiveness to existing and potential customers, which could in turn adversely affect the Bank's business, financial condition and results of operations.

The Bank's business is dependent on maintaining and building a successful branch network. Any failure to maintain and expand its coverage will adversely affect its growth.

One of the Bank's strategies is to expand its branch network in a targeted manner. Newly opened branches may not be profitable immediately upon their opening or may take time to break even. In the event of a delay in achieving break-even at newly opened branches within a reasonable period, the Bank's profitability may be affected. The Bank's branch expansion plans may also have an adverse effect on the capital outlay, which in turn may adversely affect its business, results of operations and financial condition. There will also be increased expenditure as a result of the Bank's strategy to expand into new geographies. As a consequence of its large and diverse branch network, the Bank may be subject to additional risks inherent in operating an extensive network, including higher technology costs, integration of internal controls and procedures, compliance with KYC, AML and other regulatory norms, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to outsourced services and difficulties in the integration of new branches with the existing branch network. Any of these factors may result in the Bank failing to manage a large branch presence, which may materially and adversely affect its business, results of operations and financial condition.

Any failure by the Bank to maintain the prescribed strength or composition of its Board of Directors in accordance with the Bank Nationalisation Act and the SEBI Listing Regulations could result in regulatory action against the Bank.

The Bank's Board of Directors is required to be constituted in accordance with the composition prescribed by Section 9(3) of the Bank Nationalisation Act, which requires the appointment or nomination of specified directors by the Government (in certain cases in consultation with the RBI), together with directors elected by shareholders. Given that the Bank is a public sector undertaking, matters relating to the appointment of directors of the Bank (other than the shareholder director appointed under Section 9(3)(i) of the Bank Nationalisation Act) are determined by the Government's Ministry of Finance. Any delay or failure in filling positions on the Bank's Board may result in the Bank's Board being below the prescribed strength. In addition, the RBI has, from time to time, prescribed requirements in relation to the chairperson and meetings of boards of directors, the composition of certain committees of boards, and the age, tenure and remuneration of directors and whole-time directors of banks in India.

The Bank's equity shares are listed on Indian stock exchanges, and the Bank is therefore also required to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**SEBI Listing Regulations**"), which prescribe requirements regarding, among other things, the proportion of independent directors on the board of directors and the composition of the audit committee. As of 30 June 2026, certain director positions, including chartered accountant director, officer employee director and part-time non- official director, were vacant under Bank Nationalisation Act, which may affect the compliance requirements of the Bank. There can be no assurance that the composition of the Bank's Board and the committees thereof will be brought into compliance with the applicable regulations in a timely manner, or at all. Any such delay or failure could result in statutory or regulatory action being taken against the Bank, including the imposition of penalties, which could adversely affect the Bank's business, reputation, financial condition and results of operations.

The Bank may not be able to attain the minimum public shareholding within the prescribed timelines.

Pursuant to an amendment dated 4 June 2010 to the Securities Contract (Regulations) Rules, 1957, as amended ("**SCRR**"), all listed companies are required to maintain a minimum public shareholding of at least 25.00%. Further, any listed public sector company which had public shareholding of less than 25.00% at the time of commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018 to the SCRR was required to increase its public shareholding to at least 25.00% within a period of three years from the date of such commencement of the amendment, i.e., 3 August 2018. The SCRR also provides that if the public shareholding in a listed public sector company falls below 25.00% at any time, such company is required to bring the public shareholding to 25.00% within a maximum period of two years from the date of such fall in the manner prescribed by the SEBI. As at June 30, 2026, the requirement to maintain the minimum public shareholding of at least 25.00% under the SCRR was met by the Bank. However, there is no assurance on whether the Bank will continue to meet the minimum public shareholding of at least 25.00% within the timelines prescribed under the SCRR or the regulators in this regard. In the event the Bank fails to attain the minimum public shareholding within the prescribed timelines, in case it falls below 25.00%, the Bank may be subject to penalties and face regulatory actions, including delisting from the stock exchanges.

India's existing credit information infrastructure may cause increased risks of loan defaults. The Bank depends on the accuracy and completeness of information furnished by customers and counterparties, and any misrepresentation, error or incompleteness of such information could adversely affect the Bank's business.

The Bank's principal business is providing financing to its clients, most of whom are based in India. The Bank's advances to small and medium-sized enterprises and retail customers can be expected to be more severely affected by adverse developments in the Indian economy than loans to large corporations. The Bank is subject to the credit risk of its borrowers, who may not pay in a timely fashion or may not pay at all. Increased

competition arising from economic liberalisation in India, variable industrial growth, volatility in commodity prices, high levels of debt in the financing of projects and capital structures of certain companies in India and interest rate movements during periods in which a sizeable proportion of project financings were undertaken may reduce the profitability of certain of the Bank's borrowers.

While India's credit information infrastructure has continued to develop, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, may be limited. In the event that reports of credit information companies are not up-to-date, the Bank may not be able to accurately assess the creditworthiness of its borrowers, which may increase its risk of exposure to default. The Bank also relies on information furnished by customers and counterparties when determining whether to extend credit or to enter into other transactions with such customers and counterparties, and relies on credit ratings and bureau scores assigned to its customers. The Bank's financial condition and results of operations could be adversely affected if such information (including financial statements) is inaccurate, is not compliant with generally accepted accounting principles or is otherwise materially misleading. Any resulting increase in NPAs, or losses arising from reliance on inaccurate or misleading information, may adversely affect the Bank's business, results of operations and financial condition.

The Credit Information Bureau (India) Limited ("**CIBIL**") does not currently report information from retailers, utility companies or trade creditors, and no other nationwide credit bureau of that nature presently exists in India. The absence of accurate statistical, corporate and financial information, and the difficulties associated with the accurate valuation of collateral and enforcement of rights in respect of collateral, may reduce the accuracy of the Bank's credit-risk assessments, thereby increasing the likelihood of borrower default on the Bank's loans and decreasing the likelihood that the Bank will be able to enforce any security in respect of such loans or that the relevant collateral will have a value commensurate with such loans. The availability of accurate and comprehensive credit information on retail customers and small businesses in India is more limited than for larger corporate customers, which reduces the Bank's ability to accurately assess the credit risk associated with such lending. Higher credit risk may expose the Bank to greater potential losses, which could materially and adversely affect its business, financial condition and results of operations.

The Bank and its customers may engage in certain transactions in or with countries or persons that are subject to international economic sanctions.

Various international jurisdictions, including the United States, the United Kingdom and the European Union, restrict investing or otherwise doing business in, or with, certain countries or territories, and with certain persons or businesses that have been specifically designated by such government agencies. Other governments and international or regional organisations also administer similar economic sanctions. Through its foreign branches, representative offices and subsidiaries, the Bank may undertake various services to customers doing business with, or located in, countries to which certain economic sanctions apply. Although the Bank believes it has compliance systems in place that are designed to prevent prohibited transactions, and it has not been notified that any penalties or other measures will be imposed on it, the Bank may not be able to fully monitor all of its transactions for potential violations. The Bank's future business may not be free of risk under sanctions implemented by these jurisdictions, and it may not be able to conform its business operations to the expectations and requirements of international regulatory agencies that do not have jurisdiction over its business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Investors in the Notes could incur reputational or other risks as a result of the Bank's or its customers' dealings in or with sanctioned countries or persons.

A failure to renew or maintain statutory and regulatory permits and approvals required to operate the Bank's business may adversely affect its business, financial condition and results of operations.

The Bank is required to obtain and maintain various statutory and regulatory permits and approvals to operate its business, including the approvals/ licence obtained by the Bank from the RBI, which requires compliance with specified terms and conditions. In the event that the Bank is unable to comply with any or all of these terms and conditions, or is unable to obtain waivers or extensions of time for complying with these terms and conditions, the RBI may revoke this licence or place stringent restrictions on the Bank's operations. This may result in the interruption of all or some of the Bank's operations and may have a material adverse effect on the Bank's business, financial condition, results of operations and cash flows. If the Bank fails to obtain or retain any of these approvals or licences, or renewals thereof in a timely manner, or if a regulator claims that the Bank has not complied with any of the applicable conditions, its business may be adversely affected and its certificate of registration may be suspended or cancelled.

A reduction in long-term interest rates may increase the Bank's pension liabilities, which could adversely affect its results of operations.

The Bank operates defined benefit pension arrangements. A discount rate is used to calculate the present value of the Bank's future liabilities under these arrangements, and this discount rate is linked to long-term yields on Government securities. A reduction in the long-term interest rate would increase the present value of the Bank's pension obligations. As a result, the Bank may be required to make further cash contributions to the relevant scheme in order to cover any deficit, which may in turn lead to an increase in its pension expenses. In a falling interest rate scenario, the held-to-maturity value of already invested securities is likely to go up, thereby offsetting, to an extent, the increase in the present value of the pension obligation.

The Bank's insurance coverage may be inadequate to cover all claims. If the Bank incurs a substantial uninsured loss, or a loss that exceeds its insurance coverage, its business, financial condition, results of operations and cash flows could be adversely affected.

The Bank is covered by a range of insurance plans that it believes are consistent with industry practice in India for the risks associated with its business. However, the Bank's existing insurance coverage may not insure the Bank against all risks and losses that may arise in the future. The Bank may not have insurance covering all of the risks associated with its business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even where losses are insured, the Bank may be required to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed the Bank's coverage for the loss. Furthermore, the Bank's insurance policies are generally subject to annual renewal, and there can be no assurance that the Bank will be able to renew these policies on similar or otherwise acceptable terms. If the Bank incurs a serious uninsured loss, or a loss that significantly exceeds the limits of its insurance policies, this could have a material adverse effect on the Bank's business, financial condition, results of operations and cash flows.

The Bank may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.

The Bank is required to comply with applicable anti-money laundering ("**AML**"), anti-terrorism, know-your-customer ("**KYC**") and other regulations in India and other jurisdictions where it has operations. The various AML laws require financial institutions to establish sound internal control policies and procedures with respect to AML monitoring and reporting activities. Such policies and procedures require the Bank to, among other things, establish or designate an independent AML function, establish a customer identification system in accordance with relevant rules, record the details of customer activities and report suspicious transactions to relevant authorities. There can be no assurance that allegations or charges will not be made against the Bank for failure to comply with relevant AML, KYC and other ancillary policies, and the Bank may not be able to

detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability or have a material adverse effect on its business, reputation and future financial performance.

Any non-compliance with the law or unsatisfactory service by third-party service providers engaged by the Bank could have an adverse impact on its business and results of operations.

The Bank enters into outsourcing arrangements with third-party vendors providing services that include, among others, ATM and card-related services, business correspondents, facility management services related to information technology, software services and call centre services. As a result of outsourcing such services, the Bank is exposed to strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach of security or confidentiality by such service provider, or any non-compliance with legal and regulatory requirements, may result in financial loss or reputational harm to the Bank. Under the Reserve Bank of India (Commercial Banks – Managing Risks in Outsourcing) Directions, 2025, as amended, ultimate responsibility for outsourced activities rests with the Bank and its board and senior management. Legal risks, including actions being undertaken by the RBI, may be incurred if the Bank's third-party service providers act unethically or unlawfully, which could materially and adversely affect the Bank's business, financial condition and results of operations.

The Bank was previously subject to the RBI's prompt corrective action framework and may be subject to it again in the future.

The RBI has established a prompt corrective action ("**PCA**") framework under which the RBI has stipulated thresholds for capital ratios, non-performing assets and leverage ratio for banks. When the PCA framework is triggered, the RBI has a range of discretionary actions it can take to address the outstanding issues. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards on altering business strategy, reviewing capital planning, restricting staff expansion, removing managerial persons and superseding the board of directors, depending on the classification of different risk thresholds. The Bank was placed under the PCA framework in the past and was subsequently taken out of the framework subject to certain conditions and continuous monitoring. If the Bank triggers any risk threshold under the PCA framework or fails to comply with the conditions or directions prescribed by the RBI in this regard, it may be placed under the PCA framework again by the RBI, which could materially and adversely affect its business, results of operations and financial condition.

The Bank's intellectual property rights may be subject to infringement or the Bank may breach third-party intellectual property rights.

The Bank's trade name "Bank of India" and its logo are registered under the Trade Marks Act, 1999. However, the Bank does not own certain taglines and marks that it uses for its services and has not made applications to the Trade Marks Registry in respect of all such marks. The Bank does not therefore enjoy the statutory protections accorded to registered trademarks for such marks. There can be no assurance that the Bank will be able to register additional trademarks and logos or that third parties will not infringe on its intellectual property, causing damage to the Bank's business prospects, reputation and goodwill. The Bank may also be subject to claims by third parties, both inside and outside India, if it breaches their intellectual property rights by using slogans, names, designs, software or other subjects which are of a similar nature to intellectual property that such third parties may have registered. Any inability to use or protect its intellectual property could affect the Bank's relationships with its customers and could materially and adversely affect the Bank's brand, business, results of operations and financial condition.

Negative publicity could damage the Bank's reputation and adversely impact its business and financial results.

Reputational risk, or the risk to the Bank's business from negative publicity, is inherent in its business. Any negative public opinion about the Indian financial services industry or the Bank could adversely affect the Bank's ability to attract and retain customers, and may expose the Bank to litigation and regulatory action. Negative publicity could result from the Bank's actual or alleged conduct in a number of activities, including lending practices, foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions, related disclosure, the sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct.

As the Government controls a majority of the Bank's issued share capital, its public policy decisions may impact the Bank's strategy and operations.

Through its direct and indirect holdings, the Government controls a majority of the Bank's issued share capital. As at 30 June 2026, the Government held 73.38% of the Bank's issued and paid-up share capital. In addition, Section 3(2E) of the Bank Nationalisation Act provides that no shareholder other than the Government shall be entitled to exercise voting rights in respect of any equity shares held by such shareholder in excess of 10.00% of the total voting rights of all the shareholders of the Bank. Although historically the Bank has enjoyed certain autonomy from the Government in the management of the Bank's affairs and strategic direction, as its controlling shareholder, the Government is able to exercise effective control over the Bank. Furthermore, the Managing Director and Chief Executive Officer, the Executive Directors and certain other directors of the Bank are appointed by the Government. Although the Bank's management runs the day-to-day operations, the Government may determine material policies as a majority and controlling shareholder, without the consent of the other shareholders, as well as determine the outcome of any transaction or other matter submitted to the Bank's shareholders for approval, except for those matters requiring a special resolution of the shareholders.

The Bank was mandated under the Bank Nationalisation Act to, among other things, meet and better serve the needs for the development of the economy in conformity with national policy and objectives. From time to time, the Bank may be required to take actions in furtherance of public policy considerations and the Government's broader objectives for the banking industry, which are not necessarily in the Bank's best commercial interests. The Bank cannot make any assurance that future policy decisions by the Government will not have an adverse effect on the Bank's results of operations and financial condition.

Increasing regulatory focus on personal information protection could impact the Bank's business and expose it to increased liability.

Regulators in various jurisdictions are increasingly scrutinising how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws and thereby impact the Bank's business. In India, the Digital Personal Data Protection Act, 2023 (the "**DPDP Act**") has been enacted for implementing organisational and technical measures in processing digital personal data and laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The DPDP Act introduces stricter data protection norms for entities such as the Bank and may impact the Bank's processes. The RBI has also issued directions on the storage of payment systems data to ensure that data relating to payment systems that the Bank operates are stored in India. Any failure, or perceived failure, by the Bank to comply with any applicable regulatory requirements, including privacy, data protection, information security or consumer protection-related privacy laws and regulations, could result in proceedings or actions against it by governmental entities or individuals, which may subject the Bank to fines, penalties or judgments, and may adversely affect its business and reputation.

The Bank has entered into related party transactions in the past and may continue to do so in the future, which may involve potential conflicts of interest.

The Bank has, in the ordinary course of its business, entered into transactions with related parties (including the acceptance of deposits from, and the extension of lines of credit, bridge loans, term loans and overdraft facilities to, related parties, including relatives of the Bank's directors and senior management personnel) and expects to continue to enter into such transactions in the future. There can be no assurance that the Bank could not have achieved more favourable terms had such transactions been entered into with unrelated parties. In addition, while not classified as related party transactions, there have in the past been instances where certain service providers to the Bank were owned or controlled by directors or officers of the Bank, and there can be no assurance that the Bank's directors and officers will not, in the future, be connected with or related to such service providers in a manner that could give rise to conflicts of interest with the Bank. Any such transactions, individually or in aggregate, may involve potential conflicts of interest which could adversely affect the Bank's business, financial condition and results of operations.

The Bank's auditors have from time to time referred to certain emphasis of matter in their reports on the Bank's financial statements, and the audit of the Bank's financial statements is subject to inherent limitations in scope.

The Bank's auditors have, from time to time, referred to certain emphasis of matter in their reports on the Bank's audited standalone financial statements and reviewed financial results. There can be no assurance that similar emphasis of matter will not form part of the Bank's financial statements for future fiscal periods, which could subject the Bank to additional liabilities and adversely affect its reputation and financial condition. In addition, the audit of the Bank's financial statements is subject to inherent limitations in scope, given the size of the Bank's branch network. For example, the financial statements or financial information of a number of the Bank's domestic and overseas branches and processing centres are audited by branch auditors whose reports are furnished to the Bank's central statutory auditors, and the opinion of the central statutory auditors, in so far as it relates to the amounts and disclosures included in respect of such branches, is based solely on the reports of such branch auditors. Certain domestic and foreign branches are also not subjected to audit. An inability to maintain an effective internal audit system or adequate procedures in the audit of the Bank's financial statements may affect the reliability of its financial statements.

A majority of the Bank's offices, branches and ATMs are located on premises taken on lease or on a leave and licence basis. If the Bank is unable to renew these arrangements on acceptable terms, or at all, its business and results of operations could be adversely affected.

While the Bank's Head Office is owned by the Bank, a majority of the Bank's branches and ATMs are located on premises taken by the Bank on lease or on a leave and licence basis from third parties. For certain of the Bank's branches, the lease deeds have expired and are pending renewal. If any of the Bank's leases are not renewed, or are renewed on unfavourable terms and conditions, the Bank may be forced to procure alternative premises for its existing branches or to incur additional costs associated with any such unfavourable renewals. The Bank may also face the risk of being evicted in the event that its landlords allege a breach on the Bank's part of any terms under the applicable lease or leave and licence agreements. Any of these events may cause disruption to the Bank's operations or result in increased costs, or both, which may materially and adversely affect the Bank's business, financial condition and results of operations. Furthermore, some of the Bank's lease and leave and licence agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. Under Indian law, an instrument not duly stamped, or insufficiently stamped, may not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, either of which could adversely affect the continuance of the Bank's operations at the affected premises.

The Bank may pursue opportunities for growth through acquisitions or be required to undertake amalgamations mandated by the RBI. Such transactions could give rise to integration and other risks.

The Bank may pursue opportunities for growth through acquisitions or be required to undertake amalgamations mandated by the RBI under its statutory powers. Its subsidiaries or associates may also undertake amalgamations, acquisitions and takeovers in India or internationally. Amalgamations and acquisitions by the Bank's subsidiaries could lead to a reduction in the Bank's shareholding in such subsidiaries. Any future amalgamations, acquisitions or takeovers, whether by the Bank or its subsidiaries, may involve a number of risks, including the possibility of a deterioration in asset quality, quality of business and business operations, financial impact of employee-related liabilities, diversion of management's attention required to integrate the acquired business, the failure to retain key acquired personnel and clients, leverage synergies or rationalise operations, or develop the skills required for new businesses and markets, and unknown and known liabilities (including any ongoing litigation, claims or disputes concerning such acquisition or amalgamation), any of which could have an adverse effect on the Bank's business or that of its subsidiaries or associates. The Bank may also sell all or part of one or more of its businesses for a variety of reasons, including changes in strategic focus, redeployment of capital, contractual obligations and regulatory requirements.

Financial and political instability in other countries may cause increased volatility in the Indian financial market and adversely affect the Bank.

India's economy and markets are closely linked to global conditions, especially in major economies (the United States and the Eurozone) and other Asian emerging markets, through trade, investment, commodity prices (particularly crude oil), capital flows and supply chains. Adverse developments in one or more of these economies, including slowdowns, monetary tightening or protectionist measures, can materially affect Indian growth, inflation, exchange rates and investor sentiment. India imports a substantial majority of its crude oil requirements and its fiscal, external and inflation dynamics remain sensitive to global energy prices.

Heightened geopolitical tensions, including hostilities in the Middle East and elsewhere, have from time to time led to volatility in global financial, energy and commodity markets. Any escalation, or its continuation over a prolonged period, could result in higher crude oil prices, disruptions in trade routes, capital flow reversals from emerging markets and elevated risk-aversion, each of which could adversely affect the Indian economy and the Indian banking sector, including through pressure on inflation, exchange rates, borrower cash flows and asset quality.

The uncertainties in the global economy and the Indian economy may adversely affect the Bank's business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of the Bank's customers or counterparties could become delinquent in respect of their loan repayments or other obligations to the Bank, which, in turn, could result in a higher level of NPAs, allowances for impairment losses and write-offs;
- increased regulation and supervision in the financial services industry in certain jurisdictions where the Bank operates may restrict business flexibility and increase compliance costs;
- the value of the Bank's investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;
- the Bank's ability to raise additional capital on favourable terms, or at all, could be adversely affected; and
- trade and capital flows may contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect business prospects.

Relations between India and its neighbours, including Pakistan and China, have from time to time been affected by cross-border incidents, terrorist attacks and border stand-offs. Any deterioration in such relations, or in the broader regional security environment, may adversely affect investor confidence in India and, in turn, the Bank's business and financial condition.

The implementation of Basel III capital and liquidity standards may have an adverse effect on the Bank and the position of the Noteholders.

The Basel Committee has proposed a number of fundamental reforms to the regulatory capital framework, initially set out in the paper dated 16 December 2010 (as revised in June 2011) and further developed thereafter (the "**Basel III Reforms**"). The Basel III Reforms were implemented in India through the RBI's Basel III guidelines with effect from 1 April 2013 and are now consolidated by way of the Capital Adequacy Directions. The Basel III guidelines provide for, among other things: higher levels of Tier 1 capital which will predominantly consist of common equity; capital conservation buffers; changes in the structure of debt instruments eligible for inclusion in Tier 1 and Tier 2 capital and preference shares eligible for inclusion in Tier 2 capital; criteria for classification as common shares to be included in Common Equity Tier 1 capital; methods to deal with credit risk and reputational risk; capital charges for credit risks; the introduction of a leverage ratio; and investments in the capital of banks and financial and insurance entities. The Basel III guidelines also stipulate that non-equity Tier 1 and Tier 2 capital should have loss absorbency characteristics, which would require them to be written down or converted into common equity upon the occurrence of a pre-specified trigger event.

In addition, the Basel Committee introduced two minimum global regulatory standards, namely the liquidity coverage ratio ("**LCR**") and the net stable funding ratio ("**NSFR**"), along with a set of monitoring tools. The LCR promotes the short-term resilience of banks exposed to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets to survive an acute stress scenario lasting for 30 days. The NSFR promotes resilience over longer time periods by creating additional incentives for banks to fund their activities with more stable sources of funding on an ongoing structural basis. The RBI has issued guidelines on LCR, monitoring tools and disclosure standards, consolidated by way of the Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025, which have been implemented in phases.

The Bank's current capitalisation levels are in line with these requirements. However, unless the Bank is able to access the necessary amount of additional capital, any incremental increase in the capital requirement may adversely impact the Bank's ability to grow its business and may even require the Bank to withdraw from or to curtail some of its current business operations. There can also be no assurance that the Bank will be able to raise adequate additional capital in the future at all or on terms favourable to it. The RBI and/or any other relevant authority may implement the package of reforms, including the terms which capital securities are required to have, in a manner that is different from that which is currently envisaged, or may impose more onerous requirements on the Bank. Furthermore, the Basel III guidelines may adversely affect the position of any holder of Subordinated Notes issued, as the Bank would be required to incorporate features mandated by Indian laws and regulations in the terms and conditions of such Subordinated Notes.

The initial evaluation of the effects of the suggested modifications to the Basel III CRAR computation indicates that the impact is neutral, owing to the counterbalancing characteristics of the proposed changes in applicable RWA as well as the increased granularity and due diligence involved.

Risks Relating to India

Any downturn in economic growth in India could cause the Bank's business to suffer.

The majority of the Bank's business, assets and employees are located in India, so the Bank's performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Therefore,

any downturn in the macroeconomic environment in India could adversely affect the Bank's business, financial condition, results of operations and cash flows. The Indian economy could be adversely affected by various factors, such as the impact of pandemics, epidemics, political and regulatory changes, including adverse changes in the Government's liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war (in and outside of India like the current hostilities between Russia and the Ukraine and the West Asia conflict), natural calamities, volatility in interest rates, volatility in commodity and energy prices, an increase in oil prices, a loss of investor confidence in other emerging market economies and other political and economic developments affecting India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and thereby adversely affect the Bank's business, financial condition, results of operations and cash flows.

High volatility and uncertainty in the prices of crude oil could adversely affect the Indian economy and, thus, the Bank's business.

India depends on other regions and countries to fulfil its growing demand for crude. Over 80 per cent of India's crude oil demand is met though imports. According to Ministry of Commerce and Industry, in FY25, India's crude oil import bill was up by 3.9 per cent at U.S.$185.8 billion compared to the payment of U.S.$178.7 billion in FY24, driven by slower pace of decline in international crude oil prices (-4.7% YoY in FY25 versus -13.7% in FY24). However, if there is any increase in crude prices, such increase will have an impact on the import bill. A significant increase in the price of crude oil could adversely affect the Indian economy. Recent years have seen fluctuations in global crude oil prices owing to a confluence of factors, including geopolitical tensions, demand-supply mismatches, and the global response to climate change. In 2020, the COVID-19 pandemic precipitated an unprecedented decline in oil prices, with the West Texas Intermediate (WTI) crude price briefly turning negative for the first time in history due to a sharp fall in demand. However, as global economies recover, there has been a steady resurgence in oil prices, compounded by production cuts from oil-producing nations and supply chain disruptions. In India, the removal of fuel subsidies and the deregulation of diesel prices have linked domestic fuel prices more closely with international crude oil prices. This exposes the economy to global market volatility more directly, affecting inflation, market interest rates, and the trade deficit. The recent geopolitical tensions, particularly those impacting key oil-producing regions (Venezuela, Iran), have added to the uncertainty in oil prices, further intensifying the potential risks for the Indian economy. Moreover, the Indian government's efforts to transition towards a more sustainable energy mix and reduce its dependency on fossil fuels align with global climate action goals. However, this transition also necessitates close monitoring of crude oil price fluctuations, as the country still relies heavily on imports to meet its energy needs.

High volatility and uncertainty in crude oil prices present a significant risk to the Indian economy, owing to the country's dependence on imports for over 85-90% of its requirements. As of March 2026, intensified geopolitical tensions in the Middle East have pushed Brent crude prices toward $100 per barrel, causing immediate pressure on the rupee, increasing inflationary expectations, and threatening to widen the current account deficit. India's external balance and government finances could be hit if oil prices stay high for an extended period, economists have said, as the Iran war pushes up oil import costs and the subsidies needed to keep key commodities affordable. India is considered to be among the most vulnerable to a global oil shock as it imports nearly 90% of its crude requirements and about 50% of its gas requirements. Over half of its crude is from the Middle East, where export flows have been disrupted by the U.S.-Israeli war on Iran since March, 2026.

Any further increase or volatility of oil prices suffered by Indian consumers could have a material adverse impact on the Indian economy and on the Indian banking and financial system in particular, including through a rise in inflation and market interest rates and a higher trade deficit.

A significant change in the Government's economic liberalisation and deregulation policies could disrupt the Bank's business.

With the advent of the liberalisation policies of the Government in 1991, the Indian economy has progressed steadily over the years and has made a mark in the global economy. The Government has approached various sectors of the economy to make them more competitive and productive. Given the global financial crisis, the Government as well as the RBI is expected to be cautious in its approach towards wider opening up of the banking and insurance segments. There was a marked slowdown in the liberalisation process over the last couple of years. The current Government has continued India's economic liberalisation and deregulation programmes. However, there can be no assurances that these liberalisation policies will continue in the future. Any significant change in the Government's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India and could also adversely affect the Bank's business, its future financial performance and the trading price of the Notes.

Financial instability in other countries, particularly emerging market countries, could disrupt the Bank's business.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly, the emerging market countries in Asia. The global financial crisis in 2008 and the subsequent European sovereign debt crisis have resulted in an adverse impact on the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability including the global liquidity crisis which the credit markets may experience or the continuing sovereign credit crisis could also have a negative impact on the Indian economy. The Bank has limited exposure to Europe as a result of its branch offices in Europe, including those in Belgium and the United Kingdom, extending loans to individuals and entities in Europe. Concerns persist regarding the overall stability of the euro and the suitability of euro as a single currency given the diverse economic and political circumstances of the member states of the European Union. A loss of investor confidence in the financial systems of other markets and countries where the Bank has established operations or any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. The outlook provides a list of downside risk factors, including mounting trade tensions, rising interest rates, political uncertainty and complacent financial markets. These factors, and any prolonged financial crisis, may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on the Bank's business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the European sovereign debt crises, led to increased liquidity and credit concerns and volatility in the global credit and financial markets.

Financial instability in emerging market and developing economies (EMDEs) poses a significant, multifaceted risk to international banking operations, often leading to loan losses, reduced profitability, and constrained liquidity. The March 2026 conflict involving Iran has triggered significant financial instability, causing capital to exit emerging markets, flattening equity funds, and driving up energy prices. This volatility, combined with potential disruptions to shipping in the Strait of Hormuz, directly risks impacting emerging market bank valuations, credit quality, and foreign investor inflows.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial

instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilising effects. Any significant financial disruption in the future could have an adverse effect on the Bank's cost of funding, loan portfolio, business and future financial performance. Adverse economic developments overseas in countries where the Bank has operations could have a material adverse impact on the Bank's business, financial condition and results of operations.

If regional hostilities, terrorist attacks or social unrest in India increases, the Bank's business could be adversely affected.

India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and the control of Kashmir. In November 2008, several coordinated shooting and bombing attacks occurred across Mumbai, India's financial capital, which resulted in the loss of life, property and business. India has also experienced terrorist attacks in other parts of the country. In February 2019, a car bombing in Jammu and Kashmir killed 40 Indian security personnel. The Islamist group Jaish-e-Mohammad claimed responsibility for the attack. In response, the Indian air force bombed targets in north-eastern Pakistan, and Pakistan conducted a retaliatory airstrike in north-western India. An Indian air force pilot was captured in Pakistan after his aircraft was shot down, but was subsequently released. In June 2020, the clash between China and Indian soldiers in the Galwan River Valley resulted in numerous fatalities, which led to increased tension between the two countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on the Bank's business, its future financial performance and the trading price of the Notes. Furthermore, India has also experienced social unrest in some parts of the country. If such tensions spread and lead to overall political and economic instability in India, it may adversely affect the Bank's business, future financial performance and the trading price of the Notes.

Disruptions in specific regions, such as Jammu & Kashmir or financial hubs like Mumbai, often have concentrated impacts on agriculture, tourism, and industrial activities, leading to bad loans in those areas.

Increased regional hostilities, terrorist attacks, or social unrest in India are significant risk factors that could adversely affect the banking sector and business, asset quality, and profitability. Such events generally have a disruptive, short-to-medium term effect on the Indian financial system by shaking investor confidence and reducing consumption.

While the Indian banking sector has demonstrated remarkable resilience – with gross Non-Performing Assets (NPAs) for scheduled commercial banks dropping to a multi-decade low of 2.1% by September 2025, it remains vulnerable to such external shocks. Ongoing geopolitical tensions, particularly in West Asia, can amplify these risks through oil price shocks that impact inflation and GDP growth.

The outbreak or threatened outbreak of any severe communicable disease or any severe communicable disease of any other serious public health concerns in Asia, such as the COVID-19 pandemic, could have a material adverse effect on the Bank's business, financial condition and results of operations.

The outbreak, or continued or threatened outbreak, of any other severe communicable disease, such as Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome-Corona virus, avian influenza (commonly known as bird flu), H1N1, the novel strain of coronavirus ("**COVID-19**") or any another similar disease could materially and adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled.

For example, the outbreak of COVID-19 in 2019 resulted in, among other things, renewed travel and transportation restrictions, supply chain disruptions and increased volatility in international capital markets. Such pandemics may result in widespread reductions in consumption, industrial production and business activities and may significantly disrupt the global economy and global markets.

Accordingly, any such material changes in the financial markets, the Indian economy or economies of countries or regions where the Bank operates as a result of these events or developments may materially and adversely affect the Bank's business, financial condition and results of operations.

Furthermore, other uncertainties in the global economy and the Indian economy may also adversely affect the Bank's business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of the Bank's customers or counterparties could become delinquent in respect of their loan repayments or other obligations to the Bank, which, in turn, could result in a higher level of NPAs, allowances for impairment losses and write-offs;
- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where the Bank operates may restrict business flexibility and increase compliance costs;
- the value of the Bank's investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;
- the Bank's ability to raise additional capital on favourable terms, or at all, could be adversely affected; and
- trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect business prospects.

Any potential market and economic downturns, economic slowdown or geopolitical uncertainties in India, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the capital markets. In addition, global economic uncertainty and the slowdown in India's economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. The Bank cannot predict whether or when such actions may occur, nor can the Bank predict what ultimate impact, if any, such actions or any other governmental actions could have on the Bank's business, results of operations and financial condition. There can be no assurance that India's economy or the global economy will continue to improve or maintain sustainable growth. If further economic downturn occurs or continues, the Bank's business, financial condition and results of operations could be materially and adversely affected.

Natural calamities could have a negative impact on the Indian economy and could cause the Bank's business to suffer and the trading price of the Notes to decrease.

According to an Emergency Event Database, India has been ranked at third position, after US and China, in recording the highest number of natural disasters since 1900. India recorded 764 instances of natural disasters (e.g. landslide, storm, earthquake, flood, drought, etc.) since 1900, with 402 events occurring during 1900-2000 and 361 during 2001-2022, indicating the preponderance of tail events at an alarming frequency and with each such event setting new records of economic stress. By disaster type, India is marred mostly by floods. Almost 41% of disasters occurred in the form of floods, followed by storms. These events in statistical parlance are commonly called fat-tail events. Since 2001, a total of 1 billion people have been impacted and almost 85,000 people have died due to these disasters since 2001. Apart from the human costs, there have been huge economic

losses due to these disasters. Since 1900, India has suffered an economic loss of U.S.$150 billion (where the loss is reported), with the largest loss recorded due to floods (U.S.$92.1 billion) followed by storms (U.S.$44.7 billion).

India on average suffers an economic loss of US$7 billion each year because of natural disaster, according to the United Nations. Natural calamities have a significant negative impact on the Indian economy, costing approximately 0.4% of its GDP every year (or nearly Rs.3 lakh crores annually) between 1990 and 2024. These disasters, including floods, droughts, and cyclones, not only cause immediate damage to infrastructure and property but also disrupt long-term economic growth by diverting development funds toward relief and rehabilitation.

Key Vulnerabilities remain the (i) the geographical risk where nearly 60% of India's landmass is prone to earthquakes, while the 7,500 km coastline is highly susceptible to cyclones, and (ii) the monsoon dependency, viz. the extreme weather events, such as heatwaves and unseasonal rains, are increasing in frequency, undermining food security and reducing labour productivity.

Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact the Bank.

The Indian economy is also affected by global macroeconomic factors. Global growth slowed in 2022 to 3.5 percent due to increasing geopolitical tensions and elevated inflation levels. For 2023, the International Monetary Fund (the "**IMF**") revised global growth to 3.3% from 2.8% projected earlier, as growth was stronger than anticipated in the United States, and several major emerging markets and developing economies. For 2024, the IMF revised global growth to 3.3 per cent in October 2025 from 3.2 per cent projected in January 2025.

Looking ahead, global growth is projected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and 3.1 percent in 2026, with advanced economies growing around 1.5 percent and emerging market and developing economies just above 4 percent. A global decline in inflation is projected to continue with variation across countries: above target in the United States (with risks tilted to the upside) and subdued elsewhere. Risks are tilted to the downside with prolonged uncertainty, more protectionism, and labour supply shocks could reduce growth. Fiscal vulnerabilities, potential financial market corrections, and erosion of institutions could threaten stability.

India has achieved a remarkable milestone in its economic journey, with gross foreign direct investment (FDI) inflow reaching USD1.1 trillion between April 2000 and June 2025. India's total annual FDI inflow has more than doubled from USD 36.05 billion in FY 2013-14 to USD 94.53 billion in FY 2025-26, registering a growth of 17.00% from FY 2024-25.

Risks to the outlook as per the IMF includes prolonged policy uncertainty which could impact investment and consumption, rising protectionism and tariff barriers, labor supply shocks, fiscal vulnerabilities, pressure on independence of key economic institutions which could undermine their credibility, uncertainty in financial markets, geopolitical tensions and weather shocks.

In India, gross FDI inflows stood at US$81.0 billion in fiscal year 2025 as compared to a gross inflow of US$71.3 billion in fiscal year 2024. Net FDI flows moderated to US$1.0 billion in fiscal year 2025 as compared to US$10.1 billion in fiscal year 2024, on account of a rise in repatriation and net outward FDI. The net inflow in the portfolio segment moderated to US$2.8 billion in fiscal year 2025, as compared to a US$41.0 billion in fiscal year 2024 and US$5.5 billion in fiscal year 2023. Net FDI flows vary based on the perceived health of the Indian economy and global market developments. For example, the higher inflows seen in fiscal year 2024 were influenced by positive sentiment following the announcement of India's inclusion in JP Morgan's bond index.

In contrast, the moderation experienced in fiscal year 2025 could be attributed to a worsening risk sentiment and increased volatility in the global markets, with net FPI outflows in equities rising to US$25 billion in the second half of fiscal year 2025, compared to net inflows of US$10 billion in the first half of fiscal year 2025. Debt inflows by FPIs stood at US$17.5 billion in fiscal year 2025. In the fiscal year 2026, gross and net FDI inflows stood at US$43.8 billion and US$10.1 billion in April 2025 to August 2025. The net portfolio investment remained low at US$0.1 billion in April 2025 to October 2025, due to heightened risk sentiment following global tariff uncertainty.

Going forward, the U.S. dollar is expected to strengthen, given the uncertainty surrounding the rate cuts by the Federal Reserve System, on the back of strong economic data and higher than expected inflation. However, gains in the rupee are likely to depend on the intervention strategy of the RBI. The central bank could intervene in the foreign exchange market to keep the rupee range bound against the dollar and curtail extreme volatility.

Over the medium term, global recession risk, geo-political tensions between Russia and Ukraine, China and Taiwan, Israel and Hamas might lead to a shift in foreign fund flows from emerging markets to developed markets. Additionally, removal of global liquidity, could reduce attractiveness of emerging market assets. That said, likely rate cuts by central banks in developed nations could support flows to emerging market assets. In the domestic market, it remains a possibility that the RBI will intervene in the foreign exchange markets to remove excess volatility in the event of potential shocks, such as a rise in protectionist tendencies creating panic in emerging market economies or excess financial market volatility. Any such intervention by the RBI may result in a decline in India's foreign exchange reserves and, subsequently, reduce the amount of liquidity in the domestic financial system, which could, in turn, cause domestic interest rates to rise.

Further, any increased volatility in capital flows may also affect monetary policy decision making. For instance, a period of net capital outflows might force the RBI to keep monetary policy tighter than optimal to guard against currency depreciation. This often forces RBI to do a balancing act between supporting domestic growth and ensuring external stability.

Any downgrading of India's debt rating by an international rating agency could adversely affect the Bank's business, its liquidity and the trading price of the Notes.

India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside the Issuer's control. On 14 August 2025, S&P Global has raised India's long-term sovereign credit rating to 'BBB' from 'BBB-', with the short-term rating upgraded to 'A-2' from 'A-3'. On 25 August 2025, Fitch Ratings affirmed India's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB-' with a Stable Outlook. Further, Standard & Poor's credit rating for India stands at BBB with stable outlook and Moody's credit rating for India was last set at Baa3 with stable outlook. Going forward, the sovereign ratings outlook will remain dependent on whether the Government is able to transition the economy out of a low-growth and high inflation environment, as well as exercise adequate fiscal restraint. There is no assurance that India's credit ratings will not be downgraded in the future. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Bank's business and limit its access to capital markets.

Investors in the Notes may not be able to enforce a judgment of a foreign court against the Bank.

The Bank was constituted under the Banks Nationalisation Act and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 (the "**Scheme**"). Substantially all of the Directors and executive officers are residents of India and a substantial portion of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Bank or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is codified for under Section 13 of India's Civil Procedure Code, 1908, on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom or any of them are claiming under the same title except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under Section 14 of the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. Such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Procedure Code provides that where a certified copy of a foreign judgment rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or fine, or other penalties.

The UK is a reciprocating territory under Section 44A of the Civil Procedure Code, allowing for the direct execution of its superior court decrees. Conversely, the United States is not a declared reciprocating territory, requiring a new lawsuit in India based on the US judgment, not direct execution. UK decrees are directly enforceable, US judgments require a more complex and time-consuming filing of a new suit for enforcement in India. A certified copy of a superior court decree from the UK can be filed in an Indian District Court and executed as if it were passed by that Indian court. A US judgment is treated as a foreign judgment in a non-reciprocating territory, requiring a fresh suit to be filed in India. The judgment is treated as evidence of a debt, and the judgment-debtor has a stronger position to challenge it under Section 13 of the CPC.

A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution whereas, a judgment of a superior court in the UK may be enforced by proceedings in execution, and a judgment not of a superior court, by a fresh suit resulting in a judgment or order. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside India of any amounts received is subject to the approval of the RBI. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India.

Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy, and it is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Indian accounting principles and audit standards differ from those which prospective investors may be familiar with in other countries.

As stated in the report of the Bank's independent auditors included in this Offering Circular, the Bank's financial statements are in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such report, and no attempt has been made to reconcile any of the information given in this Offering

Circular with any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries. See "*Summary of Principal Differences between Indian GAAP and IFRS*".

The effects of the adoption of the "Indian Accounting Standards converged with IFRS" (IND-AS) are uncertain.

In January 2016, the Ministry of Corporate Affairs ("**MCA**") laid out a road map for the implementation of IND-AS for commercial banks and the Bank is required to prepare IND-AS-based financial statements for the accounting periods beginning from 1 April 2019 onwards. However, as per RBI circular dated 22 March 2019, implementation of IND-AS for banks has been deferred until further notice.

Under The Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, implementation of Indian Accounting Standards (Ind AS) for banks has been deferred until further notice, as the legislative amendments recommended by the Reserve Bank are under consideration of the Government. However, a bank shall continue to disclose the strategy for Ind AS implementation, including the progress made in this regard. These disclosures shall be made until implementation of Ind AS.

There may be less company information available in the Indian securities markets than securities markets in developed countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and activities of investors, brokers and other participants compared to that of the markets in the United States and other developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets and it has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies, including the Bank and its competitors, than is regularly made available by public companies in developed countries. While Indian corporate disclosure standards, as strictly regulated by SEBI, have improved significantly and are often considered high in terms of detailed operational breakups, there can indeed be less publicly available information about certain Indian companies – particularly smaller, privately held, or government-controlled entities – compared to the regular, comprehensive disclosures mandated for public companies in developed markets. for major Indian banks and top-tier listed firms, including the Bank, public information is robust. However, for the broader sector or smaller competitors, the depth and breadth of public information may not always match the high-frequency disclosures of companies in developed economies.

Financial difficulties and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on the Bank's business and the trading price of the Notes could decrease.

The Bank is exposed to the risks of the Indian financial system which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. See "*Structure of India's Banking Industry*". As an emerging market economy, the Indian financial system faces risks of a nature and to an extent not typically faced in developing countries, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

Indian financial institutions have faced significant challenges in recent years, primarily driven by high levels of non-performing assets (NPAs), particularly in the late 2010s. Key issues included corporate loan defaults, governance lapses in public sector banks, and asset-liability mismatches at housing finance companies and non-banks. While the sector has seen a strong turnaround, with GNPA ratios hitting decadal lows of 3.8-4% by

FY24-25, banks continue to manage risks from rapid digital growth and, for some, rising, although controlled, levels of retail delinquencies.

Indian financial institutions in 2026 are facing a challenging landscape, with concerns regarding weakened deposit mobilization, slowing credit growth, and squeezed net interest margins (NIMs) following repo rate cuts. Key issues include rising asset quality pressures, particularly in unsecured retail and SME loans, and structural bottlenecks. Further, the Indian financial system faces challenges from high Non-Performing Assets (NPAs), rapid digital frauds, and systemic risks linked to NBFCs. Key issues include regulatory gaps, cybersecurity threats, and heavy exposure to risky infrastructure projects. Individual institutions, especially public sector banks, grapple with limited rural penetration, high compliance costs, and potential contagion from interconnected lending.

Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks have also faced serious financial and liquidity crises. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions and banks. This in turn could adversely affect the Bank's business, its future financial performance and the price of the Notes.

The new taxation system could adversely affect the Bank's business and the trading price of the Notes.

The Government has implemented two major reforms in Indian tax laws, namely the goods and services tax (the "**GST**") and provisions relating to the General Anti-Avoidance Rule (the "**GAAR**").

With the effect from 1 July 2017, the GST law has been implemented in India. The GST replaced the indirect taxes on goods and services. It aims to reduce distortions in the tax structure, introduce moderate levels of taxation and expand the tax base. GST aims to create a unified national market for goods and services by subsuming multiple indirect taxes previously levied by the central and state governments, including central excise duty, service tax, value added tax, entry tax and other indirect levies, in order to simplify compliance.

The GAAR provisions became effective from 1 April 2017 and would apply to arrangements declared as "impermissible avoidance arrangements", which is defined to mean an arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income-tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty.

The Income Tax Act, 2025 has replaced the Income Tax Act, 1961, and became law upon receiving Presidential assent on 21 August 2025.

As the taxation system is going to undergo a significant overhaul, its long-term effects on the Bank and other banks are unclear as at the date of this Offering Circular and there can be no assurance that such effects would not adversely affect the Bank's business, its future financial performance and the trading price of the Notes.

Risks Relating to an Investment in the Notes

The Notes are not guaranteed by the Republic of India.

The Notes are not the obligations of, or guaranteed by, the Republic of India. The Government is not providing a guarantee of any nature in respect of the Notes.

In addition, the Government is under no obligation to maintain the solvency of the Bank, i.e. its ability to meet long-term debts and financial commitments. Therefore, investors should not rely on the Government to ensure that the Bank fulfils its obligations under the Notes.

If the Bank has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the Bank may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Bank may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the secondary market and the market value of the Fixed Reset Notes concerned.

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the Reset Date. On the Reset Date, the interest rate will be reset to the rate per annum equal to the aggregate of the applicable Reset Reference Rate and the Margin as determined by the Principal Paying Agent on the relevant Reset Determination Date (each such interest rate being the "**Reset Rate**"). The Reset Rate for any Reset Period could be less than the Initial Interest Rate and could, therefore, adversely affect the market value of an investment in the Fixed Reset Notes.

If the Bank has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Bank has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the Bank may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Bank. If the Bank converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Bank converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than the prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The Notes which are Subordinated Notes are subordinated and have only limited rights of acceleration.

The relevant Pricing Supplement may specify that the Notes will be Subordinated Notes (as defined in Condition 1 of the Terms and Conditions of the Notes) and such Notes will be subordinated obligations of the Bank. The Subordinated Notes will constitute unsecured and subordinated obligations of the Bank. Each of the Additional Tier 1 Notes and the Tier 2 Notes will rank pari passu and without preference among the Additional Tier 1 Notes and the Tier 2 Notes, respectively. The Subordinated Notes are not deposits and are not insured by the Bank or guaranteed or insured by any party related to the Bank and they may not be used as collateral for any loan made by the Bank. In the event of a liquidation or winding up (as determined pursuant to the Banks Nationalisation Act) of the Bank, the claims of the holders of Tier 2 Notes and any relative receipts pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness (as defined in the terms and conditions of the Notes) ranking equal to or lower than the claims of the holders of Tier 2 Notes and any relative receipts, if any) of the Bank in the manner and to the extent provided in the Trust Deed. In the event of a liquidation or winding up (as determined pursuant to the Banks Nationalisation Act) of the Bank, claims in respect of the Additional Tier 1 Notes will rank: (a) senior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Bank; (b) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the terms and conditions of the Notes) of the Bank (as defined under the Capital Adequacy Directions); and (c) pari passu and without preference among themselves and with any other claims in respect of debt instruments classified as Additional Tier 1 Capital under the Capital Adequacy Directions. As a consequence of these subordination provisions, in the event of a winding-up of the Bank's operations in accordance with the Banks Nationalisation Act, the holders of the Subordinated Notes may recover proportionately less than the holders of more senior-ranking liabilities, including the Bank's deposit liabilities and other unsubordinated liabilities.

In the event of the Bank's winding-up or liquidation, holders of Subordinated Notes may claim for the Outstanding Nominal Amount of their Notes (that is, the amount of such Notes following any Write-Down or, in the case of Additional Tier 1 Notes, Reinstatements) plus any accrued but unpaid interest. Furthermore, if the Bank's indebtedness were to be accelerated, its assets may be insufficient to repay in full borrowings under all such debt instruments, including the Notes.

Subordinated Notes may be subject to write off on the occurrence of a PONV Trigger Event, or, in the case of Additional Tier 1 Notes only, a CET1 Trigger Event.

The Basel Committee recommended a number of fundamental reforms to the regulatory capital framework for internationally active banks which are designed, in part, to ensure that capital instruments issued by such banks fully absorb losses before tax payers are exposed to loss (the "**Basel III Reforms**"). The principal elements of the Basel III Reforms are set out in the Basel Committee paper dated 16 December 2010 (as revised in June 2011) and in a press release dated 13 January 2011. The Basel III Reforms were implemented in India through the Basel III Guidelines with effect from 1 April 2013, and are subject to a series of transitional arrangements to be phased in over a period of time. The capital ratios specified in the Basel III Guidelines have been fully implemented as of 1 October 2021 and consolidated by way of the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 dated 28 November 2025, as amended from time to time.

The Basel III Reforms include a requirement for all Additional Tier 1 instruments and Tier 2 instruments (such as the Additional Tier 1 Notes and the Tier 2 Notes) to be written off or converted into ordinary shares upon the occurrence of a PONV Trigger Event (the "**PoNV rule**"). The PoNV rule may be met contractually (by inclusion of appropriate provisions in the terms and conditions of the instrument) or by the existence of laws in a jurisdiction that give relevant authorities appropriate powers. In India, the PoNV rule has been implemented as a requirement for appropriate provisions to be included in the terms and conditions of the instrument. A "PONV

Trigger Event" under the Indian regulations means, in respect of the Bank or the Group, the earlier of: (a) a decision that a write-down, without which the Bank or the Group (as the case may be) would become non-viable, is necessary, as determined by the RBI; and (b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank or the Group (as the case may be) would have become non-viable, as determined by the RBI. However, any capital infusion in the ordinary course from the Government to the Bank or the Group (as the case may be) shall not constitute a PONV Trigger Event. The Subordinated Notes will be permanently written down on the occurrence of such PONV Trigger Event (see Condition 9). In the event of a Write-Down, investors may lose the entire amount of their investment in any Subordinated Notes. In the event that a PONV Trigger Event or CET1 Trigger Event (in the case of Additional Tier 1 Notes only) occurs, all or some of the rights of holders of Subordinated Notes and the Receipts and Coupons relating to them shall be subject to Write-Down. This may not result in the same outcome for Subordinated Noteholders as would have occurred upon the occurrence of any winding-up proceedings of the Bank.

Furthermore, upon the occurrence of a Write-Down of any Subordinated Notes, the right to receive interest on any portion of a nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. Consequently, Noteholders will not be entitled to receive any interest that has accrued on such portion of nominal amount of Subordinated Notes Written Down from (and including) the last Interest Payment Date falling on or prior to the Loss Absorption Event Notice. In the case of a Write-Down in respect of a PONV Trigger Event only, any such Write-Down will be permanent and the Noteholders will, upon the occurrence of such Write-Down, not receive any shares or other participation rights of the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank, or be entitled to any subsequent write-up or any other compensation in the event of a recovery of the Bank.

It will be difficult to predict when, if at all, a principal Write-Down of Subordinated Notes will occur. The RBI has provided limited guidance as to how it would determine non-viability. Under RBI regulations, non-viability could result from the Bank's financial and other difficulties likely to result in financial losses and affect its ability to continue as a going concern. Non-viability may be declared if the resultant augmentation of equity is likely to restore depositors' and investors' confidence or improve the rating and creditworthiness of the Bank. However, it is possible that the RBI's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of the Bank. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, domestically or globally, may affect the viability of the Bank. Accordingly, trading behaviour in respect of any Additional Tier 1 Notes or Tier 2 Notes may not follow the trading behaviour associated with other types of securities. Potential investors in any Additional Tier 1 Notes or Tier 2 Notes should consider the risk that a holder may lose all of its investment, including the principal amount plus any accrued interest, if such regulatory loss absorption measures are acted upon.

Furthermore, there can be no assurance that the Basel Committee will not propose further amendments to the Basel Accord or that the relevant authorities in India will not impose requirements on banks that are more onerous than those contained in the Basel III Reforms. Further changes in law after the date hereof may affect the rights of holders of the Subordinated Notes, as well as the market value of the Subordinated Notes.

In addition, Additional Tier 1 Notes will be Written-Down upon the occurrence of a CET1 Trigger Event. If the Bank's or the Group's Common Equity Tier 1 Ratio is 6.125 per cent, accrued interest on the Additional Tier 1 Notes will be cancelled and the Outstanding Nominal Amount of the Additional Tier 1 Notes may be reduced (see Condition 9.2 of the terms and conditions of the Notes). Holders may lose all or some of their investment as a result of a Write-Down. During the period of any Write-Down, interest will accrue on the Outstanding Nominal Amount of the Additional Tier 1 Notes, which shall be lower than their Issued Nominal Amount.

Following a Write-Down pursuant to a CET1 Trigger Event, the Outstanding Nominal Amount of the relevant Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (each as defined in the Conditions). However, such Reinstatement is at the discretion of the Bank and is subject to any conditions specified in: (i) the applicable Pricing Supplement; or (ii) the Capital Adequacy Directions, or as are otherwise notified to the Bank by the RBI, from time to time. There can be no assurance that the Bank will, or will be able to, exercise its discretion to reinstate any principal amount of Additional Tier 1 Notes which has been Written-Down.

The market price of the Additional Tier 1 Notes is expected to be affected by fluctuations in the Bank's and/or the Group's Common Equity Tier 1 Capital Ratio. Any indication that the Bank's and/or the Group's Common Equity Tier 1 Capital Ratio is trending towards the applicable trigger level may have an adverse effect on the market price of the Additional Tier 1 Notes. The level of the Bank's and/or the Group's Common Equity Tier 1 Capital Ratio may significantly affect the trading price of the Additional Tier 1 Notes.

The Bank may vary the terms of Subordinated Notes.

The Bank may, without the consent or approval of the Noteholders or the Trustee, but subject to the prior approval of the RBI, vary the terms of any Subordinated Notes, so that they remain or, as appropriate, become Qualifying Subordinated Notes, subject to certain conditions. The terms of such varied Subordinated Notes may contain one or more provisions that are substantially different from the terms of the original Notes, provided that the Subordinated Notes remain Qualifying Subordinated Notes, in accordance with the Conditions. While the Bank cannot make changes to the terms of the Subordinated Notes that would result in the varied securities having terms and conditions materially less favourable to a Noteholder than the Subordinated Notes, the Bank will determine whether such terms and conditions are materially less favourable and will not be required to take into account the tax treatment of the varied securities in the hands of all or any holder of Subordinated Notes. Furthermore, the Trustee has no obligation or ability to verify whether the requirements for such variations have been satisfied and will have no discretion in determining whether any such variation results in terms that are materially less favourable to the holders of Subordinated Notes. Accordingly, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholder from the tax and stamp duty consequences for them of holding the Notes prior to such variation.

Upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event, clearance and settlement of the Subordinated Notes will be suspended and there may be a delay in updating the records of the relevant clearing system to reflect the amount Written-Down.

Following the receipt of a Loss Absorption Event Notice, all clearance and settlement of the Subordinated Notes will be suspended. As a result, Noteholders will not be able to settle the transfer of any Subordinated Notes during the Suspension Period (as defined in the Terms and Conditions of the Notes) and any sale or other transfer of the Subordinated Notes that a Noteholder or may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by the relevant clearing system and will not be settled within the relevant clearing systems. The update process of the relevant clearing system may only be completed after the date on which the Write-Down is scheduled. Notwithstanding such delay, holders of the Subordinated Notes may lose the entire value of their investment in the Subordinated Notes on the date on which the Write-Down occurs. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records or the availability of procedures in the relevant clearing systems to effect any Write-Down. Furthermore, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to the beneficial owners of interests in the Global Note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Interest amounts on the Additional Tier 1 Notes are not cumulative. Interest amounts may be cancelled at the Bank's discretion and must not be paid in certain circumstances.

Interest amounts on the Additional Tier 1 Notes are discretionary and non-cumulative. The Bank may elect at its full discretion not to pay and, in the circumstances outlined below, must not pay, all or some of the interest falling due on the Additional Tier 1 Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date shall be cancelled and shall no longer be due and payable by the Bank. A cancellation of interest pursuant to Condition 6.7 of the terms and conditions of the Notes does not constitute a default under the Additional Tier 1 Notes for any purpose.

Further, the Bank may only pay interest on the Additional Tier 1 Notes to the extent that such payment of interest is permitted to be paid under the Capital Adequacy Directions. Where the current year's profits are not sufficient and such payment needs to be made out of revenue reserves, such payments are subject to the Bank meeting its minimum regulatory capital requirements at all times, including the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and buffer for domestic systemically important banks) as set out in the Capital Adequacy Directions.

A failure to meet these requirements will result in a mandatory cancellation of interest payments. Condition 6.7 of the Terms and Conditions of the Notes sets out the circumstances in which the Bank is required to cancel interest payments on Additional Tier 1 Notes pursuant to the Capital Adequacy Directions. Investors should be aware that any change to the Capital Adequacy Directions requiring the Bank to cancel interest payments in other or additional circumstances could be complied with by the Bank through its general discretion to cancel interest payments under Condition 6.7.

In addition, if the Bank's total Common Equity Tier 1 capital does not exceed the amount required to fulfil its capital buffer requirement (including the capital conservation buffer and any countercyclical capital buffer and buffer for domestic systemically important banks), the Bank will be required to conserve a percentage of its earnings (including through cancellation of interest payments on Tier 1 capital instruments such as the Additional Tier 1 Notes) in accordance with the following table:

Minimum capital conservation standards for individual bank[(1)]

Common Equity Tier 1 Ratio (standalone) after including the current period's retained earnings	**Minimum Capital Conservation Ratios[(2)]**
As of date	
5.5%-6.125%	100.00%
>6.125%-6.75%	80.00%
>6.75%-7.375%	60.00%
>7.375%-8.0%	40.00%
>8.0%	0.00%

Notes:

(1) These exclude D-SIBs.

(2) Expressed as a percentage of earnings.

Any actual or anticipated cancellation of interest on the Additional Tier 1 Notes will likely have an adverse effect on the market price of Additional Tier 1 Notes. In addition, as a result of the interest cancellation

provisions of the Additional Tier 1 Notes, the market price of the Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition.

The Notes, which are Subordinated Notes, may not qualify as Tier 2 Capital.

There is no guarantee that the Notes designated as Tier 2 Notes will qualify as Tier 2 capital under the Capital Adequacy Directions. See "*Supervision and Regulatory – Capital Adequacy Requirements*". The failure of such Notes to qualify as Tier 2 capital due to any reason (including changes in law, regulations or the interpretations of the RBI or other governmental authorities) would adversely affect the Bank's capital adequacy ratio.

The Additional Tier 1 Notes have no fixed maturity date and investors have no right to call for redemption of the Additional Tier 1 Notes.

The Additional Tier 1 Notes are perpetual unless the Bank elects to redeem the Additional Tier 1 Notes to the extent allowed by the Terms and Conditions of the Notes and the applicable pricing supplement. Accordingly, the Additional Tier 1 Notes have no fixed final redemption date. In addition, holders of the Additional Tier 1 Notes have no right to call for the redemption of the Additional Tier 1 Notes. Although the Bank may redeem the Additional Tier 1 Notes at its option on the Optional Redemption Date or at any time following the occurrence of certain tax and regulatory events, there are limitations on redemption of the Additional Tier 1 Notes, including obtaining the prior written approval of the RBI and satisfaction of any conditions that the RBI and other relevant Indian authorities may impose at the time of such approval.

Investors will have limited rights under the Additional Tier 1 Notes.

Investors will have limited voting rights under the Additional Tier 1 Notes and will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Bank or participate in the management of the Bank, except in limited circumstances (including certain instances of failure by the Bank to make payments of amounts due in relation to the Additional Tier 1 Notes). In the event of a default in payment on the Additional Tier 1 Notes, investors will have no right to accelerate payments on the Additional Tier 1 Notes, except if an order is made by the Government for the winding up of the Bank.

The Additional Tier 1 Notes may not qualify as Tier 1 Capital.

There is no guarantee that the Additional Tier 1 Notes will qualify as Tier 1 capital under the Capital Adequacy Directions. See "*Supervision and Regulatory – Capital Adequacy Requirements*". The failure of the Additional Tier 1 Notes to qualify as Tier 1 capital due to any reason (including changes in laws, regulations or the interpretations of the RBI or other governmental authorities) would adversely affect the Bank's capital adequacy ratio.

Payments under the Tier 2 Notes and/or Additional Tier 1 Notes may be subject to compliance with applicable regulatory requirements, including the prior approval of the RBI.

Payments of the principal of and/or interest on Tier 2 Notes and/or Additional Tier 1 Notes in certain situations described in the Terms and Conditions of the Notes may be subject to compliance with applicable regulatory *requirements*, including the prior approval of the RBI. The RBI, while considering the request of the Bank to approve its payment of the principal of and/or interest on Tier 2 Notes and/or Additional Tier 1 Notes, may take into consideration, amongst other things, the Bank's capital adequacy position at the time of the proposed payment and thereafter. There can be no assurance that the RBI will provide such approval, conditional or otherwise either in a timely manner or at all.

Payments under the Notes may be subject to RBI guidelines regarding remittances of funds outside India.

Remittance of funds outside India by the Bank, pursuant to indemnity obligations under the Terms and Conditions of the *Notes*, the Trust Deed or any other agreements in relation to the Notes requires prior approval from the RBI under RBI regulations. If the Bank is unable to make payments with respect to the Notes from its overseas branches and instead makes payments from India, such payments shall be subject to RBI regulations governing the remittance of funds outside India. The Bank is under no obligation to maintain liquidity at its overseas branches to make interest payments due on the Notes.

Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Bank can give no assurance that it will be able to obtain such approval.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be 'benchmarks' (including but not limited to EURIBOR) are the subject of recent international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely or to have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Note linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

It is not possible to predict with certainty whether, and to what extent, EURIBOR and/or other benchmark rates will continue to be supported going forwards. This may cause EURIBOR and/or other benchmark rates to perform differently than they have done in the past and may have other consequences which cannot be predicted. The elimination of any benchmarks, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to the benchmark, (ii) trigger changes in the rules or methodologies used in the benchmark; or (iii) lead to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

The Notes may not become, or remain, listed on NSE IX and India INX.

Although the Issuer will apply for the listing of and quotation for the Note on NSE IX and India INX and intends to maintain such listing as long as the Notes are outstanding, it is not obligated to do so. Although no assurance can be made as to the liquidity of the Notes as a result of listing on NSE IX and India INX, failure to be approved for listing or the delisting of the Notes from NSE IX or India INX may have a material adverse effect on a holder's ability to resell Notes in the secondary market.

The Notes may have limited liquidity.

The Notes constitute a new issue of securities for which there is no existing market. Although the Dealers have advised the Bank that they currently intend to make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice in their sole discretion.

No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the market price and liquidity of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including:

- prevailing interest rates;
- the Bank's results of operations and financial condition;
- political and economic developments in and affecting India;
- the market conditions for similar securities; and
- the financial condition and stability of the Indian financial sector.

Corporate disclosure standards for debt securities listed on the NSE IX or India INX may be different from those applicable to debt securities listed elsewhere

The Bank will be subject to reporting obligations in respect of the Notes to be listed on the India INX and NSE IX. The disclosure standards imposed by the India INX and NSE IX may be different from those imposed by securities exchanges in other countries and as a result, the level of information that is available may not correspond to the level to which investors in the Notes are accustomed to.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Furthermore, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Noteholders are required to rely on the procedures of the relevant clearing system and its participants while the Notes are cleared through the relevant clearing system.

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary for Euroclear and Clearstream. Except in the circumstances described in

each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the Bank will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The Bank has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders.

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may (but shall not be obliged to), without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to: (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so; or (ii) any modification which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of laws.

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, the right to give notice to the Bank following the occurrence of an Event of Default as contemplated in Condition 11 and the right to institute proceedings or take any other steps and/or action against the Bank as it may think fit as contemplated in Condition 11, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institute proceedings on behalf of the Noteholders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute any proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such steps and/or actions and/or institute such proceedings directly.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or

administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Rupee denominated Notes are subject to exchange rate risks and exchange controls.

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for the Rupee. The RBI may, however, intervene in the market to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. This helps in ensuring stability rather than setting a fixed rate. Historically, these have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. The RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the Rupee, and protecting its international reserves during times of impending or on going exchange crises or national emergencies. This mechanism allows the Indian economy to adapt to global economic fluctuations and maintain competitiveness in international trade.

Rupee-denominated Notes are denominated in Rupees and payable in U.S. dollars. This entails risks which are not associated with a similar investment in a foreign currency-denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between the Rupee and U.S. dollars if such currency risk is unhedged by an investor or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Bank does not have any control. Recently, exchange rates have been volatile and such volatility is expected in the near future as well. However, the recent fluctuations in exchange rates are not indicative in nature. If the Rupee depreciates against the U.S. dollar, the effective yield on the Notes may decrease and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the Notes. Rates of exchange between U.S. dollars and the Rupee may significantly vary over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or globally could lead to significant and sudden changes in the exchange rate between the Rupee and the U.S. dollar. Significant and sudden fluctuations in the Rupee-USD exchange rate occur due to oil price changes, foreign portfolio investment (FPI) outflows, and high demand for foreign currency caused by India's structural trade deficit. Global instability and domestic policy changes can cause rapid devaluation.

Investors are eligible to hedge the above-mentioned exchange rate risk with permitted derivative products with: (i) AD Category – I banks in India; (ii) the offshore branches or subsidiaries of Indian banks; or (iii) branches of foreign banks having a presence in India.

INR "Non-convertibility".

The convertibility of a currency is dependent, *inter alia*, on international and domestic political and economic factors, and on measures taken by governments and central banks. Currency convertibility primarily refers to the ease with which a country's currency can be exchanged for another or for gold is largely determined by a combination of macroeconomic, political, and regulatory factors. Such measures include, without limitation, imposition of regulatory controls or taxes, issuance of a new currency to replace an existing currency, alteration of the exchange rate or exchange characteristics by revaluation or revaluation of a currency, or the imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency. Many emerging economies adopt a cautious, phased approach, starting with current account convertibility (for trade) before allowing capital account convertibility (for investment).

The taking of any one or more of such measures could adversely affect the value of the Notes as well as any amount which may be payable upon redemption of the Notes.

DESCRIPTION OF THE BANK

Overview

The Bank was founded in September 1906 as a private entity and was nationalised in July 1969. As of 30 June 2026, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public commercial banks in India. The Bank caters to a wide range of customers including retail, corporate, agricultural, as well as micro, small and medium enterprises ("**MSME**"). In addition to its banking operations, the Bank provides other financial services through its Subsidiaries, Joint Venture and Associates, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities. As of 30 June 2026, the Government of India (the "**Government**" or the "**GoI**") owned 73.38% of the equity shares of the Bank and exercises control over the Bank's management and operations.

As of 30 June 2026, the Bank had 5,533 branches, 7,685 automated teller machines ("**ATMs**") and cash recycling machines ("**CRMs**"), and 24,845 business correspondents ("**BCs**") in India, reflecting a network of over 38,063 customer touchpoints. As of 30 June 2026, the Bank catered to approximately 12.12 crores customers, demonstrating its large customer base. As of 30 June 2026, the Bank had approximately 1.01 crores internet banking users and 1.39 crores mobile banking users. The Bank's pan-India branch network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises as well as commercial, agricultural, industrial and retail customers. The Bank also has internet, mobile banking and door step banking solutions.

The Bank has over the past century expanded its presence in India and globally. The Bank commenced international operations through its branch in London in 1946 and its branch in Paris in 1974 and has since developed its international presence significantly. As of 30 June 2026, the Bank operated in 15 countries through 21 overseas branches, including an international banking unit at GIFT City, Gandhinagar, India, and one representative office located in Jakarta, Indonesia. The Bank has also set up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of 30 June 2026. The operating profits of foreign branches accounted for 13.03% and 8.17% of the Bank's global operating profits in Fiscal 2026 and quarter and three months ended 30 June 2026, respectively. The Bank's foreign business comprised 17.53% and 9.88% of the Bank's global net profits in Fiscal 2026 and quarter and three months ended 30 June 2026, respectively.

A variety of products and services are offered to corporate and retail customers, including both resident and non-resident Indians ("**NRIs**"). On the retail side, the Bank offers home loans, vehicle loans, loans against property, personal loans and education loans. On the MSME side, the Bank offers its flagship products such as 'Star Gurukul Loan' aimed at supporting infrastructure development for educational institutions, 'BOI Star Professional Loan' catering to the credit needs of professionals, such as chartered accountants, company secretaries and cost and management accountants, 'Star Gig Grow Loan' addressing business-related credit needs of gig workers and 'Star Digi Biz Loan' providing an end-to-end working-capital funding. Through its third-party products division, the Bank also distributes life, general and health insurance products under corporate agency arrangements and mutual fund products.

The Bank leverages technology to identify opportunities, and deliver products and services. For instance, the Bank has implemented an e-platform for its banking products to enable their life cycle digitally from origination. The e-platform has positioned the Bank to meet the Government of India's 'Enhanced Access and Service Excellence (EASE)' guidelines. In the past, the Bank has launched 'BOI Seva', a virtual digital assistant for better customer service and the 'PSB-59 Platform', an online digital loan management platform aimed at retail borrowers that allows for the in-principle sanction of loans digitally and within 59 minutes. The Bank has

migrated all of its branches to its core banking application platform and expanded its ATM and internet banking networks, and introduced alternate delivery channels to remain updated with trends in the banking industry. Other digital and cashless products and services that the Bank offers include debit and credit cards, point-of-sale terminals, and also the Government of India supported UPI/ BHIM, Bharat QR and Aadhaar Pay facilities. For further details, see "— *Technology*". The Bank's backend operations including core banking system, customer relationship management systems, anti-money laundering monitoring systems, and loan monitoring systems are also automated and supported by digital processes.

History

The Bank was originally established as a private commercial bank in Mumbai in September 1906 and rapidly expanded its presence across India and abroad. The Bank was nationalized, along with 13 other banks, in July 1969 and was mandated under the Banking Companies Act, 1969 and the Banking Companies (Acquisition and Transfer of Undertaking) Acts, 1970 to serve the needs of the development of the Indian economy in conformity with national policies and objectives including, among others, priority sector lending. The Bank initially offered its shares publicly in 1997 and, as of 30 June 2026, the Government held 73.38% of the Bank's issued and paid-up share capital.

The Bank established a relationship with the Bombay Stock Exchange (present day BSE Limited) in 1921 when it began operating the exchange's clearinghouse and has maintained this relationship through its subsidiary, BOI Shareholding Limited. The Bank has since opened branches in a number of major financial centres including New York, Paris, Tokyo, Hong Kong, Singapore, Dubai- DIFC, GIFT City and Antwerp.

Relationship with the Government and RBI

As of 30 June 2026, the Government owned approximately 73.38% of the paid-up share capital of the Bank. In addition, Section 3(2E) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (the "**Banking Nationalisation Act**") provides that no shareholder other than the Government shall be entitled to exercise voting rights in respect of any equity shares held by such shareholder in excess of 10.00% of the total voting rights of all the shareholders of the Bank. As its principal shareholder, the Government is interested in the Bank's performance both in terms of its contribution to the Indian economy as well as its ability to operate on a commercial basis. Although the Government may sell shares of the Bank in the future, the Bank Nationalisation Act provides that it shall not hold less than 51.0% of the Bank's outstanding shares. As its controlling shareholder, the Government has effective control over the Bank although, historically, the Bank has exercised complete autonomy in the management of its affairs. The Managing Director and Chief Executive Officer and the four Executive Directors are appointed by the Government in consultation with RBI. Under section 9 of the Banking Nationalisation Act, the Government has the power to appoint a majority of the Directors to the Bank's Board.

Since the nationalisation of the Bank, the Government has provided additional equity as and when needed by the Bank. As of 30 June 2026, the Government has contributed Rs.37,926.49 crores of capital since 1969, with the most recent contribution being a Rs.3,000.00 crores investment in Fiscal 2021. As of 30 June 2026, the Bank raised an equity capital of Rs.403.99 crores from public sector insurance companies.

The Government may under the Bank Nationalisation Act increase the paid-up capital of the Bank by contributing amounts in consultation with RBI. However, in the event the Board of Directors wants to increase the paid-up capital of the Bank either by transferring funds from the reserve fund or by issue of shares to the public, the same may be done only in consultation with RBI and with the prior sanction of the Government. However, the paid-up capital cannot be reduced below 25.00% of the total paid-up capital as of the date of the Bank's commencement of operations.

Under Section 3 (2-BB) of the Bank Nationalisation Act, the paid-up capital of the Bank may be reduced by the Government prior to paid-up capital being raised from the public, after consultation with RBI, by cancelling any paid-up capital which is lost, or is unrepresented by available assets or by the Board after consultation with RBI and with the previous sanction of the Government, by paying off any paid-up capital which is in excess of the wants of the Bank.

RBI regulates the banking sector in India. In particular, RBI has authority to issue instructions and notifications, which are typically broad in scope, thereby giving RBI considerable latitude over banks in general, including the Bank. Pursuant to such instructions and notifications, RBI defines the scope of the Bank's activities and otherwise controls many factors affecting the Bank's competitive position, operations and financial condition. It also has the power to license new banks that may compete with the Bank.

Competitive Strengths

Established brand with 120-year legacy, pan-India footprint and international presence

With 120 years of banking services in India and eight decades of business globally, the Bank believes that it is one of the most trusted and recognized banking brands in India with a loyal customer base. As on 30 June 2026, the Bank was the sixth largest public sector bank in India in terms of total business, i.e. aggregate of gross advances and total deposits, among the scheduled public and private sector commercial banks in India. As of 30 June 2026, the Bank had approximately 12.12 crores customers, reflecting its large customer base.

As of 30 June 2026, the Bank had 5,533 branches, 7,685 ATMs and CRMs, and 24,845 BCs in India, together comprising a network of over 38,063 customer touchpoints. The Bank's pan-India network allows it to provide banking services to a range of customers, including large and mid-sized corporates, institutions, state-owned enterprises, and commercial, agricultural, industrial and retail customers. Through its expansive operations across India, including in rural regions, it has over the years provided a banking platform that has supported the growth of financial activity across India, enabling it to strengthen its brand, reputation and goodwill. The Bank has domestic subsidiaries engaged in merchant banking, depository participant activities for National Securities Depository Limited ("**NSDL**") and the Central Depository Services (India) Limited ("**CDSL**") and distribution of mutual fund products.

The Bank also has a significant international footprint. As at 30 June 2026, the Bank's international presence spanned 15 countries across 5 continents, comprising 20 overseas branches, 1 branch in GIFT City, 1 representative office and 4 overseas banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda. Complementing this overseas platform, the Bank's domestic cross-border franchise serves NRI customers and enterprises engaged in international trade through a specialised Forex Back Office and its network of 206 authorized dealer branches across India.

In addition, the Government owns 73.38% of the total issued and paid-up share capital of the Bank as of 30 June 2026. As the Bank's Promoter and majority shareholder, the Government enhances the Bank's brand value and goodwill.

Strong and diversified deposit base

The Bank has a strong, diversified and low-cost deposit base. The Bank's deposits have grown by 10.65% from Rs.737,920.21 crores in Fiscal 2024 to Rs.816,541.49 crores in Fiscal 2025, and grew by 13.56% to Rs.927,271.00 crores in Fiscal 2026. As of quarter and three months ended 30 June 2025 and 2026, the Bank had Rs.833,698 crores and Rs.957,924 crores, respectively, in deposits, reflecting a growth of 14.90%. Steps have been undertaken to optimize this pool of deposits by increasing the ratio of current accounts and savings accounts ("**CASA**", such ratio the "**CASA Ratio**"), which stands at Rs.300,765.00 crores or 37.64% and Rs.302,085.00 crores or 36.68% as of 31 March 2026 and 30 June 2026, respectively. Aside from this, the

Bank's focus on keeping individual deposit accounts low-cost has helped it reduce the cost of funds and deposits. The Bank's cost of deposit has increased from 4.51% in Fiscal 2024 to 4.93% in Fiscal 2025 and decreased to 4.80% in Fiscal 2026, and was 4.69% in the quarter and three months ended 30 June 2026.

The Bank's deposit base is also geographically diversified – as of 31 March 2026, the Bank's total domestic deposits stood at approximately Rs.800,443.03 crores, which grew by 14.30% from Rs.700,298 crores as of 31 March 2025, while total international deposits stood at Rs.126,827.86 crores, having grown by 9.11% from Rs.116,243.50 crores as of 31 March 2025. As of 30 June 2026, the Bank's domestic and total international deposits were Rs.824,963.00 crores and Rs.132,961.00 crores, respectively. The depositor concentration of the Bank remains low, with the 20 largest depositors accounting for only 7.31% of total deposits as at 31 March 2026. In addition, the Bank has begun mobilising sustainable finance deposits under its 'Harit Jama Yojana' initiative, demonstrating its commitment to responsible financing and climate action by linking deposit mobilization with measurable environmental outcomes, and has raised Rs.930.08 crores of green deposits in Fiscal 2026, which has been deployed entirely towards renewable energy financing.

Growing and diversified asset book

The assets of the Bank are diversified across business segments, industries and groups. In terms of sectors, as on 30 June 2026, the Bank's domestic large industry exposures were to power at Rs.44,852.11 crores, food procurement industry at Rs.41,107.74 crores, iron and steel at Rs.27,136.14 crores, food processing at Rs.25,512.48 crores, infrastructure - road and ports at Rs.23,001.73 crores and textile at Rs.13,640.75 crores, comprising a total of Rs.4,00,417.02 crores and constituting 59.42% of the Bank's gross domestic advances. Further, the Bank's total priority sector advances were at Rs.253,864.00 crores, i.e., 47.11% of adjusted net bank credit ("**ANBC**"), against a regulatory floor of 40%, with agriculture and allied advances at Rs.106,986.00 crores and MSME advances at Rs.110,881.00 crores. The Bank's loan book concentration and depositor concentration are low, with its 20 largest borrowers comprising 15.76% of its loan book, as at 31 March 2026, and its 20 largest domestic depositors accounting for 7.31% of its deposits, as at 31 March 2026. The Bank's exposure to its top twenty NPA accounts represented only 4.68% of gross NPAs as at 31 March 2026, down from 9.13% as at 31 March 2025, reinforcing this low-concentration profile.

The Bank's revenue is diversified across business segments, with the treasury operations, retail banking and wholesale banking (comprising large and non-retail accounts) accounting for 27.31%, 34.06% and 38.63% of the Bank's segment revenue (before inter-segment adjustments) for Fiscal 2026, and 25.61%, 35.15% and 38.24% for the quarter and three months ended 30 June 2026. While focusing on diversification, the Bank also focuses on growth, with a CAGR of 12.91% and 12.65% in terms of total assets from 31 March 2024 to 31 March 2026 and 30 June 2026, respectively.

The Bank advances have been stable and consistently improving with growing share of RAM (retail, agriculture and MSME), corporate and other advances. The Bank's advances increased from Rs.563,144.67 crores as of 31 March 2024 to Rs.649,657.04 crores as of 31 March 2025 and further to Rs.760,334.88 crores as of 31 March 2026. As of 30 June 2025 and 30 June 2026, the Bank's advances stood at Rs.657,753.85 crores and Rs.787,340.09 crores, respectively. Since Fiscal 2021, there has been an increase in advances to the RAM sector. As of 31 March 2026 and 30 June 2026, RAM advances comprised 58.74% (up from 57.26% as of 31 March 2025) and 58.30%, respectively, of the total advance mix, with a total RAM book of Rs.383,278.00 crores and Rs.392,833.00 crores, respectively. The Bank believes its strategically diversified asset portfolio across the RAM sectors and mid-corporate segment will lead to better risk diversification, increased revenue, improved margins and better assets quality.

The Bank believes it has consistently maintained strong capital fundamentals over the years and as on 31 March 2026, the Bank had a credit-to-deposit ratio of 83.19% on an overall basis, and a domestic credit-to-deposit ratio of 81.74%. As on 30 June 2026, the Bank had a credit-to-deposit ratio of 83.28% on an overall basis, and

a domestic credit-to-deposit ratio of 81.68%. As of 31 March 2026 and 30 June 2026, of the Bank's total funding, 79.70% and 80.28%, respectively, was from deposits. The capital adequacy ratio stood at 18.01% and 18.69%, as of 31 March 2026 (against the regulatory requirement of 11.5%) and 30 June 2026, respectively, with a CET1 (Common Equity Tier 1) ratio of 15.05% and 15.97%, respectively.

Gradually improving asset quality

The Bank believes that it has effectively managed its risk-bearing asset portfolio and its asset quality has been improving. The Bank's risk management and credit evaluation processes, coupled with its ability to evaluate and appropriately price risk and automated system for NPA calculation, have helped it reduce exposure to NPAs. The Bank's gross NPAs as a percentage of gross advances were 4.98%, 3.27%, 1.98%, 2.92% and 1.81% as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. The Bank's net NPAs as a percentage of gross advances were 1.22%, 0.82%, 0.56%, 0.75% and 0.51% as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. In absolute terms, the Bank's gross NPA declined by 25.47% from Rs.29,182.77 crores at 31 March 2024 to Rs.21,748.89 crores as at 31 March 2025, and by a further 29.62% to Rs.15,306.02 crores as at 31 March 2026, and its net NPA declined by 21.72% from Rs.6,845.26 crores at 31 March 2024 to Rs.5,358.49 crore at 31 March 2025, and by a further 20.68% to Rs.4,249.99 crores at 31 March 2026.The Bank's provision coverage ratio as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026 was 90.59%, 92.39%, 93.57%, 92.94% and 93.83%, respectively. The Bank has made adequate provisions for our NCLT account and has provided for these loans to the extant required under income recognition, asset classification and provisioning norms.

The Bank believes that it has been able to contain NPA levels and maintain relatively healthy asset quality by implementing its independent risk management function, covering enterprise risk management, credit risk, market risk, and operational risks that are updated on a continuous basis towards preserving its asset quality, among other risk objectives. The independent risk management system seeks to identify and manage risks at the Bank's business group level, using technology to allow each business group to manage its risks effectively and within the Bank' s policies.

Fast improving digital presence

The Bank continues to invest in technology as a means of improving its customers' banking experience, offering them a range of products tailored to their financial needs. These investments are aimed at enabling customers to readily manage their accounts and at building on the Bank's existing customer relationships through cross-selling of a wider range of products on its digital platform.

As of 30 June 2026, the Bank had around 1.01 crore users of its internet banking services, and 1.39 crore using the Bank's mobile app. Its digital and digital-enabled products also include over 3.84 crore debit cards, 2.71 crore users on the unified payments interface ("**UPI**"), and reach through 42,656 point of sale devices. The bank also has "digi branches" geared towards tech-savvy customers and a cardless cash withdrawal system using the UPI QR code, allowing its customers to withdraw cash readily without the use of cards. In line with the GoI's push for a nation less dependent on cash, the Bank is also working on other payment gateway solutions for government, public service units, and other organisations. The Bank has also gone live with a 'Digital Rupee' (central bank digital currency) wallet, with interoperable UPI QR functionality enabling BOI e-wallet users to scan and pay at any merchant's UPI QR code, and a peak monthly transaction value of Rs.23.86 crores in March 2026.

The Bank's digital push is reflected in its lending traction as well. The Bank sourced total digital lending business of Rs.15,516.00 crores in Fiscal 2024, which increased by 343.00% to Rs.68,732.00 crores in Fiscal 2025, and further by approximately 87.00% to Rs.128,734.00 crores in Fiscal 2026, of which Rs.22,058.00 crores was sourced through the self-served web journey. During Fiscal 2026, self-serve digital journeys were launched for home loans and vehicle loans, and e-signing and e-documentation were rolled out

across all states (other than Haryana), with over one lakh digital documents executed in the said fiscal. Through its data-and-analytics programme, 'Project Star ADITYA', its interactive monthly statement, StarFinSnap, now reaches close to 0.09 crore customers each month, and product per customer has improved from 1.5 in Fiscal 2025 to 2.6 in Fiscal 2026, the customer satisfaction score from 89.9% in Fiscal 2025 to 96.2% in Fiscal 2026, and average complaint turnaround time has reduced from 50 days in Fiscal 2025 to 12 days in Fiscal 2026. The improvements in product per customer and customer satisfaction directly evidence the cross-selling and customer-relationship benefits of the Bank's digital investment.

Over the years, the Bank has established systems for its backend operations, including customer relationship management systems, anti-money laundering monitoring systems and loan monitoring systems, all supported by automated technologies. Its enterprise business-intelligence platform, 'BOI Pulse', is used by over 28,000 employees, offering role-based access to more than 500 reports and 40 live dashboards. The Bank is continually upgrading its risk management framework and has implemented a range of technology measures to support the standardised and advanced approaches of credit risk. These initiatives have received external recognition – the Bank was ranked third under the EASE framework's Innovation theme during the third quarter of Fiscal 2026, and received the 'IBEX Innovation Award' for the most innovative use of technology for value realisation through analytics, together with a special mention for 'Best AI/ML Adoption' at the '21st Annual Banking Technology Conference of the Indian Banks' Association'. The Bank believes its IT infrastructure and effective use of technology has enabled it to develop an effective risk control framework and improve employee productivity and operating efficiencies.

Extensive portfolio of products and services

The Bank offers a full range of banking products and services including short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, credit cards, life insurance, general and health insurance, mutual fund distribution, merchant banking, agricultural and micro-finance banking products, digital lending journeys, trade finance and project finance loans. As a result of its extensive network and product offerings, the Bank is able to meet the full range of its customers' banking needs throughout India.

In addition, the Bank's comprehensive product and service offerings provide it with numerous opportunities for cross-selling, allowing it to further grow all areas of its business, especially its corporate business. The impact of this approach is reflected in the Bank's product per customer metric, which improved from 1.5 during Fiscal 2025 to 2.6 during Fiscal 2026. A special team of coaches has devised a large corporate relationship management model involving the provision of niche products to large corporates on competitive pricing terms and is implementing the model with the Bank's corporate customers. In Fiscal 2026, the Bank strengthened its specialised corporate credit network for the mid-corporate segment by doubling its emerging corporate credit branches ("**ECCBs**") from 10 to 20 centres nationwide, and launched the 'BOI TradeEasy' (loan management system) platform, a digital supply-chain-finance interface offering corporate clients dashboard-based real-time invoice management, seamless fund transfers and automated straight-through processing for disbursements. The corporates have particular financial needs and usually require a wide range of both standard and structured products in their investment portfolios. The Bank believes that its extensive portfolio of products and services can be leveraged to further develop its relationship management model, enhance its market share in the corporate segment and increase its fee-based income.

Continuously enhanced risk management and internal control functions

The Bank continuously strengthens its risk management and internal control capabilities by improving its policies and procedures and introducing advanced risk management tools. Its independent risk management framework addresses the risks faced in all of its banking activities and seeks to identify and manage risks at the business group level, using technology to allow each business group to manage its risks effectively and within the Bank's policies. This framework is anchored by the risk management committee of the board of directors of

the Bank (the "**Board**"), supported by executive-level committees, including the asset liability management committee, credit risk management committee, market risk management committee and operational risk management committee.

The Bank has been maintaining adequate capital reserves in accordance with Basel III and has implemented new credit risk assessment models, independent validation of internal ratings and IT tools to improve the quality of loan data. The Bank's capital adequacy ratio was 16.96% as at 31 March 2024, 17.77% as at 31 March 2025 and 18.01% as at 31 March 2026 and stood at 18.69% as at 30 June 2026, which is higher than the statutory requirement of 11.50%. The Bank also conducts regular stress tests which are forward looking economic assessments of the Bank's financial health under a range of economic scenarios and takes remedial measures, where necessary, based on the outcomes.

The Bank additionally undertakes its 'Internal Capital Adequacy Assessment Process' ("**ICAAP**") on a yearly basis, covering both Pillar I and Pillar II risks and setting appropriate internal capital in line with the Bank's risk appetite. Since June 2023, the Bank has also been measuring and monitoring interest rate risk in the banking book using the six RBI-prescribed standardized interest-rate shocks. Reflecting the evolving regulatory focus on sustainable finance, the Bank has identified climate risk as a Pillar II risk under ICAAP, and its Board has adopted an 'ESG Policy' for the Bank.

Experienced leadership supported by strong human capital and succession planning

The Bank has an experienced management team, led by its Managing Director and Chief Executive Officer, Rajneesh Karnatak, together with four Executive Directors, namely P R Rajagopal, Subrat Kumar, Rajiv Mishra and Pramod Kumar Dwibedi, all with extensive experience in the banking sector. The Board is further supported by independent directors and directors representing the Government of India, the Reserve Bank of India and shareholders, with expertise in banking, finance, strategic management and economics. As at 30 June 2026, the senior management also included the Chief Vigilance Officer, Lalit Taneja, and the Bank's chief general managers and general managers, bringing depth of experience across retail, corporate and international banking. This diverse expertise supports the Bank's strategic and operational decision-making.

The Bank's service delivery is anchored by its workforce, comprising 52,366 employees (29,666 officers, 18,201 clerks and 4,499 sub-staff) as at 30 June 2026. To improve the quality of its teams, the Bank has focussed on managing employees' job family, using a performance management system and engaging in programs for talent management and leadership development. In Fiscal 2026, the Bank expanded its job family framework from 8 to 11 families to enable data-driven talent allocation, qualifications and performance. Employee engagement is reinforced through a range of employee engagement and support initiatives, including 'Star Bonding' for team engagement across branches, and 'Star Paramarsh' for capturing staff suggestions. The Bank organizes various training programs (including training in specialized areas such as foreign exchange and treasury operations) for in-house employees and at established training colleges as well as certain training centres abroad. During Fiscal 2026, the employees participated in training programmes covering leadership, credit, forex, risk management, customer service, digital banking and cyber-security awareness, which were delivered in collaboration with reputed institutions such as Indian Institute of Management Udaipur, Indian Institute of Management Kozhikode and Xavier Institute of Management, Bhubaneswar.

The Bank has a succession plan, with systematic efforts to bridge skill-shortage gaps in critical areas such as corporate credit, credit monitoring, recovery and treasury, and in emerging areas including infrastructure financing and financial inclusion, through mapping of competencies against critical roles, supported by a focused talent review and development process to ensure that incumbents and potential successors are suitably trained and groomed. The Bank has also implemented personnel retention initiatives such as well-defined career paths with fast promotions, attractive rewards and conducive work environment.

Strategies

The overall strategy of the Bank is to retain and strengthen the Bank's universal character by providing superior, proactive banking services to niche markets globally and cost-effective, responsive services to others in its role as a development bank. The Bank aims to become the bank of choice for large to mid-sized corporates, small and medium enterprises ("**SME(s)**") and high-end retail customers and to provide a cost-effective developmental bank for small businesses, mass markets and rural markets. The Bank aims to achieve these goals by, among other things:

Sustaining targeted growth in business by continuing to focus on RAM and SME lending and a low-cost deposit base

The Bank is committed to sustaining its business growth by targeting key business opportunities. It intends to continue focusing on increasing its RAM lending profile by leveraging its existing customer base and expanding into new customer segments, supported by its network of 164 'Star Krishi Vikas Kendras' across 63 zones for agriculture lending, 69 agri desks at zonal offices, and a multi-pronged approach to expand its mid-corporate franchise through 20 ECCBs, which were doubled during Fiscal 2026. In Fiscal 2026, MSME credit grew by 17.68% and the RAM share of total advances reached 58.74%. The Bank intends to grow its MSME book further through its flagship schemes such as 'Pool Buy-out' (loan pools from NBFCs), co-lending, 'TReDS' (electronic platform for discounting of MSME receivables) and supply chain finance (dealer-vendor financing), supported by its digital BOI TradeEasy supply-chain-finance platform.

The Bank intends to reach customers better by leveraging its expanding physical and digital footprint, including its "doorstep banking" services and universal digital touchpoints such as its website, mobile app, UPI and call centre.

The Bank also intends to continue growing low-cost deposits such as CASA, to contain funding costs, building on a CASA Ratio of 37.64% and CASA deposits of Rs.300,765.00 crores as at 31 March 2026**.** It will continue to leverage its branch network and digital onboarding to tap additional CASA accounts, and its core banking solution platform, internet and mobile banking systems to increase **its** customer base, thereby increasing CASA deposits, in line with its stated strategy to optimise its funding profile through digital onboarding of high-velocity, low-cost deposits from emerging retail segments.

Focus on sustaining asset quality and low NPA levels

The Bank will continue to build on the substantial improvement in its asset quality achieved during Fiscal 2026, with the objective of sustaining low NPA levels going forward. The Bank' gross NPA has declined from Rs.29,182.77 crores in Fiscal 2024 to Rs.21,748.89 crores (by 25.47%) in Fiscal 2025 to Rs.15,306.02 crores (by 29.62%) in Fiscal 2026 and Rs.14,453.54 crores (by 5.57%) in the quarter and three months ended 30 June 2026 whereas net NPA has declined from Rs.6,845.26 crores in Fiscal 2024 to Rs.5,358.49 crores (by 21.72%) in Fiscal 2025 and further to Rs.4,249.99 crores (by 20.68%) in Fiscal 2026 and Rs.4,018.59 crores (by 5.44%) in the quarter and three months ended 30 June 2026. Correspondingly, the Bank's gross NPA ratio has improved from 4.98% in Fiscal 2024 to 3.27% in Fiscal 2025 to 1.98% in Fiscal 2026 and 1.81% in the quarter and three months ended 30 June 2026 and its net NPA has improved from 1.22% in Fiscal 2024 to 0.82% in Fiscal 2025 to 0.56% in Fiscal 2026 and 0.51% in the quarter and three months ended 30 June 2026.

The Bank has been making sustained efforts to contain NPAs and recover from written-off accounts by adopting Board-approved strategies with activation of asset recovery branches and staff at grass-root levels. The Bank has also introduced settlement schemes for quick resolution of NPAs, NPA reduction and credit monitoring or trigger management, including its "Star Sanjeevani 2025" scheme for NPA accounts with outstanding up to Rs.1 crore and "BOI OTS 2025" scheme for recoveries between Rs.1 crore and Rs.50 crores. In Fiscal 2026, one time settlement ("**OTS**") approvals were granted in 168,558 accounts with an outstanding balance of

Rs.3,868 crores, with estimated cash realisation of Rs.1,771 crores, and cash recovery from written-off accounts stood at Rs.2,674 crores, up by 13.07% from Rs.2,365 crores in Fiscal 2025. The Bank has migrated to daily marking of NPAs to have more transparency in identification of NPAs and for compliance with regulatory guidelines. The Bank also carries out actions such as holding-on operations in NPA accounts arising out of temporary cash-flow mismatch, upgrading such accounts within a short span of time, monitoring the restructured accounts, filings with the NCLT, prompt invocation of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, bi-monthly mega e-auctions on an India-wide basis to fast-forward the process and sale of assets to asset reconstruction companies or National Asset Reconstruction Company Limited.

Digital transformation and focusing on technology

The Bank has been significantly upgrading its technology and plans to continue to do so in order to capture deposits at a lower cost, bring down costs of resources, facilitate cross selling and enhance customer service and operational efficiency, including the use of a document management services to optimize internal processes. The Bank intends to utilize data analytics to improve lead generation and is scaling end-to-end digital loan processing. It sourced total digital lending business of Rs.15,516.00 crores in Fiscal 2024, which increased by 343.00% to Rs.68,732.00 crores in Fiscal 2025, and further by 87% to Rs.128,734.00 crores in Fiscal 2026, with digital adoption reaching to approximately 98%, of which Rs.22,058.00 crores were sourced through the self-served web journey.

Through its data and analytics programme, "Project Star ADITYA", the Bank's integrated monthly e-statement, StarFinSnap, reached close to 0.09 crore customers each month in Fiscal 2026, and product per customer improved from 1.5 to 2.6, the customer satisfaction score from 89.9% to 96.2%, and average complaint turnaround time has reduced from 50 days to 12 days in Fiscal 2026. The Bank has also deployed generative AI (artificial intelligence) tools, including "Star VidyAi", a learning tutor for functional and behavioural capability-building, and "Star Saarthi", a transition ready-reckoner for employees, and has implemented intelligent process automation, which aims to optimize the Bank's operational efficiency by automating manual, repetitive tasks, and has already saved over 68,000 man-hours. The Bank has also gone live with a 'Digital Rupee' wallet, with a peak monthly transaction value of Rs.23.86 crores in March 2026 and interoperable UPI QR functionality enabling BOI e-wallet users to scan and pay at any merchant's UPI QR code, and is also implementing the "FINASTRA" and "BOI TradeEasy" supply chain finance platforms, which will allow customers to initiate digital requests for trade-related transactions from their office.

Improving our risk management to ensure the long-term sustainability of our business

The Bank is continually seeking means by which it can improve its risk profile to ensure the long-term sustainability of its business. In line with the Bank's continued tech focus, it has deployed a tech-driven credit monitoring system that allows it to better analyse and study credit profiles and uses early warning signals to flag any potential issues. The Bank has also migrated to daily identification and marking of NPAs and fully automated its income recognition, asset classification and provisioning processes, giving it greater transparency in stress identification.

Another key initiative is the strengthening of its enterprise-wide 'Fraud Risk Management' framework, which supports real-time monitoring of fraud. On the cyber-security front, the Bank operates a captive security operations centre and is ISO 27001:2022, ISO 22301:2019 and PCI-DSS certified, with advanced tools including 'Security Information and Event Management', 'Web Application Firewall', 'Extended Detection and Response' and Threat Intelligence Platform, and a digital forensics and incident response lab, which aims to detect, investigate and respond to cyber-security incidents.

To improve efficiency and responsiveness, dedicated centres have been established in each zone for recovery, reduction of non-performing assets, and monitoring and managing credit, comprising zonal collection centres

and asset recovery branches operating across India for early resolution of NPA accounts. Looking ahead, the Bank has identified climate risk as a Pillar II risk under its ICAAP, and its Board has adopted an 'ESG Policy', positioning the Bank to manage emerging risks arising from sustainable-finance regulation alongside its established credit, market and operational risk framework.

Building on strong brand identity and existing customer trust and relationships

In the retail sector, the Bank continues to strengthen its brand image to attract the young urban affluent class, and has been targeting its young customers with education loans and home loans, achieving retail credit growth of 21.19% YoY in Fiscal 2026, taking its retail book to Rs.162,025 crores, with home loans growing 16.74% YoY to Rs.79,178 crores and vehicle loans growing 18.72% YoY to Rs.24,726 crores. New products designed to appeal to this and other target customer segments continues to be developed by the Bank, including 'BOI Star Professional Loan', 'Star Gig Grow Loan' and 'Star Digi Biz Loan'.

In the corporate sector, the Bank has long-standing and well-nurtured relationships with Indian corporates, and has continued to institutionalise these through the doubling of its ECCBs to 20 during Fiscal 2026 for focused mid-corporate coverage, and the launch of the 'BOI TradeEasy Platform', a digital supply-chain-finance interface for corporate anchors and their dealer-vendor networks. The Bank intends to build upon these existing relationships to increase its cross-selling efforts and fee income, including foreign-exchange and trade-finance solutions delivered through its specialised forex back office and network of 206 authorized dealer branches across India, and the phased rollout of the 'FINASTRA' trade-finance platform, which will allow customers to initiate digital requests for trade-related transactions from their office. The success of this cross-selling approach is reflected in the Bank's product per customer, which improved from 1.5 to 2.6 during Fiscal 2026, alongside a customer satisfaction score improvement from 89.9% to 96.2%.

Diversifying non-interest income

The Bank has diversified its sources of non-interest income through tie-ups with life insurance, general insurance and health insurance companies, and distributes mutual-fund products of asset management companies. These third-party product distribution activities generated commission income of Rs.200.00 crores, Rs.281.00 crores and Rs.259.90 crores during Fiscals 2024, 2025 and 2026, respectively. The Bank intends to further grow fee income from these and other services, including credit/ debit card operations, depository services, sale of third-party products, government business, foreign exchange and trade-finance solutions supported by its aggregate forex turnover of Rs.11,212,000 crores in Fiscal 2026, which witnessed a 15.54% YoY growth, together with PSLC (priority sector lending certificates) trading, accounting for net earnings of Rs.253.31 crores in Fiscal 2026 and Rs.276.94 crores as of 30 June 2026, as well as equity, bond and derivatives trading through its 29.96% interest in STCI Finance Limited as of 30 June 2026.

Operational Units

The Bank's principal banking operational units are as follows:

Corporate Banking

The Bank's corporate banking operations include fund based and non-fund based products, of which the fund based products consist of term loans, and non-fund based includes export finance, bullion banking, drawee bill financing. It also offers trade loans, bridge financing and project finance and syndication services. Its corporate banking operations primarily cater to the commercial requirements of private and public sector enterprises, large corporate groups and other financial institutions. As a percentage of the Bank's total advances, the Bank's advances in the corporate banking segment accounted for 37.53%, 36.16%, 35.13%, 35.28% and 35.28% in Fiscals 2024, 2025, 2026 and quarter and three months ended 30 June 2025 and 30 June 2026, respectively.

Retail Banking

The Bank's retail banking products comprise deposit products including savings, current, salary, term and tax saving deposit arrangements, as well as loan products such as home loans, vehicle loans, loan against property, educational loans and personal loans. Its loan products are targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education, vacation, pension and other personal requirements. Its retail banking also includes retail hubs/ business centers, which have been opened as dedicated channels for all types of retail loans including housing loans, mortgages and education loans. During Fiscal 2026, the Bank introduced digital lending journeys for all retail loan products, with end-to-end straight-through-processing. As a percentage of the Bank's total advances, the Bank's advances in the retail banking segment accounted for 22.64%, 23.72%, 24.76%, 24.37% and 24.66% in Fiscals 2024, 2025, 2026 and quarter and three months ended 30 June 2025 and 30 June 2026, respectively.

MSME Banking

The Bank's MSME banking operations include loans to enterprises engaged in manufacturing, trading and service activities in the form of investment as well as working capital. It also considers other criteria including cost of project/ relevant sector, while allocating the account under large, mid or MSME verticals. As a percentage of the Bank's total advances, the Bank's advances in the MSME banking segment accounted for 15.81%, 16.08%, 16.30%, 16.43% and 16.45% in Fiscals 2024, 2025, 2026 and quarter and three months ended 30 June 2025 and 30 June 2026, respectively.

Agricultural Banking

The Bank's agricultural banking operations cater to farmers and agri-entrepreneurs through various short, medium and/ or long-term products, including crop loans. The Bank also offers specialized products for women and self-help groups and offer a variety of schemes under our agricultural banking portfolio. As at 30 June 2026, the Bank's agriculture advances stood at Rs.106,986 crores (net of RIDF and PSLC), of which lending to small and marginal farmers was Rs.76,643.00 crores (net of PSLC), and it had a customer base of 0.08 crore self-help groups ("**SHG(s)**"). During Fiscal 2026, the Bank disbursed Rs.33,298.71 crores under agriculture and issued 1.50 lakhs 'New Kisan Credit Cards' facilitating disbursements of Rs.10,781.88 crores. The Bank has also set-up 164 dedicated 'Star Krishi Vikas Kendras' specialized processing cells to build its agricultural banking portfolio especially in investment credit. These cells are specialized in technology linked agriculture projects and large volume agriculture businesses, and disbursed Rs.14,994.00 crores and Rs.2,531.00 crores during Fiscal 2026 and quarter ended 30 June 2026, respectively. The Bank also operates 69 agri desks for focused, quality-driven growth in the agriculture segment, which disbursed Rs.3,928 crores and Rs.1113.00 crores during Fiscal 2026 and quarter ended 30 June 2026, respectively. As a percentage of the Bank's total advances (global gross advance), the Bank's advances in the agricultural banking segment accounted for 14.42%, 14.76%, 14.85%, 14.47% and 14.51% in Fiscals 2024, 2025, 2026 and quarter ended 30 June 2025 and 30 June 2026, respectively.

International Banking

The Bank's international banking division offers a wide range of products that cater to its NRI customer base, and to industrial enterprises engaged in import and export. The Bank caters to its NRI and international customer base through its network of overseas branches, representative office and overseas banking subsidiaries and joint venture. Domestically, the Bank services these customers through its foreign business department, comprising a specialised forex back office and a network of authorized dealer branches across India. As a percentage of the Bank's total advances, the Bank's advances in the international banking segment accounted for 15.92%, 15.39%, 15.18%, 15.93% and 15.54% in Fiscals 2024, 2025, 2026 and quarter and three months ended 30 June 2025 and 30 June 2026, respectively.

Trade Receivable Discounting System ("TReDS")

TReDS is an electronic platform for facilitating the financing/ discounting of trade receivables of MSMEs through multiple financiers. The Bank is an active participant on all five TReDS platforms, and holds approximately 8% market share of the overall throughput of TReDS business. The Bank's outstanding business under TReDS has grown by 131.00% from Rs.4,142 crores in Fiscal 2024 to Rs.9,559 crores in Fiscal 2026 and was Rs.10,040.00 crores as of 30 June 2026.

Digital Lending

The Bank's digital lending product comprises an 'assisted journey' and a 'web journey' on its e-platform for digitally processing the Bank's lending products under RAM segment. During Fiscal 2024, the Bank sourced total digital lending business of Rs.15,516.00 crores, which grew by 343.00% to Rs.68,732.00 crores during Fiscal 2025, which further grew by 87.00% to Rs.128,734.00 crores during Fiscal 2026. The Bank sourced total digital lending business of Rs.32,064.00 crores during the quarter and three months ended 30 June 2026.

Digital Liabilities

The Bank's digital liability products comprise 'customer assisted journey' and 'Do it yourself journey' on its e-platform for digitally opening Bank's deposit products.

Other Services

In addition to its primary banking operations, the Bank also provides certain services on behalf of the GOI and various State governments, such as collection of taxes, stamp duty collection and pension disbursements, and implements Government-sponsored financial-inclusion and social-security schemes. The Bank also provides certain non-banking services through its Subsidiaries and Joint Venture, including bancassurance services for distribution of life, general and health insurance products, distribution of mutual fund products, portfolio management services, depository participant services and merchant banking activities.

Products and services

The Bank's core business lines are divided into five separate strategic business units ("**SBUs**"), each headed by a general manager. The SBUs cover the following sectors: (i) large corporate; (ii) mid-corporates; (iii) SMEs; (iv) retail; and (v) agriculture. Advances to the agricultural sector, small enterprises, retail trade, education and housing sectors comprise priority sector lending and are required to constitute at least 40.0% of the Bank's net bank credit under current RBI guidelines.

The following sets out total net advances and deposits for the Bank for Fiscals 2024, 2025 and 2026 and quarter and three months ended 30 June 2025 and 30 June 2026:

Particulars	**As of 31 March**			**As of 30 June**	
	2024	**2025**	**2026**	**2025**	**2026**
			(in Rs. crores)		
Total net advances	563,144.67	649,657.04	760,334.88	657,753.85	787,340.09
Total deposits.....	737,920.21	816,541.49	927,270.88	833,697.96	957,923.86

The Bank's primary sources of income are interest income and non-interest income, comprising fees and commissions received for exchange and brokerage services, profits on exchange transactions and profits on sales of investments. The following describes the breakdown of interest and non-interest income for the periods indicated:

	For the year ended 31 March					
	2024		2025		2026	
	(in Rs. crores)	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*
Interest income	60,709.49	90.88%	70,826.30	88.73%	75,161.27	88.39%
Non-interest income	6,094.85	9.12%	8,993.62	11.27%	9,874.28	11.61%
Total	66,804.34	100.00%	79,819.92	100.00%	85,035.55	100.00%

	Quarter and three months ended 30 June			
	2025		2026	
	(in Rs. crores)	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*
Interest income	18,352.19	89.44%	19,949.32	88.55%
Non-interest income	2,166.10	10.56%	2,579.15	11.45%
Total	20,518.29	100.00%	22,528.48	100.00%

Deposits

The deposits are broadly classified into current (also known as demand) deposits, savings deposits and term deposits, which are briefly discussed as under:

- Savings accounts: The Bank offers savings accounts, which are interest bearing on-demand deposit accounts designed primarily for individuals/institutions and trusts. The Bank offered 2.50% for saving deposit up to Rs.100,000 and ranging from 2.50% to 5.50% above saving deposit of Rs.100,000 as per below table as of 30 June 2026:

Saving deposit	**Revised rate of interest (% per annum) with effect from 1 May 2026**
Up to ₹ 1 lakh	2.50
Above ₹ 1 lakh to up to ₹ 50 Crs	2.50
Above ₹ 50 Crs to up to ₹ 250 Crs	2.60
Above ₹ 250 Crs to up to ₹ 500 Crs	2.75
Above ₹ 500 Crs to up to ₹ 1000 Crs	3.00
Above ₹ 1000 Crs to up to ₹ 1500 Crs	3.15
Above ₹ 1500 Crs to up to ₹ 2000 Crs	3.30
Above ₹ 2000 Crs to up to ₹ 2500 Crs	4.75
Above ₹ 2500 Crs	5.50

- Current Accounts: The Bank also offers current accounts which are non-interest-bearing accounts, designed primarily for businesses. Customers have a choice of regular and premium product offerings with different minimum average quarterly account balance requirements.

- Term deposits: The Bank accepts term deposits giving a fixed return, for periods ranging from 7 days to 10 years. Term Deposits are also known as fixed deposits or time deposits. Such deposits can be withdrawn before maturity in accordance with applicable rates by paying penalties. Term deposits include recurring deposits, which enable the customer to make deposits over a fixed term at regular intervals. The Bank also offers overdraft facility against the term deposits to our customers.

Deposits for NRIs

In addition to providing remittance services to NRIs, the Bank allows NRIs to open various types of deposit account. It offers the following deposit products to NRIs:

- Foreign Currency Non-Resident Deposits: The Bank offers foreign currency deposits in six currencies, i.e., the U.S. dollar, the Pound Sterling, the Euro, the Japanese Yen, the Australian dollar and the Canadian dollar. The principal as well as the interest on these deposits are fully repatriable outside of India and interest and principal are repaid in the currency of deposit. The terms of these deposits range from a minimum of one year to a maximum of five years.

- Non-Resident External Fixed Deposits: These deposits are established in Rupees and are maintained for periods from a minimum of one year to a maximum of ten years. The principal and interest from these accounts are fully repatriable outside India. Loans can be granted against these deposits for up to 85%-90% of the deposit amount.

- Non-Resident External Savings Accounts: Non-Resident External Savings Accounts are maintained in Rupees. The balances in these accounts are fully repatriable outside India. The Bank also offers zero interest bearing current account for its NRI customers.

- Non-Resident Ordinary Deposits: These products are offered primarily to NRIs who also derive income from India. These products are offered as savings bank deposits as well as fixed deposits. The interest rates and terms are structured along the same lines as domestic deposits.

Deposits in foreign branches represented 13.68% of the Bank's global deposits as of 31 March 2026, whilst gross advances made from foreign branches represented 15.18% of the Bank's global advances as of 31 March 2026.

Deposits in foreign branches represented 13.88% of the Bank's global deposits as of 30 June 2026, while gross advances made from foreign branches represented 15.54% of the Bank's global advances as of 30 June 2026.

Foreign exchange and derivatives

The Bank's foreign exchange and derivative product offering to its customers covers a range of products, including forward exchange contracts. These transactions enable its customers to transfer, modify or reduce their foreign exchange and interest rate risks.

Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. Currency swaps are commitments to exchange cash flows by way of interest in one currency against another currency and exchange of principal amounts at maturity based on predetermined rates. Rupee interest rate swaps are commitments to exchange fixed and floating rate cash flows in rupees. Currency options give the buyer, the right but not an obligation, to buy or sell specified amounts of currency at agreed rates of exchange on or before a specified future date.

The Bank had no exchange traded interest rate derivatives as of 31 March 2024, 2025, 2026 and 30 June 2026. As of 31 March 2024, 2025, 2026 and 30 June 2026, the Bank had notional principal amounts in respect of interest rate swaps and forward rate agreements of Rs.590.00 crores, Rs.913.80 crores, Rs.5,465.22 crores and Rs.3,931.10 crores, respectively.

Field General Manager Offices

The Field General Manager Offices provides a range of retail banking products to individuals, corporate banking products to the Bank's corporate, mid-corporate and small enterprise customers that are not serviced by the corporate banking group or the mid-corporate group, and banking services to the Government and state governments. Corporate banking products and services offered by the Field General Manager Offices are largely the same as those offered by the Corporate Banking Group. The Field General Manager Offices services customers located in urban and metropolitan areas, while customers in rural and semi-urban areas are serviced by the Rural Business Group (discussed below). Geographic areas are classified as urban, metropolitan, rural or semi-urban by RBI, based on population.

MSME banking

MSMEs are one of the Bank's core target customer segments. The MSME business group focuses on servicing the specific credit needs of MSMEs, defined by the Bank as entities which qualify the 'MSME' definition as per Micro, Small and Medium Enterprises Development Act, 2006 and having valid Udyam certification.

The Bank has concentrated on building its MSME customer base due to the favourable margins being generated in this sector relative to the large and mid-sized corporate segments and believes that rapidly adapting to the needs of its MSME customer base is essential to the growth and success of the Bank. The Bank is focusing on not merely growing its loan book to MSMEs, but also on expanding the services it provides to MSMEs by utilizing its existing good relationships with key corporate customers. The Bank believes that its current and target customer base will be receptive to the cross-selling of a wide variety of products and services such as trade finance, foreign exchange, credit cards and deposit products. The services provided to MSMEs are similar to those provided to corporate customers, including term lending, trade finance, working capital, letters of credit, cash management and treasury services.

The Government passed the Micro, Small & Medium Enterprises Development Act, 2006 (the "**MSMED Act**") in June 2006 to promote lending to micro-enterprises and SMEs and to create uniformity in the way banks classify micro-enterprises and SMEs. Under the MSMED Act, services sectors were included within the classification of SMEs. Following implementation of the MSMED Act in October 2006, certain entities that the Bank had classified as mid or large borrowers have been re-classified as SME borrowers. Advances to the MSME sectors have increased from Rs. 77,877.00 crores as of 31 March 2024 to Rs.90,639.00 crores as of 31 March 2025, Rs.106,660.00 crores as of 31 March 2026 and was Rs.110,881.00 crores as of 30 June 2026.

The Bank has introduced a number of initiatives to promote its MSME lending. These initiatives include:

(i) Schematic Lending: The Bank has launched various schematic loan products which are customised financial solutions for the MSMEs. These products cater to varied sectors, purposes, target groups and come with customised assessment methods, security and rate of interest parameters. Schematic loans for MSMEs have been widely accepted by the customer group and the same has helped in building quality MSME credit portfolio for the bank. Following are the main schematic loan products of the bank for MSME borrowers:

   (a) BOI Star Welcome Offer Scheme - This has been launched by the Bank which is specifically designed for takeover of loans. The scheme has competitive pricing in order to acquire customers in the competitive MSME segment. The scheme has been one of the most performing schematic loan product for the Bank.

(b) BOI Star Asset Back Loan Scheme - This was launched to provide hassle free loans against immovable property. The scheme caters to the different needs of MSME customers including working capital and term loans.

(c) BOI Star Doctor Plus Scheme - This has been launched to cater to the financial requirements of medical and healthcare professionals. This is intended to boost MSME financing under the medical and healthcare sectors.

(d) BOI Star Vehicle Express Loan - The scheme is intended to boost and support the growth of MSME financing for commercial vehicles across all segments. The Bank has also introduced an 'Equipment Express Scheme' for financing equipment. These schemes cater for the varied requirements of the champion sector (tourism, hospitality and logistics) as selected by the Bank.

(e) BOI Star MSME THALA – To cater the growing sector of infrastructure development, specifically in the tourism and hospitality, the Bank has introduced a schematic loan named 'BOI Star MSME THALA (Tourism, Hospitality And Lease-discounting Advance)'. The scheme leverages the GOI initiatives under 'Viksit Bharat Vision'.

(f) BOI Star Yuva Udyami and BOI Star Udyami Vanita - In order to promote youth and women entrepreneurship, the Bank has introduced 'BOI Star Yuva Udyami' and 'BOI Star Udyami Vanita' for the MSMEs run by youth or women entrepreneurs.

(g) BOI Star Digi Biz Loan - This has been introduced to meet the working capital requirements and business requirements of GST-registered MSMEs in trading, manufacturing and service sectors. The product is processed through the digital platform ensuring data accuracy, seamless processing and turn-around-time reduction.

(h) Star Start-up Scheme - This has been launched for funding eligible start-ups recognised by the Department of Promotion of Industry and Internal Trade. The Bank has identified three branches for smooth implementation of the scheme.

(ii) Cluster Finance: A cluster is a sectoral and geographical concentration of enterprises which produce and sell a range of related or complementary products and are therefore faced with common challenges and opportunities. The Bank intends to develop specific schemes to target certain of these clusters and, as of 30 June 2026, has initiated several such schemes. These schemes involve pricing, tailoring documentation, security, maturity profiles and other terms and procedures tailored to the needs and practices of the specific clusters.

(iii) Digital Lending Products: The Bank has developed its digital lending journey which offers smooth end-to-end processing and enables MSMEs to avail finance without having to worry about the physical document submission and processing. The loan journeys up to Rs.7.50 crores are currently live on the e-platform of the Bank.

(iv) MSME Branches: To help increase focus on MSME business, the Bank has re-designated its branches which previously specialized in small-scale industry as MSME branches. As of 30 June 2026, the Bank had identified 248 MSME focussed branches and 133 MSME processing centres.

To reduce turn-around-time, MSME city centers have been set up to act as processing hubs for MSME customers with a certain sanction credit limits. Credit origination and processing transactions are segregated in the MSME city centers, with dedicated teams for credit processing, outbound sales and lead generation. Follow up of business acquisition has been implemented. Credit processes have been revised and simplified to ensure faster disbursement. Simplified application forms have been introduced for all MSME customers, regardless of credit limit. A master check list has also been formulated for one-time information collection. Tracking and

performance management systems have also been introduced at the MSME city centers to increase transparency in business processes.

Retail banking

The Bank offers retail credit products such as home loans, vehicle loans, education loans, mortgage loans, loans against property, personal loans, credit cards and other loan products. The Bank markets many of these products under the "Star" brand. The Bank's domestic retail credit portfolio was Rs.111,484.00 crores as of 31 March 2024, which increased by 19.93% to Rs.133,699 crores as at 31 March 2025 and further increased by 21.19% to Rs.162,025.00 crores as of 31 March 2026. It represented 22.64%, 23.72% and 24.76% of the Bank's gross domestic advances as of 31 March 2024, 2025 and 2026, respectively. The Bank's domestic retail credit portfolio as of 30 June 2025 and 30 June 2026 was Rs.137,782 crores and Rs.166,170 crores, respectively, which constituted 24.37% and 24.66%, respectively, of the Bank's net domestic credit portfolio. The retail portfolio is anchored by the vehicle loan segment (Rs.24,726 crores as at 31 March 2026, up 18.72% from Rs.20,828 crores as at 31 March 2025), followed by the home loan segment (Rs.79,178 crores as at 31 March 2026, up by 16.74% from Rs.67,826 crores as at 31 March 2025). The Bank coordinates with manufacturers and suppliers of consumer products and services such as cars, motorcycles and travel tours, and during Fiscal 2026 leveraged tie-up arrangements with auto manufacturers for vehicle loans to increase its vehicle loan portfolio. The Bank has also approved special concessions on its retail products for employees of corporate borrowers and other public sector undertakings and enterprises and reputed corporates and institutions under tie-up arrangements with employers. The Bank provides retail loans directly through its branches and retail hubs. As of 30 June 2026, the Bank had established 144 retail business centres across major cities in India, which are branches that are dedicated to managing the entire retail loan process through appraisal teams and monitoring teams. To promote its retail loan products, the Bank cooperates with other large institutions.

As the Indian economy continues to improve, the Bank believes that household income and consumer credit demand will continue to increase, especially among the growing middle class. To provide customers with convenient access to its products and services, the Bank has a wide network of branches and ATMs across India. The Bank is focused on developing specialized credit and non-credit products that meet the needs of its vast consumer base.

The following describes the Bank's domestic retail credit portfolio for the periods indicated:

	For the Fiscal ended 31 March			Quarter and three months ended 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
			(*in Rs. crores*)		
Home loan	59,106.68	67,826.13	79,177.75	69,197.40	81,212.53
Personal loan[(1)]	29,802.15	37,466.44	42,484.43	37,567.36	42,973.37
Mortgage/ Loan against property	9,138.80	10,758.07	15,616.87	10,761.80	16,280.35
Others[(2)]	13,436.30	17,648.32	24,745.56	20,255.50	25,704.01
Total	1,11,483.93	1,33,698.95	1,62,024.62	1,37,782.06	1,66,170.25

Notes:

(1) Includes auto loans, educational loans, credit card debit and micro credit.

(2) Comprises of staff loans such as staff housing loans, vehicle loans, clean overdrafts, personal loans and other loans to staff.

Retail deposits

The Bank's retail deposit products include the following:

- *Savings accounts*. Demand deposits for retail customers that accrue interest at a fixed rate and offer withdrawal facility through cheque books and debit cards.
- *Current accounts*. Non-interest bearing demand deposits.
- *Time deposits*. Tenure based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates. Tenures range from seven days to 120 months.

The Bank has introduced a system to classify savings account customers into silver, gold and diamond based upon the average quarterly balance of the deposits each customer maintains with such category receiving certain benefits and privileges.

'Star Home Loans'

'Star Home Loans' are extended to those in regular employment, to professionals, to self-employed individuals and others with a regular source of income for construction or purchase of a house or flat on an ownership basis. The Bank also has a special scheme called the 'Star Diamond Home Loan Scheme' to cater to customers in select cities. The Bank has also introduced a home loan scheme called the 'Star Smart Home Loan' with an overdraft facility and two other special home loan schemes called the 'Star Pravasi Home Loan', a scheme for NRIs and Persons of Indian Origin and the 'Star Jai Jawan Home Loan', a scheme for army and navy personnel.

'Star Mortgage Loan Scheme'

Under the 'Star Mortgage Loan Scheme', the Bank provides loans and overdraft facilities against mortgage charged over existing property. This scheme is targeted towards people engaged in trade, commerce and business, and also professionals and individuals with a high net worth, including salaried individuals.

Loans against securities

The Bank makes advances to some of its retail banking customers secured on collateral given by such customers in the form of pledges of government-issued securities and other investment grade instruments such as national savings certificates or Kisan Vikas Patra. Such loans are typically for terms of up to five years. Interest is charged at a spread over the interest on the underlying security and the amount advanced does not exceed the stipulated percentage of the face value of the underlying security.

Credit and debit cards

The Bank offers international credit and debit cards to its customers in association with Visa and MasterCard. To support its card operations, the Bank has established a wide network of merchants and has enabled advances against credit cards at all its branches. The Bank also has 4,707 ATMs as of 30 June 2026 throughout India and has tied up with various ATM networks to cater for credit and debit card holders. As of 30 June 2026, the Bank had issued approximately 3.84 crore debit cards.

Non-resident products and services

The Bank provides a variety of services to NRIs. Such products and services include foreign currency non-resident deposits, non-resident external Rupee deposits, non-resident ordinary Rupee deposits (both savings bank and fixed deposits), remittance services and portfolio management services.

Rural banking

The Bank services customers located in rural and semi-urban areas through a large number of branches and its ATM network in India. The Rural Banking Group focuses on developing innovative and effective ways of

delivering banking services to all customers located in the rural and semi-urban areas of India, as defined by RBI. As of 30 June 2026, 64.88% of the Bank's domestic branch network was in semi-urban and rural areas, comprising 1,935 branches in rural areas and 1,640 branches in semi-urban areas. Banking products and services provided to customers of the rural business group generally include all corporate and retail products and services that are provided by the Field General Manager Offices, and are provided to the same demographic customer groups as are served by the Field General Manager Offices. In addition, to a much smaller extent, the rural business group provides sophisticated corporate products and services to mid-corporate customers that are located outside the geographic areas served by the mid-corporate group.

The Bank takes an active role in providing financial support and financing to sectors identified by the Government as 'priority sectors' to promote the development of rural economies. Priority sector advances include loans to agriculture, small enterprises engaged in manufacturing or services, retail trade, education, housing, renewable energy, social infrastructure, etc. as defined by RBI from time to time. In 2012, the scope of the priority sectors was extended pursuant to an RBI directive to cover borrowers who may have experienced economic difficulties, such as individuals who were included in the Government's differential rate of interest scheme. Under this scheme, financial assistance is extended to selected low income, economically disadvantaged groups at a concessional rate of interest or to individuals from certain minority communities (as classified by the Bank further to the RBI directive and as notified by the Government as per Section 2(c) of the National Commission for Minorities Act, 1992, amended from time to time). Housing and education finance up to certain ceilings, lending for specific infrastructure projects and investments in instruments issued by specified eligible institutions are also classified under the priority sector. The Bank's agriculture SBU covers agriculture, micro-credit and rural habitat groups. While the Government has identified such sectors and provides lending guidelines, the Bank has full discretion in determining the commercial terms in which it enters into arrangements with priority sector entities.

Under current RBI guidelines, all banks in India, including the Bank, are required to lend (or invest in investments issued by specified eligible institutions) a minimum of 40% of their respective adjusted net bank credit to priority sectors, and at least 18% of ANBC must be lent to or invested in the agricultural sector. Any shortfall in the amount required to be provided to the priority sectors may be required to be deposited with Government-sponsored Indian developmental banks such as National Bank for Agriculture and Rural Development ("**NABARD**") and SIDBI. These deposits have a maturity of up to seven years and carry interest rates lower than market rates.

The Bank's priority sector advances are summarized below:

	For the Fiscal ended 31 March			Quarter and three months ended 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
			(*in Rs. crores*)		
Agriculture	84,445.09	1,00,126.21	1,03,973.50	99,025.32	1,06,986.49
MSME	75,605.45	90,037.32	1,06,311.42	92,348.77	1,10,493.44
Education	2,331.28	2,434.12	2,805.40	2,484.00	2,841.14
Housing	21,015.17	20,565.11	34,192.16	33,444.55	33,445.02
Others[(1)]	61.82	64.42	110.55	90.05	97.38
Total	1,83,458.81	2,13,227.18	2,47,393.03	2,27,392.69	2,53,863.47
ANBC	4,16,035.10	4,73,348.28	5,36,822.93	4,96,531.70	5,38,858.15
Regulatory requirement (PSA)	40.00%	40.00%	40.00%	40.00%	40%

	For the Fiscal ended 31 March			Quarter and three months ended 30 June	
	2024	2025	2026	2025	2026
			(*in Rs. crores*)		
% of ANBC	44.10**%**	45.44**%**	46.36**%**	46.09**%**	47.11**%**

Note:

(1) Others include Export Credit, Social Infrastructure, Renewable Energy and other priority sector advances.

The Bank has traded PSLCs. During Fiscal 2026, the Bank sold Rs.11,980 crore under PSLC-SF & MF (small and marginal farmers), with no purchases under PSLC-Agriculture, and its net earnings from PSLC trading amounted to Rs.253.31 crores. During the quarter and three months ended 30 June 2026, the Bank sold Rs.10,000.00 crores under PSLC-SF & MF (small and marginal farmers), and its net earnings from PSLC trading amounted to Rs.276.94 crores.

Agriculture

Agriculture is a key sector of the Indian economy and contributes significantly to its GDP. As of 30 June 2026, the Bank has established 3,575 branches in semi-urban and rural areas to, among other things, support agricultural development.

The Bank's branches support customers involved in a wide range of agricultural activities such as crop production, horticulture, plantation crops, floriculture, farm mechanization, land development and reclamation, digging of wells and irrigation projects, forestry, construction of cold storages, storage go-downs and processing of agricultural products. The Bank also supports allied activities such as dairy, poultry, fisheries, livestock and rearing of silkworms, among others. During Fiscal 2026, the Bank disbursed Rs.88,673.54 crores under agriculture, out of which Rs.66,678.78 crores was extended to small and marginal farmers. This delivery is supported by the Bank's specialised network of 164 'Star Krishi Vikas Kendras' functional in 63 zones and 69 agri desks. During Fiscal 2026, the Bank issued 1.50 lakh Kisan Credit Cards, facilitating disbursements of Rs.10,781.88 crores. The Bank has a 'Kisan Tatkal Loan Scheme' to meet the immediate needs of farmers up to a sum of Rs.50,000.

Micro and small (manufacturing and services) enterprise

Micro and small (manufacturing and services) enterprises that qualify for priority sector lending are those in the manufacturing and service sector as per RBI Master Directions - Priority Sector Lending (PSL) - Targets and Classification updated on 27 July 2023.

Micro finance

Micro finance involves the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to the poor and low income households and their micro enterprises. The Bank endeavors to make such finance available for rural areas.

SHGs play a significant role in improving the economic standards of the poor in rural areas. The Bank believes that micro financing to SHGs has significantly contributed to the credit growth in rural areas and the alleviation of rural poverty. In line with RBI guidelines and market demand, the Bank has revised existing schemes and launched the "Star SHG Scheme" for financing SHGs. The Bank has also devised a 'Bank Sakhi Scheme' for promoting entrepreneurship among SHG members.

The Bank also promotes government schemes such as Agriculture Infrastructure Fund Scheme, Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme and Animal Husbandry Infrastructure Development Fund.

In order to boost Indian agriculture, the Bank has undertaken schemes for pisciculture, poultry, 'Kisan Ghar', 'Star Krishi Vahan', farm mechanisation, eNWR financing, in line with RBI and Government of India guidelines and market requirements. The Bank is also focussing on initiatives with various government and private agencies for boosting its agriculture credit portfolio.

Corporate banking

The Bank offers a wide spectrum of financial services to large and mid-sized corporates. Key products and services for corporate customers include medium- to long-term funding, working capital financing, syndicated loans, cash management, derivatives, corporate loans and foreign currency loans.

Each large corporate branch has a credit processing cell directly reporting to the large corporate department at the head office to reduce the turnaround time.

Large corporate group

The Bank provides medium-and long-term loans for large corporates. The Bank's gross domestic large corporate loan portfolio was Rs.269,965.00 crores or 41.26% of the Bank's gross domestic loans as of 31 March 2026. The Bank's gross domestic large corporate loan portfolio was Rs.281,000.00 crores or 41.70% of the Bank's gross domestic loans as of 30 June 2026. The Bank's policy is to limit foreign currency loans to a term of less than 10 years and to lend only at floating interest rates. Corporate finance loans are offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the borrower. The Bank also provides credit protection for foreign currency convertible bonds, project finance and buyer's credit through its foreign branches network by way of credit linked notes and external commercial borrowings.

Working capital finance

The most common forms of working capital financing are cash credit, working capital demand loans, overdraft facilities, pre-shipment (packing credit) and post-shipment working capital facilities. These loans are funded facilities usually secured by current assets such as inventories and receivables. The facilities are generally advanced for a period of one year, and reviewed and renewed, as appropriate at the end of one year. In almost all cases, facilities are subject to an annual review and are generally repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts.

Project finance

Project financing activities cover a variety of sectors, including metal products, textiles, infrastructure and service sectors. The Bank provides corporate and project finance loans in both Rupees and foreign currencies. The Bank has developed significant syndication capabilities while structuring and arranging large corporate and project finance transactions. The Bank seeks to leverage these syndication capabilities to arrange project and corporate finance for its corporate customers and earn fee income.

The Bank believes that the current market climate in India provides opportunities to increase its infrastructure lending. The Bank has actively participated in the financing of infrastructure projects in port roads, power and telecommunications. As of 31 March 2026, gross loans for infrastructure finance amounted to Rs.53,392.00 crores or 8.16 % of the Bank's gross domestic loan portfolio. As of 30 June 2026, gross loans for infrastructure finance amounted to Rs.54,967.00 crores or 8.16 % of the Bank's gross domestic loan portfolio.

Transaction banking

The Bank set up a separate transaction banking group under its digital banking department to generate bulk income and float for the Bank by providing cash flow management for customers, especially large corporates, government institutions, and high net worth individuals through digital banking. The department's work comprises cheque collections, post-dated cheque collections, and direct debit mandates, as well as other services such as cash management services (doorstep banking), online share trading (three-in-one accounts, ASBA (application supported by blocked amount) and SYNDASBA (syndicate ASBA)), payment gateways, NACH (National Automated Clearing House) activities on NPCI (National Payments Corporation of India) platform, and operational aspects of channel finance.

International banking

As of 30 June 2026, the Bank has a network of 46 overseas offices, comprising 21 branches, four overseas subsidiaries, one Joint Venture and one representative office, spanning 15 countries and covering all major time zones. The table below set forth a list of countries and cities where our overseas branches have been established as of 30 June 2026:

Country	**Cities where the Bank's branches are located**	**Total number of branches**
United States of America ("**USA**")	New York, San Francisco Agency	2
Belgium	Antwerp	1
France	Paris	1
UK	London, Birmingham, Leicester, Wembley, Glasgow	5
Japan	Tokyo, Osaka	2
Kenya	Nairobi, Westland, Industrial Area, Mombasa, Eldoret	5
Singapore	Singapore	1
Vietnam	Ho Chi Minh City	1
Hong Kong	Hong Kong	1
United Arab Emirates	Dubai International Financial Centre ("**DIFC**")	1
India	GIFT City Branch	1
Total		**21**

Operating profits of foreign branches accounted for 13.03% and 8.17% of the Bank's global operating profits in Fiscal 2026 and quarter three months ended 30 June 2026, respectively. The Bank's foreign business constituted 17.53% and 9.88% of the Bank's global net profits in Fiscal 2026 and quarter three months ended 30 June 2026, respectively. Deposits in foreign branches represented 13.68% and 13.88% of the Bank's global deposits as of 31 March 2026 and 30 June 2026, respectively, while gross advances made from foreign branches represented 15.18% and 15.54%, respectively, of the Bank's global gross advances.

The Group's operations in Europe, USA, Japan, Hong Kong, Singapore, Kenya, DIFC and GIFT City comprise in terms of sum of total deposits and total advances, 25.79%, 35.92%, 12.42%, 7.13%,7.86%, 2.44%, 1.67% and 6.77%, respectively, of the Bank's foreign business and in terms of share of operating profit of foreign operations, comprise 37.99%, 22.80%, 4.73%, 4.66%, 2.65%, 20.79%, 0.68% and 5.69%, respectively, as of 31 March 2026.

The Group's operations in Europe, USA, Japan, Hong Kong, Singapore, Kenya, DIFC and GIFT City comprise in terms of sum of total deposits and total advances, 25.08%,36.23%, 12.39%, 8.21%,7.40%, 2.37%, 1.42% and 6.90%, respectively, of the Bank's foreign business and in terms of share of operating profit of foreign operations, comprise 21.52%, 21.10%, 8.08%, 5.42%, 3.09%, 32.30%, 0.74% and 7.75%, respectively, as of 30 June 2026

Other services

Merchant banking

The Bank is registered with SEBI for acting as a merchant banker. Through BOI Merchant Bankers Limited, one of its Subsidiaries, it undertakes merchant banking business, including arranging of syndicated loans and debentures.

Government banking

The Bank handles government transactions as an agent of the Government and various state governments. The Bank collects government revenue by ways of taxes under various categories and deposits under various government schemes, savings and relief bonds. The Bank also handles payment functions of the government, including salary and pension payments and expenditure payments of various ministries.

Depository participant services

The Bank, through BOI Share Holding Limited, one of its Subsidiaries, provides depository services. BOI Share Holding Limited is affiliated with the NSDL and CDSL. As of 30 June 2026, the Bank has networked most of its branches to its NSDL depository participant operations ("**DPO**") or CDSL DPO for extending depository participant services. In order to deliver an efficient service, the Bank also maintains sufficient personnel (who have received the National Institute of Securities Markets certification) at such branches.

Bullion banking

The Bank undertakes sales of gold under the bullion loan scheme for jewellery exporters and also makes outright sales of gold to jewellery exporters.

Under the 'Bullion Banking Scheme', the Bank imports gold on a consignment basis for sale to domestic users as well as jewellery manufacturers and exporters.

Third party products

Bancassurance

The Bank provides bancassurance services through corporate agencies for distribution of (i) life insurance products, (ii) non-life/ general insurance products such as motor, health, home and travel insurance as well as commercial line of products, including engineering and marine insurance. It earns commissions from the distribution of such insurance products. In order to provide a wide range of finance and investment products to its customers as a value addition, and also to augment its noninterest income, the Bank is in distribution of insurance products to its customers of which the Bank has tied up with various insurance corporations and companies. Some employees of the Bank act as 'Specified Persons' and they are responsible for the sale of such insurance products in various domestic branches. The aim is to provide the Bank's customers with various insurance solutions and enhanced customer experience by leveraging technology. The Bank distributes the insurance products through its network of branches within India.

In addition to the range of insurance products being offered, the Bank and Star Union Dai-ichi Life Insurance Co. Ltd. have also developed a life insurance product with the aim of offering such products to existing and new Star Home Loan borrowers and Star Education Loan borrowers on a reduced premium basis. Furthermore, the Bank has also co-developed and co-branded "floater" family medical health insurance policy for all of its

customers. A floater medical policy provides that the insured, his/her spouse and two of their children are covered to the extent of the sum insured, where part of this sum can be claimed at different times by family members.

The Bank's income from bancassurance was Rs.195.50 crores, Rs.272.83 crores, Rs.248.92 crores, Rs.46.91 crores and Rs.46.17 crores in Fiscals 2024, 2025, 2026 and quarter and three months ended 30 June 2025 and 2026, respectively.

Mutual fund/ securities sales

The Bank also distributes various mutual fund products through our metropolitan, urban and semi urban branches who have employees registered with the Association of Mutual Funds of India. The Bank's income from distribution of mutual fund products was Rs.4.62 crores, Rs.8.42 crores, Rs.10.98 crores, Rs.2.32 crores and Rs.2.55 crores in Fiscals 2024, 2025, 2026 and quarter and three months ended 30 June 2025 and 2026, respectively.

Treasury operations

The Bank's treasury operations are the focal point for the management of our market risk. It undertakes liquidity management by seeking to maintain an optimum level of liquidity while complying with statutory liquidity ratio ("**SLR**") and cash reserve ratio ("**CRR**"). Treasury conducts its operations in accordance with the Board approved investment policy which sets limits, controls, accounting policies and general guidelines for the treasury operations, including the parameters of investments in securities. The Bank's investment portfolio is managed with a view to capitalize on the market movements in interest rates and credit spread, to maintain a balanced portfolio, to minimise risk, to ensure deployment of surplus cash in securities at attractive yields while maintaining adequate liquidity. The overall objective of our treasury activities is to earn optimal return on deployed investments and to minimize credit risks assumed in our investment and trading activities.

The table below sets forth the details of the Bank's domestic investment portfolio by book value as of the dates indicated:

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
			(*in Rs. crores*)		
Held to maturity	167,342.41	183,582.47	197,646.70	181,576.54	204,455.11
Available for sale	55,078.50	36,600.86	29,891.34	33,975.30	33,863.86
Held for trading	1,286.19	19,345.03	20,791.25	39,753.27	10,003.45
Not Held for trading	-	3,413.80	3,293.72	3,321.31	3,243.15
Total	**223,707.1**	**242,942.16**	**251,623.01**	**258,626.42**	**251,565.57**

The table below sets forth the allocation of the Bank's net investment portfolio for the periods indicated:

Sector	**For the financial year ended 31 March**					
	2024		**2025**		**2026**	
	(in Rs. crores)	*%*	*(in Rs. crores)*	*%*	*(in Rs. crores)*	*%*
SLR						
Government securities	175,300.07	81.20	199,328.43	81.35	208,663.03	82.69

Sector	For the financial year ended 31 March					
	2024		2025		2026	
	(in Rs. crores)	*%*	*(in Rs. crores)*	*%*	*(in Rs. crores)*	*%*
Sub-total	**175,300.07**	**81.20**	**199,328.43**	**81.35**	**208,663.03**	**82.69**
Non-SLR						
Subsidiaries and Joint Venture	1,453.69	0.67	1,619.38	0.66	1,292.48	0.51
Debentures and bonds	11,072.69	5.13	15,170.57	6.19	15,625.70	6.20
Shares	715.80	0.33	1,568.28	0.64	1,804.61	0.71
Other	27,345.18	12.67	27,330.56	11.15	24,970.84	9.90
Sub-total	**40,587.36**	**18.80**	**45,688.79**	**18.65**	**43,693.63**	**17.31**
Total	**2,15,887.43**	**100.00**	**2,45,017.22**	**100.00**	**2,52,356.66**	**100.00**

Sector	As of quarter and three months ended 30 June			
	2025		2026	
	(in Rs. crores)	*%*	*(in Rs. crores)*	*%*
SLR				
Government securities	211,381.55	82.21	208,568.62	82.36
Sub-total	**211,381.55**	**82.21**	**208,568.62**	**82.36**
Non-SLR				
Subsidiaries and Joint Venture	1,292.48	0.50	1,315.12	0.52
Debentures and bonds	16,332.11	6.35	16,654.18	6.58
Shares	1,617.25	0.63	1,806.24	0.71
Other	26,503.92	10.31	24,908.32	9.84
Sub-total	**45,745.76**	**17.79**	**44,683.86**	**17.64**
Total Investments	**257,127.31**	**100.00**	**253,229.84**	**100.00**

Asset classification

Non-performing assets

The Bank has in the past suffered losses through impairment of loans as some borrowers were impacted by negative trends in the global marketplace, recessionary conditions in the domestic economy, increased competition and volatility in industrial growth and commodity prices. The Bank has adopted several measures to refine its credit selection processes and appraisal capabilities. The management of NPAs has been one of the focus areas of the Bank. Towards this goal, the Bank has focused on:

- identification and monitoring of SMAs as per RBI guidelines in order to check the movement standard assets into the NPA category, conducting regular reviews and taking quick corrective action;
- restructuring impaired standard accounts as well as viable NPAs, both under RBI's "Prudential framework for resolution of stressed assets" pursuant to its circular dated 7 June 2019 as well as under the Bank's own scheme for limiting NPAs; and
- upgrading the Bank's assets.

The table below sets forth, for the periods indicated, information about the Bank's NPA portfolio:

	As of 31 March			As of 30 June	
	2024	2025	2026	2025	2026
	(*in Rs. Crores, except percentages*)				
Gross NPAs	29,182.77	21,748.89	15,306.02	19,640.20	14,453.54
Specific provisions	22,337.51	16,390.40	11,056.03	14,690.31	10,434.95
Floating provisions	0.00	0.00	0.00	0.00	0.00
NPA net of provisions and nettable credits	6,845.26	5,358.49	4,249.99	4,949.89	4,018.59
Gross customer assets	5,85,595	6,66,047	7,71,391	6,72,444	7,97,775
Net customer assets	5,63,145	6,49,657	7,60,335	6,57,754	7,87,340
Gross NPAs/ gross customer assets (%)	4.98%	3.27%	1.98%	2.92%	1.81%
Net NPAs/ net customer assets (%)	1.22%	0.82%	0.56%	0.75%	0.51%
Specific provision as a percentage of gross NPAs (%)	76.54%	75.36%	72.23%	74.80%	72.20%
Provision cover (including prudential write-offs) (%)	90.59%	92.39%	93.57%	92.94%	93.83%

Restructured assets

RBI has issued separate guidelines for restructured assets. A standard asset can be restructured by rescheduling principal repayments and/or the interest element, but it must be separately disclosed as a restructured asset. The amount of sacrifice, if any, in the element of interest, measured in present value terms, is either written-off, or provision is made to the extent of the sacrifice involved. Similar guidelines apply to substandard assets. The sub-standard assets which have been subjected to restructuring as per earlier guidelines of RBI, whether in respect of a principal instalment or an interest amount, are eligible to be upgraded to the standard category only after the specified period, which is a period of not lower than one year after the date when first payment of principal or interest, whichever is later on the credit facility with longest period of moratorium under the terms of restructuring, subject to satisfactory performance during the period.

The table below sets forth the Bank's gross restructured standard assets as a proportion of gross advances as at the dates indicated:

	As at 31 March			As at 30 June
	2024	2025	2026	2026
	(in Rs. crores, except percentages)			
Gross domestic advances	4,92,392	5,63,550	6,54,292	6,73,833
Standard restructuring (domestic)	7,888	5,670	3,981	3,735
% of Standard Restructured Accounts to Gross Domestic Advances	1.35%	0.85%	0.52%	0.47%

Branch Banking — Distribution Network

The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs and the internet.

Branch Network

The Bank had a branch network of 5,148 branches, 5,304 branches, 5,511 branches and 5,533 branches as of 31 March 2024, 2025, 2026 and 30 June 2026, respectively. The Bank has 9 large corporate branches and 20 ECCBs dedicated exclusively to corporate borrowers. The Bank also has branches dedicated to SMEs and additional branches dedicated to recovery, capital markets, lease finance and treasury products. Domestic branches are controlled through 69 zonal offices. As of 30 June 2026, the Bank maintained 6 NRI branches to provide specialized services to high worth non-resident depositors.

The Bank's wide network of branches is spread across both metropolitan and rural locations. To provide banking access to rural areas efficiently, bank branches are located in rural/semi-urban areas. The lead bank functions as a co-ordinator between the banks and the relevant state government. The lead bank prepares the district credit plan based upon the 'Potential Linked Plan' prepared by NABARD and ensures its successful implementation for the growth of the rural economy. As a lead bank, the Bank is required to implement the state-sponsored poverty alleviation programs for creating rural employment and income generation. It also ensures utilization of the resources mobilized in the district for the benefit of the local populace to avoid imbalance in growth.

The table below describes the geographic breakdown of the Bank's branches as of the dates indicated:

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
Metropolitan areas	990	974	1,022	972	1,022
Urban areas	830	851	913	856	913
Semi-urban areas	1,464	1,573	1,642	1,575	1,640
Rural areas	1,862	1,906	1,934	1,901	1,935
International	22	22	22	22	21
Total[*]	5,168	5,326	5,533	5,326	5,531

[*] *Excluding two digital banking units.*

The Bank's domestic branch network caters to all of India's socio-economic classes, with 18.54%, 16.57%, 29.79% and 35.09% of its domestic branches located in metropolitan, urban, semi-urban and rural areas, respectively, as of 30 June 2026.

ATMs

As of 30 June 2026, the Bank had installed 4,707 ATMs and plans to continue to expand its ATM network. The Bank has joined the National Financial Switch (NFS) Network that is run by the Institute for Development and Research on Banking Technology. Through the Bank's ATM networks, the Bank's customers have access to all the ATMs throughout India. Customers also have access to ATMs that are compatible with VISA and MasterCard debit cards. The Bank has outsourced the management and operation of its ATMs.

Financial Inclusion

The Bank is engaged in financial inclusion across India through our entire branch network. Financial inclusion is part of a national scheme to deliver financial services to India's disadvantaged and low-income segments at an affordable cost. The Bank believes that the rural areas of India are greatly underserved by the financial sector and therefore views rural banking as a driver of future growth. The Bank has carved out a 'Financial Inclusion' ("**FI**") unit as a new business unit to address the issue.

Financial inclusion grew as a result of the 'Pradhan Mantri Jan Dhan Yojana Scheme' ("**PMJDY**") aimed at bringing India's unbanked population into the formal financial system by creating awareness about the uses and benefits of the financial services offered by banks in India. Under the PMJDY, as of 31 March 2026 and as of

30 June 2026, the Bank had opened 2.96 crores and 2.98 crores accounts, respectively, and the balance contained in such accounts amounted to Rs.18,000.00 crores and Rs.17,680.00 crores, respectively.

Rural banking offers a particular challenge due to the low margin transactions that typically occur at rural branches. The Bank seeks to overcome this challenge through IT-based initiatives targeted specifically at the rural customer. These initiatives include a kiosk project that will allow for access to more remote areas as well as a smart card program that allows rural customers to access basic banking services through business correspondents without meeting the minimum deposit requirements for accounts with the Bank.

The Bank is developing alternative delivery channels for banking services and products through business facilitators and business correspondents. As of 30 June 2026, the Bank has established over 24,845 customer service points catering to customers through business correspondents.

The Bank is committed to providing banking services through business correspondents and hand-held communications devices (micro ATMs) to a large number of villages, connecting people through no-frill accounts with inbuilt overdraft facilities to address their urgent consumption needs, extending entrepreneurship credit to encourage sustainable livelihoods, offering mobile-based remittance facilities for migrant labor and the self-employed to remit money home and facilitating access to the Bank's third party products, including micro insurance. Robust operational and risk management systems and best practices have been established to ensure the proper operation of the FI units.

Technology

Using technology to efficiently provide services to clients and achieve product differentiation has long been a strategy of the Bank. The Bank believes that improving its technology base is a key driving factor in achieving growth, reducing costs and increasing security. The Bank first established a fully computerized branch in 1989 in Mumbai and all of its branches have since been computerized. The Bank was also one of the founding members of the Society for Worldwide Interbank Financial Telecommunication ("**SWIFT**") in India.

The Bank pursues an IT (information technology) policy with the objectives of achieving efficiency in internal operations and meeting customer and market expectations. The Bank commenced the development of its core banking solution ("**CBS**") in 2004 and has migrated all of its branches to its CBS platform, which provides the capability of online real-time transaction processing. The Bank regards the speed and efficiency of adoption of CBS by the branches as a significant achievement. The Bank has its data center, disaster recovery, near disaster recovery sites in different seismic zones, to ensure round-the-clock banking service to the Bank's customers. Each of these sites are compliant with comprehensive business continuity requirements. The Bank has a dedicated data center located in Navi Mumbai in Maharashtra, India, which has been ISO 27001:2013 and ISO 22301:2012 certified. The Bank has branch wide area network links from a total of 8 telecom service providers, as of 30 June 2026. The Bank also has a well-documented business continuity and disaster recovery policy in place, which is constantly tested with live runs and is reviewed periodically. To achieve zero data loss, a near-site data recovery unit has been set up with primary site storage replication. Further, the Bank provides internet banking facilities to both retail and corporate customers.

Further, the Bank provides internet banking facilities to both retail and corporate customers. Online services include payment of various utility services and bills, payment of direct and indirect taxes, application supported by blocked amount for initial public offering, trading of shares, payment of Directorate General of Foreign Trade license fee and booking of railway and airline tickets. Short message service alerts are also available to all customers in respect of transactions carried out through any delivery channel.

Moreover, due to CBS' interface with the Bank's treasury branch and RBI's payment systems such as real time gross settlement systems and the national electronic funds transfer system, customers can, among other things,

transfer or remit funds online in real time to branches of other banks in other cities. SWIFT messages can also be sent and received by the Bank's major branches which are authorized to deal in foreign exchange, thereby enabling quicker and more efficient processing of transactions.

The Bank has also brought its 21 overseas branches located in 10 countries, along with the GIFT City Branch, and subsidiaries located in four countries, under its 'Finacle-CBS' software to have uniformity of CBS software across the Bank's global network, thereby improving the Bank's management of its information systems as well as its customer service. Recently, mobile banking service was made live in New Zealand & Uganda.

The Bank constantly upgrades its technological capabilities to increase efficiency, reduce costs and expand its service portfolio. Ongoing and proposed technology initiatives include:

- introducing transaction and payment through mobile banking to allow customers, particularly rural customers, easy access to their account information and information regarding the Bank's products and services;
- implementing IT systems and technologies in rural and remote areas of the country to enable such customers to also benefit from the technological advance in the banking industry, so as to promote "financial inclusion";
- reducing the types of software and networks used by the branches to introduce more consistency across the Bank's operations;
- introducing technology to allow customers to deposit cheques anywhere in the country and allowing the processing of such cheques through its electronic imaging (as required by RBI); and
- outsourcing the Bank's data center and disaster recovery to third-party data centers located at Maharashtra and Uttar Pradesh, and upgraded network segment to strengthen application availability and smoothen customer service.

The Bank has also won awards in recent years in recognition of its achievements in technology and IT such as:

- Corporate Banking Innovation – Gold winner
- Product Innovation – Gold winner

The Bank achieved successful integration of its Paris branch with the 'SEPA Instant Payments' system and its GIFT City Branch with the 'Foreign Currency Settlement System', enhancing its payment infrastructure and strengthening its cross-border and foreign currency payment capabilities.

Risk Management

The Bank is exposed to various risks that are inherent in the banking business, with the major risks being credit, market and operational risks. It has established a comprehensive risk management policy for the management of these risks as per the guidelines issued by RBI. In order to enhance the Bank's risk management framework, its processes for risk management include identification, measurement, monitoring and control for which it has formulated various policies specifically dealing with enterprise-wide risk management, credit risk management, operational risk management, market risk management, derivatives, asset liability management and foreign exchange. It has also implemented a defined internal capital adequacy and assessment process, which is submitted to RBI. See also "*Description of the Bank's Assets and Liabilities – Risk Management*".

Credit risk

The Bank is exposed to credit risk from the possibility that a borrower or counterparty may fail to meet its obligations in accordance with agreed terms, principally the failure to make required payments on loans or

obligations due to the Bank. The Bank's credit risk management committee is responsible for implementation of its credit policies approved by its Board and the risk management committee (the "**RMC**") of the Board. The Bank utilizes various risk management tools such as prudential limits, risk rating models, credit audits, loan pricing, portfolio management and conduct self-assessments. It has also set up a stressed assets resolution department in order to monitor high value borrower accounts. It has also established a comprehensive risk rating system for various categories of exposures which serves as a single point indicator of diverse risk factors on the counterparty to facilitate execution of proper and consistent credit decisions. It has a rating cell for assigning internal ratings for all exposures above Rs.0.10 crore. Its rating cell provides comprehensive rating coverage, integrity of rating process and proper data maintenance.

Market risk

Market risk relates to the fluctuations in interest rates, foreign exchange rates or stock prices that can change the value of financial products held by the Bank, leading to a potential loss. The Bank currently follows the 'Standardised Duration Approach' for market risk. It has formulated a well-defined market risk management policy and an organizational structure for market risk management functions, and relies on asset liability management policy and foreign exchange policy as well for managing its market risk.

The Bank has well defined limits for managing mismatches for liquidity as well as interest rate risks. Liquidity risk is measured and managed through gap analysis for maturity mismatches based on residual maturity. Interest rate risk on its entire portfolio is monitored on a regular basis through sensitivity-based measures. The Bank manages its foreign exchange risk by hedging most of its open positions. It manages market risk and asset liability management risk by using various tools such as VaR (value at risk) limits and duration gap analysis.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The Bank has established an operational risk management framework to effectively identify, measure, manage and address operational risks. The Bank computes capital charge on operational risk under the 'Basic Indicator Approach'. Its risk standards provide guidance to business units and support units on baseline internal controls that ensure the safety and soundness of the units operating environment. Further, in order to move towards advanced approaches, the Bank has frameworks for risk control self-assessment and to identify key risk indicators. Its operational risk management focuses on proactive measures in order to ensure business continuity and its adherence to established rules and procedures as well as on security arrangements to protect its physical and IT infrastructure.

Risk management framework for overseas operations

The Bank has put in place separate risk management policies for its overseas branches and Subsidiaries. These country-specific risk policies are based on the host country regulators' guidelines and in line with the practices followed for the Indian operations. The asset liability management policy and all the risk exposures for the overseas branches' and Subsidiaries' operations are monitored centrally at the head office.

Capital Adequacy

The Bank is subject to regulations relating to capital adequacy of banks, which determines the minimum amount of capital it must hold as a percentage of the risk-weighted assets on its portfolio, or capital-to-risk asset ratio ("**CRAR**").

The following table sets forth the Bank's capital adequacy ratios computed as per applicable RBI guidelines for the periods indicated:

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
	(*in Rs. crores, except percentages*)				
Common equity tier I (CET I)	58,660.28	66,193.86	74,794.23	66,427.89	78,777.56
Additional tier I capital	2,852.00	2,801.65	1,500.00	2,852.00	1,500.00
Tier I capital	61,512.28	68,995.52	76,294.23	69,279.89	80,277.56
Tier II capital	8,394.53	10,244.05	13,189.33	10,249.98	11,930.38
Total capital	**69,906.81**	**79,239.57**	**89,483.56**	**79,529.87**	**92,207.94**
Total risk weighted assets	412,078.00	445,961.00	496,849.00	457,372.96	493,353.92
CET I ratio (CET I as a percentage of RWAs) (%)	14.24	14.84	15.05	14.52	15.97
Tier I capital ratio (%) (Tier I capital as a percentage of RWAs)	14.93	15.47	15.36	15.15	16.27
Tier II capital ratio (%) (Tier II capital as a percentage of RWAs)	2.04	2.30	2.65	2.24	2.42
CRAR (%) (Total capital as a percentage of RWAs)	16.96	17.77	18.01	17.39	18.69
Leverage ratio	6.45	6.23	6.13	6.11	6.33
Percentage of the shareholding of Government of India	73.38	73.38	73.38	73.38	73.38
Amount of paid-up equity capital raised during the year	4,500.00	0.00	0.00	0.00	0.00
Amount of non-equity Tier 1 capital raised during the year	0.00	0.00	0.00	0.00	0.00
Amount of Tier 2 capital raised during the year	2,000	2,500.00	2,500.00	0.00	0.00

Note:

Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See "*Supervision and Regulatory*".

Corporate social responsibility

The Bank is deeply committed to, and recognizes the importance of, contributing towards societal welfare.

Corporate social responsibility activities include various welfare and social activities, projects and programmes to raise the quality of life of underprivileged sections of the society. These activities are implemented for addressing larger social causes and addressing sustainability requirements through initiatives involving 'Swachhta Bharat Abhiyan', rural development, environment sustainability, educational programs such as 'Beti Bachao Beti Padhao Abhiyan', extending health care to the underprivileged, socioeconomic development, sanitation, providing drinking water, improving standard of living, skill development, welfare of women, children and economically weaker sections.

The Bank is also continuing its flagship corporate social responsibility activities under brand name 'Star Angel Scheme' for promoting 'Beti Bachao Beti Padhao Abhiyan'. In this program, female students from economically weaker sections receive financial support for meeting specified educational expenses up to graduation.

The Bank has assisted in the health sector by sponsoring health camps for poor and underprivileged citizen. The Bank also provides medical equipment to hospitals catering to underprivileged patients.

Employees

As of 30 June 2026, the Bank had 52,366 employees. The Bank maintains cordial industrial relations with officers' association/ unions of award staff employees. The Bank is a member of the Indian Banks' Association ("**IBA**"), which negotiates with the banking associations/ unions regarding wage revision and service conditions. All member banks provide their mandate to the IBA to negotiate on their behalf with the banking unions and the settlement arrived at by the IBA and the banking unions is binding upon the Bank. These negotiations are usually conducted in five-year cycles and the present agreement in respect of wage revision was made effective from November 1, 2022.

In order to build a skilled, compliant and future ready workforce capable of delivering efficient banking services, the Bank has undertaken various training programs and workshops to impart training to staff. During Fiscal 2026, 23,867 staff members from different cadres participated in various training programmes/ workshops conducted by the Bank's training centres/ knowledge partners. In addition to the regular training programmes by the Bank's training centres, the Bank is also nominating staff for training from reputed external training institutes. For capacity building, the Bank is also encouraging the staff to complete certificate courses in specialised areas by reimbursing the fees on successful completion of such certification courses. The Bank also conducts refresher courses relating to various skills on a regular basis.

The Bank has started providing executive one to one training to officers designated Assistant General Managers rank and higher. The Bank has been conducting specialised training for IT officers in data analytics and IT. The Bank has involved external training institutes for providing customised trainings to enhance capacity building.

The majority of the Bank's officers and employees are members of a recognized union or officers' association. The Bank is party to several collective bargaining agreements/negotiations, in relation to salary, performance incentives and workforce flexibility, which are entered on a regional or industry level. The Bank has also in the past had instances of strikes and work stoppages on account of its employees' unions participating in all India strikes.

Properties

The Bank's registered office and corporate headquarters is located at Star House, C-5, 'G' Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India.

As of 30 June 2026, the Bank had a network consisting of 5,512 domestic branches, 7,685 ATMs and CRMs located throughout India and 21 overseas offices, including GIFT City Branch, located in 15 countries. The value of the Bank's premises as of 30 June 2026 was Rs.9,540.61 crores.

Intellectual property

The Bank's trade name "Bank of India" and Logo

is registered with the Trademarks Registry, Mumbai and the registrations are valid till 19 September 2028 and 4 June 2032, respectively. For

further details, see "*Investment Considerations – Risk Relating to the Bank' Business – The Bank's intellectual property rights may be subject to infringement or the Bank may breach third-party intellectual property rights.*".

Insurance

The Bank maintains its own insurance policies and coverage that it deems to be appropriate. The Bank's standard insurance policies cover for losses of or damage to property including furniture, fixtures, computer hardware, ATMs and vehicles. Cash-in-transit, cash, securities and precious metals and other valuables are covered against theft. In addition, the Bank has also obtained a fidelity policy for employees, as well as directors' and officers' liability insurance to cover the Bank's directors and other key management members. The Bank carries insurance coverage commensurate with its level of operations and risk perception. See also "*Risk Factors — Risk Relating to the Bank's Business — The Bank's insurance coverage may be inadequate to cover all claims. If the Bank incurs a substantial uninsured loss, or a loss that exceeds its insurance coverage, its business, financial condition, results of operations and cash flows could be adversely affected.*".

Legal proceedings

The Group is involved in legal proceedings in India and the other jurisdictions in which it conducts business, both as plaintiff and defendant. The Group is not involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) which may have a material effect on the financial position of the Group. Except as detailed below and to the best of the Bank's knowledge, no litigation, suits, criminal or civil prosecutions or proceedings or tax liabilities are outstanding against the Bank or the Bank's directors that would have a material adverse effect on the Bank's business. Further, except as detailed below, there are no defaults and no unpaid or overdue statutory dues, institutional/bank dues or dues payable to holders of any debentures, bonds or fixed deposits that would have a material adverse effect on the Bank's business.

As at 30 June 2026, 937 cases have been filed against the Bank in relation to the following matters in India:

(i) 35 cases filed against the Bank by customers in civil courts, in which the aggregate amount involved is Rs.7,245.00 million;

(ii) 902 cases filed against the Bank relating to consumer disputes in relation to, *inter alia*, allegations of money being issued against forged cheques, wrongful refusal to sanction certain facilities and wrongful refusal to release fixed deposit receipts/title deeds pledged as security. The total amount claimed against the Bank in these cases is Rs.1001.50 million;

(iii) 9 cases are reported under litigation against the Bank relating to alleged criminal offences;

(iv) No cases were filed against the Bank by statutory/ government authorities.

Apart from the above, the following matters are also pending as at 30 June 2026:

(i) Disputes relating to income tax assessments for various assessment years which involve an aggregate amount of Rs.158,600.78 million. The Bank has made appropriate provisions and recognised the related contingent liabilities in its books of accounts.

(ii) There are 478 suits/ writs filed by employees/ ex-employees pending against the Bank.

(iii) In the Bank's overseas territories there are 1 litigation case pertaining to its Nairobi office (Kenya centre), and involving an amount of Rs. 0.008764 million, for which no provision has been made at the head office level.

Apart from the cases filed against the Bank, the Bank from time to time files cases against persons who are in default, are in breach of their obligations to the Bank or attempt to adversely affect the Bank's interests.

As of 30 June 2026, set out below are the legal proceedings, including tax disputes, against the Bank above the materiality threshold limit of Rs.4,300.00 million, as determined in accordance with the Bank's policy for determination of materiality of events and information framed in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(a) The Bank has filed appeal before the Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**") against the assessment order under Section 143(3) read with section 144B of the Income Tax Act, 1961 ("**Act**") for the assessment year 2022-23. The Bank has filed such appeal on the grounds that the Assistant Commissioner of Income Tax, NFAC had erred in disallowing various deductions claimed by the Bank. The impugned order *inter alia* (i) disallowed amortization of lease premium (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iii) disallowance of provision for country risk (iv) amortisation of share issue expenses (v) disallowance of unrealized interest on bad and doubtful debt accounts (vi) disallowance of bad debt written off (vii) excess deduction under Section 36(1)(viia) and (viii) Applicability of provisions of Section 115JB (MAT). The CIT(A) has passed order dated 27 March, 2026 on the said issues in favour of the Bank except for the following issues (i) disallowed amortization of lease premium (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iii) disallowance of provision for country risk and (iv) excess deduction under Section 36(1)(viia) for which Bank has filed appeal to Income Tax Appellate Tribunal, Mumbai ("**ITAT**"). For the remaining issues decided in favour of the Bank the Income Tax Department has filed appeal to ITAT. The above issues involve aggregate amount of Rs. 8,109.99 million. The matter is currently pending before the ITAT.

(b) The Bank has filed appeal before the Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**") against the assessment order under Section 143(3) read with section 144B of the Income Tax Act, 1961 ("**Act**") for the assessment year 2021-22. The Bank has filed such appeal on the grounds that the Assistant Commissioner of Income Tax, NFAC had erred in disallowing various deductions claimed by the Bank. The impugned order *inter-alia* (i) disallowed amortization of lease premium (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iii) amortization of premium paid on securities in HTM categories (iv) disallowance of interest on innovative perpetual bond (v) disallowance of unrealized interest on bad and doubtful debt accounts (vi) disallowance of bad debt written off (vii) addition on account of claim of valuation loss on securities held as stock in trade (viii) disallowance of penalty imposed by RBI (ix) disallowance of prior period expenses and (xii) Applicability of provisions of Sec. 115JB (MAT). The CIT(A) has passed order dated February 16, 2026 on the said issues in favour of the Bank except for the two issues (i) disallowed amortization of lease premium and (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act for which Bank has filed appeal to Income Tax Appellate Tribunal, Mumbai ("**ITAT**"). For the remaining issues decided in favour of the Bank the Income Tax Department has filed appeal to ITAT. The above issues involve aggregate amount of Rs. 5207.30 million. The matter is currently pending before the ITAT.

(c) The Bank has received the order under section 270A of the Income Tax Act, 1961 ("**Act**") from the Income Tax Department, Assessment Unit pertaining to assessment year ("**AY**") 2018-19, wherein the penalty of Rs. 5,644.40 million has been imposed on various disallowances made. The Bank has filed appeal before Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**"), under Section 246A of the Act against the said order. The CIT(A) disposed off the appeals in favour of the Bank vide orders dated February 12, 2026 by cancelling the penalties levied on the Bank for AY 2018-19. The Income Tax

Department has filed appeal with Income Tax Appellate Tribunal, Mumbai ("**ITAT**"). The matter is currently pending before the ITAT.

(d) The Bank has filed appeal before the Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**") against the assessment order of the Assistant Commissioner of Income Tax, NFAC, under Section 143(3) of the Income Tax Act, 1961 ("**Act**") for the assessment year 2017-18. The Bank has filed such appeal on the ground that the Assistant Commissioner of Income Tax, NFAC had erred in disallowing various deductions claimed by the Bank. The impugned order inter-alia (i) disallowed expenditure incurred to earn exempt income under Section 14A of the Act (ii) disallowed amortization of lease premium (iii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iv) amortization of premium paid on securities in HTM categories (v) disallowance of interest on innovative perpetual bond (vi) disallowance of unrealized interest on bad and doubtful debt accounts (vii) disallowance on account of loss on sale of NPA accounts to asset reconstruction company (viii) disallowance of bad debt written off (ix) addition on account of claim of valuation loss on securities held as stock in trade (x) disallowance of penalty imposed by RBI (xi) disallowance of interest accrued but not due and (xii) Applicability of provisions of Sec. 115JB (MAT). The above issues involve aggregate amount of Rs. 24,776.00 million. The matter is currently pending before the CIT(A).

(e) The Bank has received the order under section 271(1)(c) of the Income Tax Act, 1961 ("**Act**") from the Income Tax Department, Assessment Unit pertaining to assessment year ("**AY**") 2016-17, wherein the penalty of Rs. 11,277.20 million has been imposed on various disallowances made. The Bank has filed appeal before Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**") under Section 246A of the Income-Tax Act, 1961 against the said order. The CIT(A), disposed-off the appeals in favour of the Bank vide orders dated February 12, 2026 by cancelling the penalties levied on the Bank for AY 2016-17. The Income Tax Department has filed appeal with Income Tax Appellate Tribunal, Mumbai ("**ITAT**"). The matter is currently pending before the ITAT.

(f) The Bank has filed appeal before the Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**") against the assessment order under Section 143(3) read with section 144B of the Income Tax Act, 1961 ("**Act**") for the assessment year 2015-16. The Bank has filed such appeal on the grounds that the Assistant Commissioner of Income Tax, NFAC had erred in disallowing various deductions claimed by the Bank. The impugned order inter-alia (i) disallowed amortization of lease premium (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iii) amortization of premium paid on securities in HTM categories (iv) disallowance of interest on innovative perpetual bond (IPDI) (v) disallowance of Broken Period Interest paid on purchase of securities (vi) disallowance of bad debt written off (vii) disallowance of provision for wage arrears (viii) disallowance under Section 14A of the Act and (ix) applicability of provisions of Section 115JB (MAT). The CIT(A) has passed order dated January 31, 2019 on the said issues in favour of the Bank except for the issues of (i) disallowed amortization of lease premium and (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act (iii) disallowance of bad debt written off (iv) disallowance of interest on innovative perpetual bond for which Bank has filed appeal to Income Tax Appellate Tribunal, Mumbai ("**ITAT**"). The ITAT passed order dated December 20, 2020, wherein all the issue are allowed except for disallowance of interest on IPDI. The matter has been set aside to CIT(A) for *de novo* adjudication. For the remaining issues of (i) disallowed amortization of lease premium (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act and (iii) applicability of provisions of Section 115JB (MAT), decided against Bank by ITAT, the Bank has filed appeal with Hon'ble Bombay High Court. The said issues involve aggregate amount of Rs. 19,194.94 million. The matter is currently pending.

(g) The Bank has filed appeal before the Income Tax Appellate Tribunal, Mumbai ("**ITAT**") against the order under Section 263(3) of the Income Tax Act, 1961 ("**Act**") for the assessment year 2015-16 on the issue of bad debts written off under Section 36(1)(viia) of the Act. The ITAT decided the appeal in favour of the Bank. The Income Tax Department has filed appeal with Hon'ble Bombay High Court challenging the said order by the ITAT. The said issues involve aggregate amount of Rs. 9,093.84 million. The matter is currently pending before the Hon'ble Bombay High Court.

(h) The Bank has filed appeal before the Commissioner of Income Tax (Appeals), NFAC ("**CIT(A)**") against the order passed by the assessing officer for the assessment year 2014-15 on the issues of (i) disallowance under Section 14A of the Act (ii) addition on account of exclusion of profits of foreign branches under Section 90 of the Act and (iii) disallowance of provision for wage revision. The said issues involve aggregate amount of Rs. 4,865.41 million. The matter is currently pending before the CIT(A).

(i) The Bank has filed appeal before the Income Tax Appellate Tribunal, Mumbai ("**ITAT**") against the order passed by the Income Tax Department under Section 263(3) of the Income Tax Act, 1961 ("**Act**") for the assessment year 2014-15 on the issue of dad debts written off under Section 36(1)(viia) of the Act. The ITAT decided the appeal in favour of the Bank. The Income Tax Department has filed appeal with Hon'ble Bombay High Court for the said issue. The said issues involve aggregate amount of Rs. 6,391.50 million. The matter is currently pending before the Hon'ble Bombay High Court.

Subsidiaries, joint venture and associates

The following describes certain information regarding the Bank's subsidiaries, associates and joint ventures as of 31 March 2026:

	Primary operations	**Bank's ownership**	**Investment**	**Net profit (after tax)**
		(%)	*(in Rs. crores)*	*(in Rs. crores)*
Subsidiaries				
BOI Services Limited (*formerly known as BOI Shareholding Limited*)	Manage clearinghouse of BSE Limited	100.00	6.65	6.71
Bank of India Investment Managers Private Limited	Investment managers	100.00	98.10	4.87
Bank of India Trustees Services Private Limited	Trustee services	100.00	0.0002	(0.01)
BOI Merchant Bankers Limited	Merchant banking	100.00	10.00	0.90
PT Bank of Indonesia Tbk	Banking	90.96	1,795.41	32.61
Bank of India (Tanzania) Limited	Banking	100.00	70.22	13.82
Bank of India (New Zealand) Limited	Banking	100.00	176.91	3.09
Bank of India (Uganda) Limited	Banking	100.00	255.92	52.00
Associates				
Madhya Pradesh Gramin Bank	Banking	35.00	915.85	335.72
Indo-Zambia Bank Limited	Banking	20.00	47.59	376.86
STCI Finance Limited	Non-banking financial company	29.96	130.10	165.43
ASREC (India) Ltd	Acquisition of distressed assets from Indian banks	26.02	27.60	29.03

	Primary operations	Bank's ownership	Investment	Net profit (after tax)
		(%)	*(in Rs. crores)*	*(in Rs. crores)*
Joint ventures				
Star Union Dai Ichi Life Insurance Co. Limited	Life insurance	27.48	132.92	581.06

Regional rural banks

The Bank, along with the Government and state governments, sponsors one regional rural bank ("**RRB**"), namely Madhya Pradesh Gramin Bank ("**MPGB**"), located in Madhya Pradesh, India. As of 31 March 2026, MPGB operated in 55 districts through a network of 1,320 branches and had a business mix of Rs.58,954.38 crores as at 31 March 2026. The Bank provides necessary managerial and administrative support to MPGB. All branches and administrative offices of MPGB are on the CBS platform, with system-generated report facility, and MPGB is enabled on RTGS (Real-Time Gross Settlement), NEFT (National Electronic Funds Transfer) and ATM platforms

The table below sets forth the aggregate deposits and advances of the sponsored RRBs and combined net profit for periods indicated:

	As of 31 March		
	2024	**2025**	**2026**
		(in Rs. crores)	
Aggregate deposits	61,844.16	65,018.14	34,478.48
Advances	42,921.64	46,118.20	24,475.90
Combined net profit.....	351.53	215.23	335.72

DESCRIPTION OF THE BANK'S ASSETS AND LIABILITIES

Asset quality and composition

Assets

The total assets of the Bank increased by 14.24% from Rs.912,597.92 crores as of 31 March 2024 to Rs.1,042,581.95 crores as of 31 March 2025 and further by 11.59% to Rs.1,163,432.79 crores as of 31 March 2026. Its total assets increased by 11.79% from Rs.1,067,360.29 crores as of 30 June 2025 to Rs.1,193,200.04 crores as of 30 June 2026.

The Bank's loan portfolio increased by 15.36% from Rs.563,144.67 crores as of 31 March 2024 to Rs. 649,657.04 crores as of 31 March 2025 and further by 17.04% to Rs.760,334.88 crores as of 31 March 2026. Its loan portfolio increased by 19.70% from Rs. 657,753.85 crores as of 30 June 2025 to Rs.787,340.09 crores as of 30 June 2026.

Investments have increased by 14.07% from Rs.227,144.47 crores as of 31 March 2024 to Rs.259,111.80 crores as of 31 March 2025 and further by 3.67% to Rs.268,629.30 crores as of 31 March 2026. Its investments decreased by 0.80% from Rs.271,724.07 crores as of 30 June 2025 to Rs.269,541.09 crores as of 30 June 2026.

The following table sets out the assets of the Bank as of the dates indicated below.

	As of 31 March		
	2024	**2025**	**2026**
		(in Rs. crores)	
Assets			
Cash and balance with RBI	38,556.27	51,730.43	47,300.07
Balance with banks and money at call and short notice	44,380.86	48,550.48	51,604.79
Investments	227,144.47	259,111.80	268,629.30
Advances	563,144.67	649,657.04	760,334.88
Fixed Assets	10,226.46	11,938.71	11,749.34
Other Assets	29,145.19	21,593.49	23,814.41
Total Assets	912,597.92	1,042,581.95	1,163,432.79

	As of 30 June	
	2025	**2026**
	(in Rs. crores)	
Assets		
Cash and balance with RBI	51,585.33	47,089.01
Balance with banks and money at call and short notice	52,752.56	55,035.94
Investments	271,724.07	269,541.09
Advances	657,753.85	787,340.09
Fixed Assets	11,974.25	11,648.52

	As of 30 June	
	2025	**2026**
	(in Rs. crores)	
Other Assets	21,570.23	22,545.39
Total Assets	1,067,360.29	1,193,200.04

The following table sets out the advances of the Bank as of the dates indicated below:

			As of 31 March		
			2024	**2025**	**2026**
				(in Rs. crores)	
A.	i.	Bills purchased and discounted	42,903.28	43,731.09	52,488.19
	ii.	Cash credits, overdrafts and loans repayable on demand	212,318.91	255,489.83	283,071.80
	iii.	Term loans	307,922.48	350,436.12	424,774.89
		Total	563,144.67	649,657.04	760,334.88
B.		**Particulars of advances:**			
	i.	Secured by tangible assets (includes advances against book debts)	394,320.37	466,015.90	554,230.12
	ii.	Covered by bank/government guarantees	55,287.14	37,988.07	40,198.96
	iii.	Unsecured	113,537.16	145,653.07	165,905.80
		Total	563,144.67	649,657.04	760,334.88
C.		**Sectoral classification of advances**			
	I.	**Advances in India**			
	i.	Priority sector	168,917.37	199,570.80	249,149.64
	ii.	Public sector	130,209.44	125,742.87	140,588.05
	iii.	Banks	14,223.17	14,658.31	3,997.33
	iv	Others	156,856.22	207,495.78	249,599.59
		Total (C-I)	470,206.20	547,467.76	643,334.61
	II.	**Advances outside India**			
	i.	Due from banks	38,073.19	36,787.08	35,708.58
	ii.	Due from others:			
	a.	Bills purchased and discounted	10,282.61	7,424.23	9,421.81
	b.	Syndicated loans	23,757.75	40,880.67	52,241.55
	c.	Others	20,824.92	17,097.30	19,808.33

		As of 31 March		
		2024	2025	2026
			(in Rs. crores)	
	Total (C-II)	92,938.47	102,189.28	117,000.27
	Total (C-I + C-II)	563,144.67	649,657.04	760,334.88

			As of 30 June	
			2025	2026
			(in Rs. crores)	
A.	i.	Bills purchased and discounted	45,383.72	56,101.55
	ii.	Cash credits, overdrafts and loans repayable on demand	254,666.09	300,884.88
	iii.	Term loans	357,704.04	430,353.66
		Total	**657,753.85**	**787,340.50**
B.		**Particulars of advances:**		
	i.	Secured by tangible assets (includes advances against book debts)	480,299.83	572,788.40
	ii.	Covered by bank/government guarantees	36,605.28	43,849.46
	iii.	Unsecured	140,848.74	170,702.23
		Total	**657,753.85**	**787,340.09**
C.		**Sectoral classification of advances**		
	I.	**Advances in India**		
	i.	Priority sector	215,346.83	254,335.14
	ii.	Public sector	128,321.96	137,691.83
	iii.	Banks	9,807.16	1,001.06
	iv.	Others	197,305.52	270,484.77
		Total (C-I)	**550,781.47**	**663,512.80**
	II.	**Advances outside India**		
	i.	Due from banks	34,406.55	36,298.32
	ii.	Due from others:		
	a.	Bills purchased and discounted	9,329.36	11,243.73
	b.	Syndicated loans	46,118.39	52,339.65
	c.	Others	17,118.08	23,945.58
		Total (C-II)	**106,972.38**	**123,827.28**
		Total (C-I + C-II)	**657,753.85**	**787,340.09**

Loan portfolio

The table below sets out the Bank's loan portfolio as at the dates indicated below:

	As at 31 March			As at 30 June
	2024	2025	2026	2026
		(in Rs. crores)		*(in Rs. crores)*
Gross advances	585,482.19	666,047.44	771,390.93	797,775.04
Provision for non-performing advances	22,337.51	16,390.40	11,056.05	10,434.96
Net advances	563,144.68	649,657.04	760,334.88	787,340.08

The Bank follows a strategy of building a diversified asset portfolio and limiting its exposure to particular sectors or borrowers. As of 31 March 2026, the largest exposure was to the infrastructure industry. Other sectors that constituted a significant portion include iron, steel and other metal products, chemicals, dyes, paints, electricity and petroleum. The table below sets out the Bank's gross domestic loan portfolio in terms of industry concentration as of the dates indicated below:

	As of 31 March					
	2025		2026		As of 30 June 2026	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(in Rs. crores)	*(%)*	*(in Rs. crores)*	*(%)*	*(in Rs. crores)*	*(%)*
Coal	302.94	0.05	396.05	0.06	416.29	0.06
Mining	5,218.19	0.93	4,435.70	0.68	4,263.01	0.63
Iron and steel	32,422,.38	5.75	30,573.95	4.67	31,873.57	4.73
Other metal and metal products	1,138.25	0.20	1,899.96	0.29	1,904.04	0.28
All engineering	11,938.80	2.12	14,377.72	2.20	16,649.75	2.47
Of which electronics	1,141.54	0.20	1,259.47	0.19	1,285.27	0.19
Electricity	31,499.81	5.59	29,342.47	4.48	30,654.05	4.55
Cotton textiles	4,821.37	0.86	5,220.68	0.80	5,324.89	0.79
Jute textiles	203.73	0.04	217.65	0.03	224.45	0.03
Other textiles	5,042.15	0.89	5,525.67	0.84	5,674.84	0.84
Sugar	2,625.67	0.47	446.08	0.07	441.02	0.07
Tea	—	—	—	—	—	—
Food processing	8,056.00	1.43	3,214.45	0.49	3,400.00	0.50
Vegetable Oil and vanaspati	1,090.37	0.19	397.81	0.06	567.08	0.08
Tobacco and tobacco products	216.09	0.04	227.32	0.03	238.41	0.04
Paper and paper products	1,691.19	0.30	1,682.78	0.26	2,273.16	0.34
Rubber and rubber products	5,946.04	1.06	6,306.48	0.96	6,354.76	0.94
Chemicals, dyes, paints, etc	13,214.12	2.34	12,161.99	1.86	12,526.52	1.86
Of which fertilisers	5,311.99	0.94	3,913.80	0.60	4,349.77	0.65
Of which petro-chemicals	1,864.58	0.33	2,493.86	0.38	2,445.92	0.36
Of which drugs and pharmaceuticals	4,609.32	0.82	4,232.31	0.65	4,079.10	0.61

	As of 31 March				As of 30 June 2026	
	2025		2026			
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(in Rs. crores)	*(%)*	*(in Rs. crores)*	*(%)*	*(in Rs. crores)*	*(%)*
Cement	1,468.62	0.26	1,545.53	0.24	1,574.49	0.23
Leather and leather products	873.20	0.15	939.57	0.14	943.46	0.14
Gems and jewellery	9,022.75	1.60	8,901.38	1.36	8,704.40	1.29
Construction	8,225.43	1.46	7,825.08	1.20	8,072.02	1.20
Petroleum	16,024.21	2.84	19,642.28	3.00	17,177.26	2.55
Automobiles including trucks	3,107.44	0.55	3,446.82	0.53	5,011.26	0.74
Infrastructure	90,233.02	16.01	92,349.61	14.11	93,103.98	13.82
Of which power	49,074.70	8.71	54,646.44	8.35	55,412.33	8.22
Of which telecommunications	439.76	0.08	462.80	0.07	244.69	0.04
Of which roads and ports	25,333.23	4.50	22,205.18	3.39	22,883.36	3.40
Other Industries	4,146.42	0.74	4,022.78	0.61	4,171.73	0.62
Residuary other advances (to balance with gross advances)	217,247.00	38.55	309,978.00	47.38	321,588.00	47.73
Total	563,550.00	100.00	654,292.00	100.00	673,833.00	100.00

The largest borrower as of 31 March 2026 accounted for approximately 1.56% of the Bank's total exposure. As of the same date, the top 10 individual borrowers in the aggregate accounted for approximately 10.79% of total exposure.

The largest borrower as of 30 June 2026 accounted for approximately 1.50% of the Bank's total exposure. As of the same date, the top 10 individual borrowers in the aggregate accounted for approximately 10.83% of total exposure.

Loans by segments

The following table sets forth the Bank's advances by segment as of 31 March 2024, 2025 and 2026 and 30 June 2026:

Segment	As of 31 March						As of 30 June	
	2024		2025		2026		2026	
	(in Rs. crores)	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*
Agriculture	84,555.00	14.44%	98,338.00	14.76%	114,593.00	14.86%	115,782.00	14.51%
MSME (priority and non-priority)	76,559.00	13.07%	90,639.00	13.61%	106,660.00	13.83%	110,881.00	13.90%
Retail credit	111,484.00	19.04%	133,699.00	20.07%	162,025.00	21.00%	166,170.00	20.83%
Corporate	219,794.00	37.53%	240,874.00	36.16%	271,014.00	35.13%	281,000.00	35.22%
Total domestic	492,392.00	84.08%	563,550.00	84.60%	654,292.00	84.82%	673,833.00	84.46%
Foreign	93,203.00	15.92%	102,497.00	15.40%	117,099.00	15.18%	123,942.00	15.54%
Total	**585,595.00**	**100.00%**	**666,047.00**	**100.00%**	**771,391.00**	**100.00%**	**797,775.00**	**100.00%**

Classification of assets and provisioning

The Bank classifies its loans and other assets in compliance with RBI guidelines. The following describes the various RBI loan classifications as well as the RBI's provisioning guidelines for such categories:

Classification	Description	Provision
Standard	A standard asset is a performing asset which does not entail any issues and does not carry more than the normal risk attached to the Bank's business. A performing asset is one which generates income for the Bank.	A general provision on a standard asset of a minimum of 0.40% is to be made with the following exceptions: (i) farm credit to the agriculture activities, individual housing loans and small and micro enterprise ("**SME**") sectors at 0.25%; (ii) advances to the commercial real estate ("**CRE**") sector at 1.00%; (iii) advances to CRE — the residential housing sector at 0.75%; (iv) housing loans at teaser rates (i.e. at comparatively lower rates of interest in the first few years) at 2.00%. The provisioning on these assets would revert to 0.40% after one year from the date on which the rates are reset at higher rates if the accounts remain standard; and (v) restructured advances – In case of a delayed implementation of resolution plan, an additional provision is to be made as 20% of total outstanding, if the resolution plan is not implemented within 180 days from the end of review period, and 15.00% (i.e. total additional provisioning of 35.00%) if the resolution plan is not implemented within 365 days from the commencement of review period. The review period is as defined in the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025. The Bank has the option of reversing such provisions in accordance with the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025; (vi) All other loans and advances not included in (i) – (v) above at 0.40%.

Classification	Description	Provision
		It is clarified that the medium enterprises will attract 0.40% standard asset provisioning. These provisions are eligible for accounting as Tier II capital for capital adequacy purposes up to the permitted extent.
Sub-standard	A sub-standard asset is one which has remained as a NPA for a period of less than or equal to 12 months.	A general provision of 15.00% on a total outstanding loan is to be made without making any allowance for any guarantee covered by the Export Credit Guarantee Corporation of India ("**ECGC**") guarantee cover and the securities available. Unsecured exposures which are identified as sub-standard would attract an additional provision of 10.00% (i.e. a total of 25.00% on the outstanding balance). However, in view of certain safeguards such as escrow accounts available in respect of infrastructure lending, infrastructure loan accounts which are classified as sub-standard will attract a provisioning of 20.00% instead of the aforesaid prescription of 25.00%. To avail of this benefit of lower provisioning, there must be in place an appropriate mechanism to escrow the cash flows and also have a clear and legal first claim on these cash flows. Unsecured exposure is defined as an exposure where the realisable value of a security, as assessed by the Bank/ approved valuers/ the RBI's inspecting officers, is not more than 10.00%, *ab initio*, of the outstanding exposure. The exposure shall include all funded and non-funded exposures (including underwriting and similar commitments). Security means tangible security properly discharged to the Bank and will not include intangible security such as guarantees and comfort letters.
Doubtful	An account is classified as doubtful if it has remained in the sub-standard category for a period of 12 months. An NPA where realisable value of the security is less than 50% of the value assessed by the Bank or accepted by the RBI at the time of last inspection, as the case may be,	Bank is required to make provisions of 100.00% of the extent to which the advance is not covered by the realisable value of the security to which the Bank has a valid recourse and the realisable value is estimated on a realistic basis. With regard to the secured portion, provision is to be made at rates ranging from 25.00% to 100.00% of the secured portion depending on the period for

Classification	Description	Provision
	is classified under doubtful category.	which the advance has remained in the doubtful category as detailed below: Up to one year 25.00% One to three years 40.00% More than three years 100.00%
Loss asset	Loss asset is one where the loss has been identified by the Bank, internal auditors, external auditors or inspectors of RBI, but the amount has not been written off wholly by the Bank. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value. If the realisable value of the security, as assessed by the Bank / approved valuers / the RBI is less than 10% of the outstanding in the borrowal accounts, the existence of security is to be ignored and the asset is to be straightaway classified as loss asset.	Any loss asset is to be written off. If a loss asset is permitted to remain in the book for any reason, 100.00% of the net outstanding loan is to be provisioned.

Under the RBI guidelines, an NPA is a loan or an advance where:

- interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan;
- the account remains 'out of order' in respect of an overdraft/ cash credit;
- a working capital borrowal account where irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory;
- the bill remains overdue for a period of more than 90 days in case of bills purchased and discounted;
- an account where the regular / ad hoc credit limits have not been reviewed / renewed within 180 days from the due date / date of ad hoc sanction;
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops;
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops;

- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025;
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment.

  Provided that in cases where the contract provides for settlement of the current mark-to-market value of a derivative contract before its maturity, only the current credit exposure (not the potential future exposure) must be classified as a non-performing asset after an overdue period of 90 days;

  Provided further that in cases where a bank partially or fully terminates the derivative contract before maturity, at their discretion, based on preference of the clients to reduce the notional exposure of the hedging derivative contract, and the bank permitted payment in instalments of the crystallized Mark to Market (MTM) of such derivative contracts (including forex forward contracts), the receivable must be classified as nonperforming asset: (i) if the amount becomes overdue for 90 days from the date of partial / full termination of the derivative contract; or (ii) if the amount becomes overdue for 90 days from the due date of payment of subsequent instalments.
- a credit card account where the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

The following table sets forth the classification of gross loan assets of the Bank as of the dates indicated:

	As of 31 March			As of 30 June
	2024	**2025**	**2026**	**2026**
	(in Rs. crores)			
Standard	556,412.13	644,298.55	756,084.91	783,321.50
Non-Performing	29,182.77	21,748.89	15,306.02	14,453.54
Sub-Standard	4,633.65	4,484.69	4,419.63	4,453.67
Doubtful	12,401.91	9,178.43	8,114.25	7,441.17
Loss	**12,147.21**	**8,085.77**	**2,772.14**	**2,558.70**

The following table sets forth, for the periods indicated, information about the Bank's NPAs:

	For the financial year ended 31 March			For the quarter and three months ended 30 June
	2024	**2025**	**2026**	**2026**
	(in Rs. crores, except percentages)			*(in Rs. crores, except percentages)*
Gross NPAs	29,182.77	21,748.89	15,306.02	14,453.54
Provisions for NPAs	22,337.51	16,390.40	11,056.03	10,434.95
Net NPAs	6,845.26	5,358.49	4,249.99	4,018.59

	For the financial year ended 31 March			For the quarter and three months ended 30 June
	2024	2025	2026	2026
	(in Rs. crores, except percentages)			*(in Rs. crores, except percentages)*
Gross advances	585,594.90	666,047.44	771,390.93	797,775.04
Net advances	563,144.67	649,657.04	760,334.88	787,340.11
Gross NPAs as a percentage of gross advances	4.98%	3.27%	1.98%	1.81%
Net NPAs as a percentage of net advances	1.22%	0.82%	0.56%	0.51%

The following table sets forth the Bank's net and gross NPA ratios for its Indian and overseas operations as of the periods indicated:

	As of 31 March						As of 30 June	
	2024		2025		2026		2026	
	Gross NPA Ratio	Net NPA Ratio	Gross NPA Ratio	Net NPA Ratio	Gross NPA Ratio	Net NPA Ratio	Gross NPA Ratio	Net NPA Ratio
	(%)							
Indian operations	5.85	1.44	3.79	0.96	2.32	0.65	2.12	0.60
Overseas operations	038	0.10	0.38	0.08	0.13	0.05	0.13	0.03
Total ratio	4.98	1.22	3.27	0.82	1.98	0.56	1.81	0.51

The table below sets out the Bank's provisions for possible credit losses as at the dates indicated:

	As of 31 March			As of 30 June
	2024	2025	2026	2026
	(in Rs. Crores, except percentages)			
Provisioning for the following classes of assets				
Standard	4,847.64	4,474.28	4,627.01	4,423.70
Non-Performing	22,337.51	16,390.40	11,056.03	10,434.95
Sub-Standard	923.21	1,229.08	2,154.20	2,197.48
Doubtful	9,267.09	7,075.55	6,129.69	5,319.45
Loss	12,147.21	8,085.77	2,772.14	2,918.02
Total provision for NPAs	22,337.51	16,390.40	11,056.03	10,434.95

	As of 31 March			As of 30 June
	2024	2025	2026	2026
	(in Rs. Crores, except percentages)			
Provision held for NPAs as percentage of gross advances	3.81%	2.46%	1.43%	1.31%
Provision held for NPAs as percentage of gross NPAs	76.54%	75.36%	72.23%	72.20%

The Bank is committed to efficiently managing and reducing its NPAs and has initiated various measures to do so. The Bank's strategy is to continue to reduce its NPAs through, among other things, the procedures available under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interests Act, 2002 ("**SARFAESI Act**"), sales of collateral, restructurings, write-offs or sales to asset reconstruction companies, non-bank financial companies or banks. The Bank implemented an 'action taken report mechanism' to monitor all NPA accounts outstanding of Rs.1.00 crore and above at the Head Office level. Accounts are identified for compromise settlements and negotiated at the head office or a zonal office or at the national banking group office and approved in accordance with the Bank's NPA management policy. The Bank has also set up a corporate debt restructuring cell at its head office for restructuring eligible accounts.

Enforcement of security interests under the SARFAESI Act

In order to assist banks and financial institutions in recovering their NPAs and to ensure financial discipline among borrowers, the Government enacted the SARFAESI Act in December 2002. The SARFAESI Act provides the legal framework for:

- the securitisation of financial assets by setting up a securitisation company ("**SC**");
- the reconstruction of financial assets through an SC or a reconstruction company ("**RC**"); and
- the foreclosure of NPA accounts by enforcement of the security interest without the intervention of the courts.

Pursuant to the SARFAESI Act, a bank which is a secured creditor may, in respect of loans classified as NPAs, give notice in writing to the borrower or the guarantor (as applicable) requiring it to discharge its liabilities within 60 days, failing which and in the absence of any satisfactory objections or representations made by the borrower or the guarantor, such secured creditor may take the following measures to recover the amount outstanding:

- taking possession of the secured assets, including the right to transfer these assets by way of lease, assignment or sale to realise the secured loans;
- taking over the management of the business, including the right to transfer the secured assets by way of lease, assignment or sale to realise the secured loans;
- appointing any person to manage the secured assets after taking possession; or
- advising any person who has acquired any of the secured assets from the borrower, and from whom any money is due or may become due to, to pay the purchase money directly to the banks and institutions.

If required, the secured creditors may request the chief metropolitan magistrate or the district magistrate to take possession of a part or the whole of the secured assets and other related documents and forward the assets and documents to the secured creditors. The sale proceeds, if any, would first be utilised to meet all the expenses

incurred in enforcement of the security interest and then for payment of dues to the secured creditors. The remaining amount, if any, would be paid to the other parties in accordance with their rights and interests.

In the event that the dues are not fully recovered by the sale of the secured assets, the secured creditors may file an application in the district or civil court, depending upon the amount to be recovered, for the remaining dues. The secured creditors are also entitled to proceed against any guarantors and to sell the charged assets independently of their action for enforcement of the security interest.

As of 30 June 2026, the Bank had issued notices under the SARFAESI Act to 6,755 borrowers with an aggregate principal outstanding of Rs.17,624.00 crores. Of the 6,755 borrowers on whom the Bank had served notice, during the quarter and three months ended 30 June 2026, 122 borrowers have approached the Bank for settlement of outstanding debts. As of 30 June 2026, the Bank has seized assets of 944 borrowers under the SARFAESI Act and applied for DM permission in the account of 3,291 borrowers. The Bank has been applying all available methods for the recovery of unpaid advances, including reporting the name of wilful defaulters to RBI together with commencing the necessary steps for recovery. The Bank has also pursued one-time settlement measures to recover unpaid loans.

Insolvency and Bankruptcy Code, 2016

The fulcrum of a robust and resilient banking sector is a comprehensive bankruptcy regime. It enables a sound debtor-creditor relationship by protecting the rights of both, by promoting predictability and by ensuring efficient resolution of indebtedness. It is an effective tool in NPA management in India and in order to tackle the problems of rising NPA, the Government of India enacted the Insolvency and Bankruptcy Code, 2016 ("**IBC**") on 28 May 2016.

The institutional infrastructure under the IBC rests on four pillars:

Insolvency professionals

They assist in the completion of insolvency resolution, liquidation and bankruptcy proceedings and are governed by 'Insolvency Professional Agencies', who develop professional standards and a code of ethics as first-level regulators.

Information utilities

They collect, collate, authenticate and disseminate financial information. They maintain electronic databases on lenders and terms of lending, thereby eliminating delays and disputes when a default actually takes place.

Adjudicating authorities

There are two adjudicating authorities, the National Company Law Tribunal ("**NCLT**") and Debt Recovery Tribunal ("**DRT**"). NCLT is the forum where cases relating to insolvency of corporate persons are heard, while DRT is the forum for insolvency proceedings relating to individuals and partnership firms. These institutions, along with their Appellate bodies, namely, the National Company Law Appellate Tribunal ("**NCLAT**") and the Debt Recovery Appellate Tribunal ("**DRAT**") respectively seek to achieve the smooth function of the bankruptcy process.

The Insolvency and Bankruptcy Board of India ("IBBI")

This body has regulatory oversight over insolvency professionals, insolvency professional agencies and information utilities.

Procedure

Under the provisions of the IBC, an insolvency resolution can be triggered at the first instance of default and the process of an insolvency resolution has to be completed within the stipulated time limit. A plea for insolvency is submitted to the adjudicating authority (NCLT in the case of corporate debtors) by financial or

operational creditors or the corporate debtor itself. The maximum time allowed to either accept or reject the plea is 14 days, this time limit is mandatory in nature. In addition, the NCLT is required to record reasons for not passing orders within 14 days of receipt of the application. If the plea is accepted, the tribunal has to appoint an Insolvency Resolution Professional ("**IRP**") to draft a resolution plan within 180 days (extendable by 90 days and further by 60 days resulting to total time limit of 330 days for resolution). Following which, the corporate insolvency resolution process ("**CIRP**") is initiated by the court. For the said period, the board of directors of the company stands suspended, and the promoters do not have a say in the management of the company. The IRP, if required, can seek the support of the company's management for day-to-day operations. If the IRP fails in reviving the company the liquidation process is initiated, the adjudicating authority is required to pass a liquidation order within 30 days from the date of receipt of the intimation or application to initiate the liquidation process. If no order is passed within this period, it must record the reasons for such delay in writing.

For individuals, the IBC provides for two distinct processes, namely, "Fresh Start" and "Insolvency Resolution", and it lays down the eligibility criteria for these processes. The IBC also establishes a fund — the Insolvency and Bankruptcy Fund of India — for the purposes of insolvency resolution, liquidation and the bankruptcy of persons. The provisions pertaining to insolvency of individuals have not been notified.

On the distribution of proceeds from the sale of assets, the first priority is accorded to the costs of insolvency resolution and liquidation, followed by the secured debt together with workers' dues for the preceding 24 months. Central and State Government dues are ranked lower in priority. The IBC proposes a paradigm shift from the existing 'debtor in possession' to a 'creditor in control' regime. Priority accorded to secured creditors is advantageous for entities such as banks.

On 19 January 2018, the Parliament passed the Insolvency and Bankruptcy Code (Amendment) Bill, 2017. The amendments aim to keep out such persons who have wilfully defaulted, are associated with non-performing assets, or are habitually non-compliant and, therefore, are likely to be a risk to a successful resolution of insolvency of a company.

The Parliament has further passed the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2018 and accordingly the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 has been deemed to come into force from 6 June 2018. This amendment has revised the norms pertaining to enforcement of third party security which has to be provided by the corporate debtor. Further, the voting threshold has been brought down to 66.00% from 75.00% for all major decisions such as approval of resolution plans and extension of corporate insolvency resolution process period. Further, in order to facilitate the corporate debtor to continue as a going concern during the corporate insolvency resolution process, the voting threshold for routine decisions has been reduced to 51.00% This amendment provides a relief to home buyers who are now to be treated as financial creditors and therefore will be able to decide the future of defaulting builders alongside their lenders.

There have been subsequent amendments to the IBC including the latest amendment, i.e., the Insolvency and Bankruptcy Code (Amendment) Act, 2026. The amendments are designed to minimize procedural delays, enhance value creation for all stakeholders participating in the insolvency process, and substantially strengthen the governance framework under the IBC. The Insolvency and Bankruptcy Code (Amendment) Act, 2026 among other things introduces mandatory timelines for adjudicating authorities to process insolvency applications. The amendments to the IBC strengthen the resolution plan implementation framework, including provisions addressing the treatment of licenses, permits, and regulatory approvals, with the overarching objective of facilitating smoother execution of restructuring transactions and enhancing certainty for resolution applicants.

As at 30 June 2026, the Bank had exposure of Rs.31,093.00 crores in 301 accounts where a CIRP has been initiated under IBC. Further as of 30 June 2026, there are 14 cases involving amount of Rs.636.00 crores which are yet to be admitted.

*Central repository of information on large credit ("**CRILC**")*

As per the framework, RBI has set up the CRILC to collect, store and disseminate credit data to lenders. A bank must report credit information, including classification of an account as special mention account, to CRILC, on all borrowers having aggregate exposure of Rs.5.00 crore and above with them, on a monthly basis. Further, a bank must submit a weekly report of instances of default by all borrowers (with aggregate exposure of Rs.5.00 crores and above) by close of business on every Friday, or the preceding working day if Friday happens to be a holiday. Assets are classified as special mention accounts (SMA) as per the following categories:

SMA sub-categories	**Basis for classification — Principal or interest payment or any other amount wholly or partly overdue**
SMA-0	Up to 30 days
SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days

In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows:

SMA sub-categories	**Basis for classification - Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:**
SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days

The instructions on classification of borrower accounts into SMA categories are applicable for all loans (including retail loans), other than agricultural advances governed by crop season-based asset classification norms, irrespective of size of exposure of the bank.

Resolution of Stressed Assets

In addition to the SARFAESI Act, RBI has introduced a comprehensive framework for resolution of stressed assets. The Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 provide for early recognition, reporting and time-bound resolution of stressed assets. Under these directions, once a borrower is reported to be in default by any specified lender, the specified lenders shall jointly undertake a prima facie review of the borrower account within a review period of 30 days from the date of default or a credit event, as the case may be. All specified lenders are required to enter into an inter-creditor agreement during the said review period, providing ground rules for finalisation and implementation of the resolution plan.

The inter-creditor agreement shall provide that any decision agreed by signatories representing 75% by value of total outstanding credit facilities and 60% of signatories by number shall be binding upon all signatories, with resolution plans providing for payment not less than the liquidation value due to dissenting signatories.

A resolution plan may involve regularisation of the account by payment of all overdues, sale of exposures to other entities/investors, change in ownership, or restructuring (including modification of loan terms, additional credit facilities, or compromise settlements).

For borrowers with aggregate exposure of Rs.100 crores and above, a resolution plan involving restructuring or change in ownership shall require independent credit evaluation of the residual debt by RBI-authorised credit rating agencies.

Restructuring under the RBI framework includes modification of loan terms (such as alteration of payment period, payable amount, instalments, or rate of interest), roll over of credit facilities, sanction of additional credit facilities, and compromise settlements.

Asset reconstruction companies

The SARFAESI Act provides the framework for establishing asset reconstruction companies in India. Accordingly, certain banks in India, including the Bank, have established entities that acquire NPAs at a mutually acceptable price on a cash basis or against the issue of security receipts. These entities seek to recover the outstanding debt through restructuring, settlement or enforcement of security, and use the amount recovered to redeem the security receipts. The Bank holds a 27.30% interest in ASREC (India) Limited, one of the asset reconstruction companies, as of 30 June 2026.

The Bank has identified several cases for transfer to these entities and completed the transfer of several cases, details of which are given in the table below:

	Number of cases	Amount of loan sold	Sale value
		(in Rs. crores)	*(in Rs. crores)*
Fiscal			
2021	6	472.12	91.44
2022	10	930.68	403.01
2023	6	314.25	139.39
2024	12	1,759.92	498.21
2025	7	676.20	275.55
2026	7	733.23	300.92
2027 (Up to 30 June 2026)	4	149.41	113.74

Credit management policies and procedures

Credit approval and monitoring

The various divisions of the Bank formulate and revise internal policies and procedures for their respective lending activities. Policies on standards for the presentation of credit proposals, risk identification, risk grading, reporting and risk control, risk mitigation techniques, documentation, legal issues and the management of problem loan accounts are also in place. Reviews of the loan portfolios under various lending programmes are undertaken and single and group borrower limits, industry exposure limits and unsecured exposure limits have been established. All revisions in policies and procedures are carried out with the approval of the Board.

The Bank's credit approval process involves multiple levels of loan approval authority, depending on the loan amount and other factors such as the nature of the credit, the conditions of the transaction and whether or not the loan is secured.

At each level of authority, loan applications are reviewed on the basis of the feasibility of the project from a technical, financial and economic point of view, in addition to being evaluated according to the probability of recovery. In conducting such a review, the following factors are considered: the borrower's profile, management structure, past financial performance and credit ratings, the Bank's exposure to the company, industrial group and/or industry in light of prudential exposure norms, industry outlook and financial projections for the borrower company and/or project. In the case of overseas financing, appraisals also include an assessment of the overseas venture in terms of commercial risk, political risk and currency risk, an assessment of the relevant international market, an analysis of the benefits from the overseas venture likely to accrue to the Indian promoter and compliance with regulatory guidelines. The Bank may also conduct a sensitivity analysis which includes variables such as debt servicing ratios and internal rates of return.

The Bank has internal guidelines that limit the amounts of loans that can be authorised that are at times more stringent than those prescribed by RBI. This amount differs depending on the type of loan and certain other factors, such as type of borrowers or type of facilities. The Bank disburses funds to a borrower strictly as per the terms of the sanction and after all necessary documentation has been executed. Specific approval must be sought from the competent authority before deviating from the terms of the sanction, if any, subject to reporting the same to the original sanctioning authority.

Examples of the types of procedures in place for various finance divisions include:

Corporate finance procedures

As part of the corporate loan approval procedures, the Bank carries out a detailed appraisal of funding requirements including normal capital expenses, long-term working capital requirements and temporary imbalances in liquidity. The Bank's corporate term loans are generally available for tenors of three to 10 years. The Bank's corporate term loans may carry fixed (in some cases, with a re-set) or floating rates, as appropriate, to meet the exact requirements of the client and the risk context. The repayment mode may be linked to the cash flows and/or debt-service coverage ratio of the company. The Bank's credit analysts gauge the applicant's particular funding requirements and evaluate the company's credit worthiness, factoring in the cash flows generated by it.

Retail loan procedures

The Bank's retail loan customers are typically middle and high-income, salaried or self-employed individuals. The Bank's retail credit product operations are sub-divided into various product lines. Each product line is further sub-divided into separate sales and marketing and credit groups. The Bank has an established process for giving and collecting retail credits. In most cases, the Bank requires a contribution from the borrower and the loans are secured by the asset financed. Currently, retail hubs at the centres where they are established process and sanction retail loans generated by the branches and the loan accounts are parked with such branches.

Working capital finance procedures

The Bank carries out a detailed analysis of its borrowers' working capital requirements. The Bank's dedicated credit team provides in-depth knowledge and significant experience in evaluating the business potential of companies across various industries. The credit team assesses the customer's specific credit requirements and offers customised financial solutions to suit the customer's risk profile and its working capital cycle. Working capital finance limits are normally valid for one year and such banking facilities are repayable on demand.

Project finance procedures

The Bank has a strong framework for the appraisal and execution of project finance proposals, focusing on risk identification, allocation and mitigation. Project finance loans are approved on the basis of an in-house appraisal of the cost and viability of the proposal, as well as the credit standing of the promoters. Project finance loans are typically long term. Maturity periods and repayment modes are structured in line with the specific

requirements for each project and industry, taking into account the time it takes for the project to generate a stable revenue stream.

Small and micro enterprises general purpose term loan procedures

The Bank grants term loans to small scale industries in order to meet general commercial purposes such as substitution of high cost debt, research and development, securing net worth and funding business expansion. The tenor of such loans is normally three years, and the pricing is tailored to suit the risk profile of the borrower. The repayment is structured in monthly or quarterly instalments, according to the cash generation cycle.

The SME borrower that takes the loan should not have any history of defaults in payment of interest or instalments of the principal. The unit should have a strong performance record and a respectable credit rating as per the bank's own credit assessment scales. Extension of a hypothecation charge over the current assets and fixed assets is required as a primary security. Further, the borrower whose aggregate loans with the Bank exceed a certain amount may explore the possibility of collateralising tangible security such as immovable property and third party guarantees. In all cases, personal guarantees of proprietors/partners/promoters must be furnished. A minimum margin of 25.00%, where the quantum of the loan will be restricted to 75.00% of the total expenditure, is applicable for acquisition of land and buildings, building construction, renovation of offices, showrooms, purchase of equipment, vehicles and others.

Monitoring

The Bank monitors all outstanding exposures with utmost care to ensure good health of the asset portfolio by restricting SMA (special mention accounts) and prevent slippages. Bank has introduced the system of daily identification and marking of NPA Accounts. Both the monthly system assets classification ("**SASCL**") and daily SASCL are pushed on regular basis for ready reference to the branches/ zonal offices/ F(C)GMOs. Although, the primary responsibility of the respective branch to monitor for improving/ maintaining asset quality. However, based on gravity, outstanding exposure and for effective monitoring, monitoring levels are assigned to various authorities. Accounts with exposure over Rs.5.00 crores are monitored at head office level. Intensified monitoring were carried out in all account fall under SMA-2, to ensure and maintain its asset quality.

Funding and liquidity

The Bank's funding operations are designed to ensure stability of funding, minimise funding costs and effectively manage liquidity. The Bank attempts to maintain a diversified funding base and to concentrate deposits in savings accounts, which offer relatively low rates of interest, and current accounts on which no interest is paid. The Bank's funding is primarily derived from deposits placed with the Bank by its corporate and consumer clients. The Bank also derives funding from capital and reserves and borrowing. While the majority of the Bank's financing is in Rupee, the Bank's foreign branches and subsidiaries raise foreign currency borrowings from borrowing facilities at local banks and foreign counterparties to fund the Bank's overseas operations.

The following shows the breakdown of the Bank's funding profile on a standalone basis for the periods indicated:

	As of 31 March					
	2024		2025		2026	
	(in Rs. crores)	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*
Total deposits	737,920.20	80.86%	816,541.49	78.32%	927,270.88	79.70%
Total borrowings	80,924.07	8.87%	123,856.43	11.88%	118,591.54	10.19%

	As of 31 March					
	2024		2025		2026	
	(in Rs. crores)	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*	*(in Rs. crores)*	*(Percentage of total)*
Share capital, reserves and surplus	68,880.67	7.54%	78,601.44	7.54%	87,990.22	7.56%
Other liabilities and provisions	24,872.98	2.73%	23,582.59	2.26%	29,580.15	2.55%
Total	912,597.92	100%	1,042,581.95	100%	1,163,432.79	100%

	As of 30 June			
	2025		2026	
	(Rs. in billions)	*(Percentage of Total)*	*(Rs. in billions)*	*(Percentage of Total)*
Total deposits	833,697.96	78.11%	957,923.86	80.28%
Total borrowings	127,663.49	11.96%	115,341.39	9.67%
Share capital, reserves and surplus	79,366.63	7.43%	88,955.27	7.46%
Other liabilities and provisions	26,632.21	2.50%	30,979.53	2.59%
Total	1,067,360.29	100.00%	1,193,200.05	100.00%

Treasury operations

The Bank's treasury manages its foreign currency exposures, offers foreign exchange and risk hedging derivative products to its customers and engages in proprietary trading of currencies. The Bank also seeks to optimise its profits from its trading portfolio by taking advantage of market opportunities.

The Bank's treasury operations follow investment and market risk policies which are approved by the Board of Directors. The Bank has implemented treasury solutions software that facilitates on-line trading, accounting, valuation and portfolio risk management. To better streamline the Bank's treasury operations, it has implemented "TCSBaMCSV6" software to integrate its operations.

Through its treasury operations, the Bank manages its assets and liabilities and the maintenance of required regulatory reserves. The Bank's trading and securities portfolio includes its regulatory portfolio, as there is no restriction on active management of the regulatory portfolio, provided the prescribed minimum statutory levels are maintained.

All banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's NDTL in India required to be maintained in the form of liquid assets, such as cash, gold or approved unencumbered securities. Approved unencumbered securities consist of unencumbered Government securities and such other securities as may be approved from time to time by the RBI. The SLR currently applicable to banks in India is 18%. The Bank maintains the SLR through a portfolio of approved securities that it actively manages to optimise yield and benefit from price movements.

Due to these regulatory reserve requirements, a substantial portion of the Bank's trading and securities portfolio consists of Government securities. The Bank's treasury undertakes liquidity management with the objective of ensuring the smooth functioning of all of the Bank's branches and at the same time avoid the holding of excessive cash. The Bank's treasury maintains a balance between interest-earning liquid assets and cash to maximise earnings. The Bank's treasury undertakes reserve management by maintaining statutory reserves, including the cash reserve ratio and the SLR. The Bank's treasury also engages in domestic and foreign

exchange operations. As part of its treasury activities, the Bank also maintains proprietary trading portfolios in domestic debt and equity securities. The Bank is one of the largest participants and market makers in both the Rupee and foreign exchange markets in India.

Regulatory reserves

As at 31 March 2026, the Bank is required to maintain by way of a cash reserve, a sum equivalent to such percentage of the total of its net demand and time liabilities ("**NDTL**"), in such manner and for such dates, as the RBI may notify from time to time. The CRR currently applicable the Bank is 3.00%. The Bank does not earn any interest on such balances held with RBI. The Bank undertakes liquidity management in line with regulatory requirements and with the objective of keeping minimum cash balances at its branches for their day-to-day operations. The Bank maintains a proper mix of interest-earning liquid assets and cash balances to maximise income, while also providing adequate liquidity for branch operations.

As per the Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025, the Bank's liabilities are subject to the SLR requirement, which requires that assets the value of which shall not be less than a minimum specified percentage of a bank's NDTL in India (as on the last day of the second preceding fortnight) be maintained in approved securities.

As at the date of this Offering Circular, the Bank is required to maintain 18% of its NDTL in approved securities for the purposes of compliance with the SLR requirements. Approved securities consist of sovereign securities such as treasury bills, government loans and loans issued by state governments. The Bank trades actively in such approved securities.

Other than approved securities, the Bank also maintains investments in the Government special securities, state government special securities, public sector undertaking bonds, corporate bonds and debentures, equity shares, mutual fund units, certificates of deposits, commercial papers, pass through certificates, security receipts, venture capital funds and preference shares, and strategic investments in subsidiaries, joint ventures and associates.

Investment portfolio

The table below describes the book value of the Bank's total investment portfolio as at the dates indicated:

	As at 31 March			As at 30 June
	2024	**2025**	**2026**	**2026**
		(in Rs. crores)		*(in Rs. crores)*
Investments in India				
Government securities	199,999.07	222,698.24	232,153.42	232,090.49
Other approved securities	—	—	—	—
Shares	715.80	1,568.28	1,804.61	1,806.24
Debentures and bonds	11,072.69	15,170.57	15,625.70	16,654.18
Subsidiaries and/or Joint ventures (including Associates)	1,453.69	1,619.38	1,292.47	1,315.12
Others[(1)]	2,646.18	3,960.75	1,480.45	1,386.45
Total investments in India	**215,887.43**	**245,017.22**	**252,356.65**	**253,252.48**
Investments outside India				
Government Securities (including local authorities)	7,576.89	10,214.54	12,158.34	12,199.35

	As at 31 March			As at 30 June
	2024	2025	2026	2026
		(in Rs. crores)		*(in Rs. crores)*
Subsidiaries and/or joint ventures abroad ...	2,296.59	2,346.05	2,346.05	2,346.05
Other Investments[(2)]	1,383.56	1,533.99	1,768.26	1,743.21
Total investments outside India	**11,257.04**	**14,094.58**	**16,272.65**	**16,288.61**
Total investments	**227,144.47**	**259,111.80**	**268,629.30**	**269,541.09**

Notes:

(1) Includes commercial papers, units of mutual funds, pass through certificates, security receipts, venture fund, gold.

(2) Includes debentures, bonds, etc.

The table below describes the Bank's total net investments by category as at the dates indicated:

	At 31 March						30 June	
	2024		2025		2026		2026	
	(in Rs. crores)	*(%)*	*(in Rs. crores)*	*(%)*	*(in Rs. crores)*	*(%)*	*(in Rs. crores)*	*(%)*
Held-to-maturity	167,330.55	73.67%	187,238.62	72.26%	202,689.72	75.45%	209,428.74	77.71%
Investments in Subsidiaries/Associates/Joint Venture	—	—	3,965.42	1.53%	3,638.53	1.35%	3,638.53	1.35%
Fair Value through Profit and Loss	1,286.20	0.56%	24,333.85	9.39%	25,097.25	9.34%	14,952.56	5.55%
Available-for-sale.....	58,527.72	25.77%	43,573.90	16.82%	37,203.80	13.86%	41,497.62	15.39%
Total.....	**227,144.47**	**100.00%**	**259,111.80**	**100.00%**	**268,629.30**	**100.00%**	**269,541.09**	**100.00%**

Investment in India

The book value of the Bank's domestic investment portfolio was Rs.255,261.54 crores as of 31 March 2026, of which the bond portfolio was Rs.246,009.89 crores, and primarily comprised federal and local government bonds. The Bank's investment in foreign subsidiaries as of 31 March 2026 was Rs.2,346.05 crores.

The book value of the Bank's domestic investment portfolio was Rs.255,226.75 crores as of 30 June 2026, of which the bond portfolio was Rs.246,218.74 crores, and primarily comprised federal and local government bonds. The Bank's investment in foreign subsidiaries as of 30 June 2026 was Rs.2,346.05 crores.

The Bank's bond portfolio is principally held for investment and trading purposes. The Bank also holds a limited amount of private sector debt securities. Bonds are classified as "held-to-maturity" ("**HTM**"), "Available for sale" ("**AFS**"), "fair value through profit and loss-held for trading" and "fair value through profit and loss-held for trading" as per RBI guidelines. To minimise interest rate risk, the Bank's general investment strategy is to maintain its holdings in HTM securities or to hold maturities in the other classifications with relatively short maturity profiles. As of 31 March 2026, approximately 77.43% of the Bank's total investments were classified as HTM, including 67.01% of the Bank's portfolio of Government securities. As of 30 June 2026, approximately 80.11% of the Bank's investments were classified as HTM, including 69.70% of the Bank's portfolio of government securities.

The Bank's domestic equity portfolio (including investments in preference shares) had a book value amounting to Rs.1,517.35 crores (excluding HTM equities) as of 31 March 2026. The Bank's domestic equity portfolio (including investments in preference shares) had a book value amounting to Rs.1,470.43 crores (excluding HTM equities) as of 30 June 2026. The equity portfolio is generally made up of marketable securities listed on stock exchanges, unit-type securities and non-listed equity securities. Non-listed securities tend to either be investments in venture projects or equity received as part of the restructuring of NPAs.

Overseas investments

The net value of the Bank's overseas investment securities portfolio was Rs.13,942.56 crores as of 30 June 2026. The Bank's government bond portfolio had a net value of Rs.12,199.35 crores as of such date, primarily comprising federal and local government bonds. The Bank's bond portfolio is principally held for investment purposes. The Bank also holds private sector debt securities.

The investments outside India do not include any investment in equities.

Capital adequacy

The following table sets certain capital adequacy ratios computed under the applicable Basel III regulations as of 31 March 2024, 2025, 2026 and 30 June 2026:

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
	(*in Rs. crores, except percentages*)				
Common equity tier I (CET I)	58,660.28	66,193.86	74,794.23	66,427.89	78,777.56
Additional tier I capital	2,852.00	2,801.65	1,500.00	2,852.00	1,500.00
Tier I capital	61,512.28	68,995.52	76,294.23	69,279.89	80,277.56
Tier II capital	8,394.53	10,244.05	13,189.33	10,249.98	11,930.38
Total capital	**69,906.81**	**79,239.57**	**89,483.56**	**79,529.87**	**92,207.94**
Total risk weighted assets	412,078.00	445,961.00	496,849.00	457,373.00	493,354.00
CET I ratio (CET I as a percentage of RWAs) (%)	14.24	14.84	15.05	14.52	15.97
Tier I capital ratio (%) (Tier I capital as a percentage of RWAs)	14.93	15.47	15.36	15.15	16.27
Tier II capital ratio (%) (Tier II capital as a percentage of RWAs)	2.04	2.30	2.65	2.24	2.42
CRAR (%) (Total capital as a percentage of RWAs)	16.96	17.77	18.01	17.39	18.69
Leverage ratio	6.45	6.23	6.13	6.11	6.33
Percentage of the shareholding of Government of India	73.38	73.38	73.38	73.38	73.38
Amount of paid-up equity capital raised during the year	4,500.00	0.00	0.00	0.00	0.00
Amount of non-equity Tier 1 capital raised during the year	0.00	0.00	0.00	0.00	0.00
Amount of Tier 2 capital raised during the year	2,000.00	2,500.00	2,500.00	0.00	0.00

	As of 31 March			As of 30 June	
	2024	2025	2026	2025	2026
	(*in Rs. crores, except percentages*)				
Minimum capital adequacy ratios required by RBI					
Tier I capital adequacy ratio (%).....	9.50	9.50	9.50	9.50	9.50
Total capital adequacy ratio (%).....	11.50	11.50	11.50	11.50	11.50

Note:

Tier I and Tier II capital, risk weighted assets and capital adequacy ratios have been calculated in accordance with RBI guidelines (Basel III Capital Regulations, generally referred to as Basel III). See "*Supervision and Regulatory*".

The Bank migrated to Basel III from June 2013. Currently the Bank has adopted the "Standardised Approach" under credit risk, "Standard Measurement Method" for market risk and "Basic Indicator Approach" for operational risk.

Furthermore, in order to facilitate migration to advanced approaches under Basel II the Bank has implemented a capital charge calculator called 'Oracle's Revenues' (for credit risk) and statistical analysis system ("**SAS**") (for market and operational risk). RBI issued final guidelines in relation to market risk, operational risks and credit risk in April 2010, April 2011 and December 2011 respectively. The Bank has also been included in the RBI credit risk programme called the 'Foundation-Internal Ratings Based Approach'. In March 2015 the Bank received permission from the RBI to migrate to the 'Standardised Approach' for calculating operational risk associated with capital charge. The RBI issued the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 consolidating provisions related to credit risk, market risk and operational risk on 28 November 2025.

Liquidity coverage ratio ("LCR")

The LCR is one of the Basel Committee's key reforms to develop a more resilient banking sector. The LCR, a global standard, is also used to measure the Bank's liquidity position. LCR seeks to ensure that the Bank has an adequate stock of unencumbered High-Quality Liquid Assets ("**HQLA**") that can be converted into cash to meet its liquidity needs for a 30-day calendar day time horizon under a significantly severe liquidity stress scenario specified by the RBI. The LCR helps in improving the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy.

At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

LCR = (Stock of High Quality Liquid Assets (HQLA))/(Total net cash outflows over the next 30 calendar days)

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.

A bank must maintain an LCR at a minimum of 100.00% (i.e., the stock of HQLA shall be at least equal to total net cash outflows) on an ongoing basis because the stock of unencumbered HQLA is intended to serve as a defence against the potential onset of liquidity stress.

During a period of financial stress, however, banks may use their stock of HQLA, thereby falling below 100.00%. In such a case, the banks should immediately report the shortfall to the RBI's 'Department of Supervision' along with reasons for such usage and corrective steps initiated to rectify the situation.

Risk management

The Bank places emphasis on risk management measures to ensure that there is an appropriate balance between risk and return. In light of the RBI's implementation, in a phased manner, of Basel III from April 2013, the Bank has started disclosing Basel III capital numbers since June 2013. The Bank has already been a part of the Basel III Quantitative Impact Studies ("**QIS**") of the Basel Committee of Banking Supervision ("**BCBS**") to assess the impact of these proposals on the Bank's capital adequacy and liquidity requirements.

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. It strengthens the bank-level i.e., micro prudential regulation, with the intention to raise the resilience of individual banking institutions in periods of stress. Besides, the reforms have a macro prudential focus also, addressing system wide risks, which can build up across the banking sector, as well as the pro-cyclical amplification of these risks over time. These new global regulatory and supervisory standards mainly seek to raise the quality and level of capital to ensure banks are better able to absorb losses on both a going concern and a gone concern basis, increase the risk coverage of the capital framework.

The Basel III Capital Regulations were implemented in India with effect from April 1, 2013 and have been fully implemented as on October 1, 2021. Banks have to comply with the regulatory limits and minima as prescribed under Basel III capital regulations, on an ongoing basis.

Bank has implemented Credit Risk Management Solution (CRMS), a module of 'Oracle Finance Services' Analytical Applications (OFSAA) for computation of Credit Risk RWA as per the Standardized Approach. Credit-RWA is computed for the assets of the banking book (including HTM) & contingent liabilities. Bank has also implemented Statistical Analysis System (SAS) to automate the computation of Market Risk Capital Charge as per the Simplified Standardized Approach. For Operational Risk, based on Basic Indicator Approach, the capital charge is computed as 15% of Average Annual Gross Income for the last three years and is then converted into RWA by multiplying with 12.5

Risk management is a board-driven function with the overall responsibility for risk management being assigned to the Risk Management Committee (RMC). At the operational level, risk management is assigned to the Credit Risk Management Committee (CRMC), Operational Risk Management Committee (ORMC), Asset Liability Management Committee (the "**ALCO**") and Market Risk Management Committee (MRMC). The Bank also has a risk management department and a credit monitoring department both of which are independent of the credit administration department. The Bank also conducts risk profiling on a quarterly basis for the purpose of self-assessment as well as reporting to RBI. The Bank conducts stress testing on quarterly basis. The internal capital adequacy assessment process covering both Pillar I and Pillar II risks is carried out on an annual basis.

The following describes the measures undertaken by the Bank to manage its primary risks:

Credit risk

To minimise credit risk, as a part of credit appraisal the financial position of each potential customer or a counterparty is thoroughly analysed under certain set financial and quantitative parameters. The Bank also analyses qualitative features such as industry trends, competitiveness and management capabilities. The Bank uses a variety of risk management tools such as prudential limits, risk rating models, credit audits, loan pricing

and portfolio management. The Bank has also implemented internal ratings models for corporate and SME customers and for evaluating investments and a scoring model for retail customers.

The Bank's exposure norms are in line with the norms established by RBI for commercial banks and financial institutions. As per these norms, the sum of all the exposure values of the Bank to a single counterparty shall not be higher than 20 percent of the bank's available eligible capital base at all times. In exceptional cases, the Board of the Bank may allow an additional five percent exposure of the Bank's available eligible capital base at all times. The sum of all the exposure values of the Bank to a group of connected counterparties shall not be higher than 25 percent of the Bank's available eligible capital base at all times. The Bank has also implemented various exposure limits to minimise counterparty exposure to Banks and various types of borrowers (within the limits prescribed by RBI). One of the risk strategies of the Bank is to avoid concentrating its credit exposure in any one industry or individual customer or counterparty.

Country risk and bank exposure

Prudent exposure risk management is achieved by imposing appropriate bank exposure limits, as per the Bank's model approved by the Board, for a large number of foreign and domestic commercial banks. Different types of prudential exposure limits are set up for more than 311 banks worldwide, covering 57 countries, to ensure proper management and the safety of the Bank's cross-border exposures and risks. Counterparty bank limits for handling letters of credit, bank guarantees, forex and money market activities are also in place.

Country exposure limits have been put in place in accordance with the RBI guidelines and the overall global risk for the Bank as a whole is monitored on a regular basis. This is achieved by categorising 183 countries into nine risk categories, similar to the risk categories propounded by RBI. Based on the risk categories and the Bank's regulatory capital, the Bank allocates appropriate exposure limits on all countries, except on countries which are categorised as 'Off Credit Risk', to all of the Bank's national banking groups, divisional offices, large corporate branches and foreign branches. All national banking groups, divisional offices, large corporate branches and foreign branches are required to operate within the exposure limits allocated to them, which are monitored on a quarterly basis.

To further manage these risks, the Bank has also fixed exposure limits as against various other banks to its zones, large corporate branches and foreign branches, which are also monitored on a periodic basis.

Market risk

The Bank has established a market risk management policy which aims to control financial trading risks, including those relating to derivatives as well as debt and equity securities. Trading market risk limits are set in accordance with the structure of the Bank's financial market trading activities. The trading market risk management framework includes the following elements:

- limits to ensure that risk-takers do not exceed the aggregate risk and concentration parameters set by senior management and the Board; and
- independent mark-to-market valuations, and tracking of stop-loss for trading positions on daily basis.

The Bank has a VaR framework for its foreign exchange trading exposure, government securities portfolio, corporate bonds , debt securities and equities.

Foreign exchange risk

The Bank's trading rooms undertake foreign exchange transactions on behalf of its customers as well as for its own account. All foreign exchange transactions are conducted in compliance with the regulations set by RBI and in line with the Bank's policies. The Bank's own account dealings are performed within strict limits. Dealing rooms are allocated aggregate gap limits, daylight limits, and overnight limits in individual currencies and for the aggregate amount. The dealers are allowed to undertake proprietary trading within the limits allocated to

the dealing room, with stop loss limits and take profit limits in place. Further, a daily trading report is submitted to the Bank's management.

Credit risk in foreign exchange transactions is related mainly to default by a counterparty, which is known specifically as counterparty risk. Counterparty limits are in place. The Bank is open to market risk to the extent of net open position in currencies. The Bank manages this risk by setting risk limits in the form of open position, gap limits and VaR limits.

Liquidity risk

Liquidity risk is the chance of encountering an obstacle to raising the funds required for settlement due either to a mismatch between the use and procurement of funds, an unexpected outflow of funds, or being forced to borrow at higher interest rates than usual. The primary objectives of the Bank's liquidity management are to maintain the Bank's liquidity level as required by RBI's regulations and ensure that the Bank's liquidity position is sufficient for the Bank's normal operations as well as at any crisis that may arise. ALCO also provides management support for finding additional sources of liquidity when needed. The Bank reviews its liquidity risk policy on an annual basis and such policy is submitted to the RMC for endorsement.

As part of its liquidity risk management, the Bank focuses on a number of components, including tapping available sources of liquidity, preserving necessary funding capacity and contingency planning. The Bank's borrowings in inter-bank markets, which are infrequent, are within the RBI stipulated limits. Maturity gap reports and liquidity assessment reports based on trends of consumer behaviour are routinely prepared to facilitate management in maintaining an appropriately liquid combination of assets and liabilities. The liquidity position of the Bank is measured through flow and stock approaches as per the RBI guidelines on liquidity risk management. Under the flow approach, a structural liquidity gap analysis is carried out according to RBI guidelines on asset liability management. The analysis is generated on a daily basis and reported to RBI every fortnight on a rolling basis. RBI has stipulated that the net cumulative negative mismatches in the domestic and overseas structural liquidity statement during the next day, 2-7 days, 8-14 days, and 15-30 days bucket must not exceed 5.00%, 10.00%, 15.00% and 20.00% of the cumulative cash outflows in the respective time bucket. It is also monitored through a short-term dynamic liquidity analysis which is carried out on a fortnightly basis using business projections over a three-month time period. Under the stock approach, certain critical ratios in respect of liquidity risk management are monitored. In line with RBI guidelines, the Bank has established a series of caps on such activities such as daily call lending, daily call borrowing, inter-bank liability, net short-term borrowing, core deposits to total assets, temporary assets to total assets, short-term borrowing to total assets and others.

Interest rate risk

The Bank's net interest income or net interest margin is dependent on the movement of interest rates and mismatches in the cash flows or repricing dates. Interest rate movements are significant to the Bank because interest rates directly affect the Bank's income and expenses from assets and liabilities. Interest rate risk management is achieved by establishing and monitoring various risk curbing limits such as interest rate sensitivity gap limits. Risk exposure limits in individual time buckets. Interest rate risk is measured and monitored through earning perspective using traditional gap analysis and economic perspective using duration gap analysis as per the RBI guidelines. The Bank also at regular intervals, analyses the impact of interest rate fluctuations on net interest income at regular intervals.

Operational risk

The Bank has established a set of core operational risk standards to provide guidance to business units and support units on baseline internal controls that ensure the safety and soundness of the units' operating environment. These include risk mitigation programmes such as business continuity management and a rigorous risk review of newly launched products where all relevant risks are identified and assessed by departments

independent of the risk-taking unit that proposed the product. To minimise operational risk, the Bank has established reporting lines and instruction manuals. The Bank undertakes risk and control self-assessment exercises for all the business units and support functions covering all the main processes and products and has devised bank level and branch level key risk indicators with suitable tracking methods. The Bank also undertakes fraud and other operational risk analysis at quarterly intervals to identify fraud/ risk prone products/ business lines to mitigate the fraud/Operational risks. The Bank also follows know-your-customer norms and has adopted anti-money laundering measures which it believes are generally adequate and in accordance with regulatory guidelines. As per Basel III norms, Bank is in the process to migrate to the New standardised approach (Basel III SA) for calculating operational risk capital charge on a parallel run basis.

Internal controls

Internal audit system

The Bank's audit function serves as an important tool for the Bank's management to evaluate the effectiveness of the internal control system/ mechanism in the Bank for mitigating risk under various parameters. The inspection report not only serves the purpose of rectification of irregularities noticed but is also a blueprint to the branch functionaries and the controllers for initiation of suitable remedial actions for the correction of systemic deficiencies in order to manage and control risk. It focuses on evaluating the adequacy and effectiveness of risk management and internal controls rather than only transaction testing. The Internal Audit department ensures its functional independence, provide adequate skilled resources and adopt a structured risk assessment methodology covering inherent business risks, control risks, risk matrices, annual risk assessment and prioritisation of audit activities based on risk levels.

*Risk-based internal audit ("**RBIA**")*

RBIA is conducted at all of the Bank's branches as per the approved audit plan by in-house officers in line with the objectives of the 'Risk Based Supervision of Banks Guidelines' propounded by RBI and the comprehensive RBIA policy approved by the Audit Committee of the Board. The frequency of RBIA depends on the risk rating of the respective branches and ranges from six months to 18 months.

Concurrent audit

RBI requires banks to have a process of concurrent audits at branches. As of 31 March 2026, the coverage of the concurrent audit was 53.00% of total deposits and 69.00% of total advances of business figures as on 31 March 2025 against the Board-approved minimum limits of 40.00% of deposits and 65.00% of advances. 1,065 domestic branches and 11 head office departments are covered by the concurrent audit.

Risk-based management audit ("RBMA")

RBMA of field general manager office, zonal offices, head office departments, staff training colleges, regional rural branches, subsidiaries and zonal audit offices is also conducted at an interval of nine to 12 months as per the Board-approved policy.

Overseas Audit

Audit of overseas centres/ branches is conducted as per Board-approved 'Overseas Audit Policy'. As per policy, RBIA/ RBMA is conducted of all the overseas branches/ chief executive offices at a frequency of 12 to 18 months. Each overseas branch is also covered under concurrent audit. In addition to this, external auditor is also in place in centres such as New York, Singapore and London.

Information Security ("IS") Audit

The Bank has a separate IS audit policy for covering technology and system Audits. These audits are conducted as per annual IS Audit plan approved by the Audit Committee of the Board. These audits cover all applications and systems which are used by the Bank that are audited by an external CERT-In empanelled IS audit firm

onboarded for 3 years from 1 April 2026. These audits are administered, monitored and supervised by 'Certified Information Systems Auditor'/ 'Diploma in Information Systems Audit' qualified officers posted in IS audit cell. These officers review the observations of the external Cert-In audit firm and quality of compliance submitted by the respective functional department.

Offsite Monitoring System ("OMS")

OMS is one of the measures to bring out a continuous audit of operations with effective quality assurance, contributing meaningfully to improve the internal control closer to their occurrence. We have developed logics wherein an alert is generated whenever any deviation arises. As of 30 June 2026, we have 34 OMS alerts.

Audit Portal

The department has 'eTHIC Star Audit Portal' where in RBIA, concurrent audit of domestic branches and RBMA of field general manager office, zonal offices, staff training colleges and zonal audit offices are conducted. The OMS alert system is also a part of 'eTHIC Star Audit Portal'. The audit portal also has utility to generate MIS reports which help in better monitoring of various audit irregularities and their compliances.

Compliance

An independent compliance department has been established at the Bank's head office pursuant to the 'Compliance Function Policy' that was adopted by the Board on 21 January 2008 and was last updated on 27 March 2026. The compliance department is headed by the 'Chief General Manager' and 'Chief Compliance Officer' of the Bank. The compliance department reports the compliance function of the Bank to the Audit Committee of the Board on a quarterly basis.

As per the 'Compliance Function Policy' of the Bank, the compliance department is required to deliver to the Bank's senior management a monthly report on the position of compliance risk. The findings of the inspection and audit department serve as a feedback mechanism for the compliance department for assessing the compliance breaches and failures. The compliance department scrutinises any material irregularities observed during the testing of head office verticals and field and submits a report to senior management on such irregularities.

DESCRIPTION OF THE BANK'S FOREIGN BRANCHES

As of 30 June 2026, the Bank operated in 15 countries through 21 overseas branches, including an international banking unit at GIFT City, Gandhinagar, India, and a representative office located in Jakarta, Indonesia. The Bank has also set up four banking subsidiaries in Indonesia, Tanzania, New Zealand and Uganda, as of 30 June 2026. For further details, see "*Description of the Bank – Product and services – International banking*".

The Bank's London branch

Background

The Bank opened its London branch, the first foreign branch of any Indian bank, in July 1946 to serve the needs of the local established ethnic Indian community.

With the inflow of immigrants from Uganda, Kenya and other African countries, the Bank expanded its branch network in Europe and UK centres and currently maintains 7 branches, with 5 branches located in UK.

From the mid-1980s to early 1990s, the key focus areas of the Bank's operations in the United Kingdom were consolidation and restructuring. In 1987, the Central Bank of India in the United Kingdom merged with the Bank's operations in the United Kingdom. In addition, unviable and less profitable branches were closed or merged, reducing the number of branches to the current five from 12.

In 1997, the Bank established an India desk in its London branch in the United Kingdom to cater to the needs of India related business.

The Bank's London branch is located at 63 Queen Victoria Street, London EC4N 4UA, United Kingdom.

Key objectives

The key objectives of the Bank's London branch are summarised as under:

- To cater to persons of indian descent, corporates and local communities alike.
- To focus on wholesale banking operations with diversified asset portfolio of trade based assets and other commercial loans.

Regulation

Regulation under the laws of England and Wales

The Bank is authorised by the Prudential Authority (the "**PRA**") and registered with the Financial Conduct Authority (the "FCA"), and is regulated by the FCA and the PRA. The PRA is responsible for the prudential regulation of deposit takers, insurers and major investment firms, and the FCA is responsible for ensuring that relevant markets function well and for regulating the conduct of all financial services firms. The London branch is in full compliance with the PRA requirements with respect to liquidity maintenance.

Regulation under Indian law

Pursuant to the RBI branch licensing guidelines, the Bank established its London branch with the prior approval of RBI. As well as being regulated by the laws of the United Kingdom, the Bank's London branch is also subject to the RBI regulations and directives as applicable to overseas branches of Indian banks and is also subject to the regulations and directives of the local regulator, whichever is more stringent. In accordance with such guidelines, overseas branches are required to inter alia put into place a proper asset liability management system covering areas such as control of funding risk and liquidity management, interest rate exposure, control of maturity mismatching in asset liability structure and control of exchange risk exposure. Certain credit exposure

norms for overseas branches have also been stipulated by RBI. The Bank's London branch is in compliance with all such credit exposure guidelines and regulations under Indian law.

GIFT City Branch

Background

The Bank established the GIFT City Branch in June 2023 in Gandhinagar, Gujarat, India in a special economic zone. It provides a suite of internationally benchmarked financial products and services tailored for corporates, overseas entities and non-resident individual clients. Gujarat International Finance Tec-City ("**GIFT City**") features a benign regulatory regime, tax incentives, low operational cost, and an opportunity for the Bank to avail itself of growing technology and the business ecosystem.

Business profile of the GIFT City Branch

The Bank's GIFT City Branch offers a range of banking and financial services, including deposit-taking and other liability products, lending and financing solutions, trade finance, foreign exchange and treasury products, and other financial market services, subject to applicable regulatory approvals and the Bank's internal policies and risk limits.

The Branch primarily supports the foreign currency banking and financial requirements of corporate and institutional customers, financial institutions, overseas entities and other eligible customers. Its activities include, among others, corporate and institutional banking, bilateral and syndicated lending, trade finance, foreign exchange transactions and treasury and financial market activities, subject to applicable laws and regulations.

As at 31 March 2026, the GIFT City Branch had total assets of U.S.$1,826.60 million.

The GIFT City Branch is licensed to conduct the following financial services:

- accepting deposits and other permitted liabilities from eligible customers;
- extending credit facilities, including bilateral, syndicated and club loans;
- providing trade finance and related banking services;
- undertaking foreign exchange transactions;
- dealing in permitted financial market instruments and investments in the primary and secondary markets;
- undertaking permitted derivative and hedging transactions; and
- providing such other banking and financial services as may be permitted under applicable laws, regulations, licenses and regulatory approvals.

Regulation

Regulation of the GIFT City Branch

The Government of India established the IFSCA under the International Financial Services Centres Authority Act, 2019, as amended from time to time. International banking units ("**IBU(s)**") are governed under the International Financial Services Centres Authority (Banking) Regulations, 2020 dated 18 November 2020, as amended from time to time, and other regulations as may be issued by the IFSCA under the Government of India's Ministry of Finance.

Regulation under Indian Law

In addition to being subject to the laws and regulations applicable by IFSCA, the Bank's GIFT City branch is also subject to the regulations and directives of the RBI as applicable to overseas branches of Indian banks.

MANAGEMENT

The composition and appointment of the directors on the board of the Bank are governed by the provisions of the Banks Nationalisation Act, the Nationalised Banks Scheme and the Bank of India (Shares and Meetings) Regulations, 2007, as amended ("**Bank of India Regulations**"). The Managing Director and Chief Executive Officer and the Executive Directors are appointed by the central government. The remaining Directors are non-executive Directors who represent the central government, RBI and the shareholders of the Bank.

As per sub-section 3 of section 9 of the Banks Nationalisation Act, every board of directors of a corresponding new bank, constituted under any scheme made under sub-section 1 of section 9 of the Banks Nationalisation Act, is required to include:

(I) not more than four whole-time directors to be appointed by the Central Government after consultation with RBI;

(II) one director who is an official of the Central Government to be nominated by the Central Government; provided that no such director shall be a director of any other corresponding new bank;

(III) one director, possessing necessary expertise and experience in matters relating to regulation or supervision of commercial banks, to be nominated by the Central Government on the recommendation of RBI;

(IV) one director, from among such of the employees who are workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;

(V) one director, from among the employees who are not workmen (as defined under clause (s) of section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government after consultation with RBI;

(VI) one director who has been a chartered accountant for not less than 15 years to be nominated by the Central Government after consultation with RBI;

(VII) subject to directors appointed by shareholders as provided under clause (i) of sub-section 3 of section 9 of the Banks Nationalisation Act, not more than six directors to be nominated by the Central Government;

(VIII) directors elected by shareholders of the bank (other than the Central Government) from amongst themselves where the capital raised by public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, of equity shares or preference shares is:

4. not more than 16.00% of the total paid-up capital, one director;

5. more than 16.00% but not more than 32.00% of the total paid-up capital, two directors; and

6. more than 32.00% of the total paid-up capital, three directors

As on the date of this Offering Circular, the Bank has 11 directors on the Board, comprising one chairperson, one managing director and chief executive officer, four executive directors, one Central Government nominee director, one RBI nominee director, one part-time non-official director and two shareholder directors (collectively, the "**Directors**"). All the Directors are appointed/ nominated/ elected pursuant to the Banks Nationalisation Act, the Nationalized Banks Scheme and the Bank of India Regulations.

As of the date of this Offering Circular, the Board of Directors comprised the following:

Name	Designation
M. R. Kumar	Non-Executive Chairman and Part-time Non-Official Director
Rajneesh Karnatak	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Executive Director
Subrat Kumar	Executive Director
Rajiv Mishra	Executive Director
Pramod Kumar Dwibedi	Executive Director
Manoj M. Ayyappan	Government Nominee Director
Ashok Narain	RBI Nominee Director
Jamuna Ravi	Shareholder Director
Prabodh Parikh	Shareholder Director
Raj Kumar Sharma	Part-time Non-Official Director

The Board of Directors meets regularly as per the requirements of the Bank. During Fiscal 2026, 20 Board meetings were held, compared with the minimum requirement of six meetings as stipulated under the Nationalized Banks Scheme.

Brief profiles of the Directors

M. R. Kumar is the Chairperson of the Bank since 21 February 2024. He has a bachelor's degree in science from the University of Madras, India. Prior to joining the Bank, he served as a chairman of Life Insurance Corporation of India. In addition, he was also the non-executive chairman of LIC Housing Finance Limited, LIC Pension Fund Limited, LIC Mutual Fund AMC Limited, LIC Cards Services Limited, IDBI Bank, LIC Singapore Pte. Limited, LIC Lanka Limited, LIC (International) BSC (Bahrain) and LIC Nepal Limited. He has also served as the chairman of the governing board of the National Insurance Academy, the president of the Insurance Institute of India and the chairman of the Council of Insurance Ombudsman. He currently serves as a director on the boards of Aurobindo Pharma Limited and Cholamandalam Investment and Finance Company Limited. He has over 35 years of experience, with expertise in insurance.

Rajneesh Karnatak is the Managing Director and Chief Executive Officer of the Bank since 29 April 2023. Prior to joining the Bank, he has worked as an executive director with Union Bank of India. He has prior experience with other nationalized banks. He was also nominated on the boards of UBI Services Limited, UBI (UK) Limited, PNB Housing Finance Limited and India SME Asset Reconstruction Company Limited, and served as a member of the Governing Board of the Indian Institute of Bank Management, Guwahati, and as a Board Trustee of IIFCL Asset Management Company Limited. He currently serves as a director on the boards of EXIM Bank and the Indian Institute of Banking and Finance. He has over 29 years of banking experience, with varied branch and administrative office experience.

Paripurnam Ramanujam Rajagopal is an Executive Director of the Bank since 18 March 2020. He holds bachelor's degrees in commerce and law. He has prior experience with other nationalized banks, such as Union Bank of India, and has seconded to Indian Banks' Association as a legal advisor. He has also served as an executive director on the board of Allahabad Bank. He has over 30 years of banking experience.

Subrat Kumar is an Executive Director of the Bank since 21 November 2022. He has a bachelor's degree in science and a master's degree in business administration, and is a certified associate of the Indian Institute of Bankers ("**CAIIB**"). Prior to joining the Bank as an Executive Director, he has held the position of chief risk officer in the erstwhile Vijaya Bank and the chief financial officer of the Bank. He has also served as a director on the boards of Fixed Income Money Market and Derivatives Association of India and BOB Capital Markets Limited. He has over 27 years of experience in commercial banks and asset management companies, with varied exposure across operational and strategic banking.

Rajiv Mishra is an Executive Director of the Bank and has been on the Board since 1 March 2024. He holds a bachelor's degree in engineering and a master's degree in business administration, and is a CAIIB and a certified associate of the Insurance Institute of India. He has also completed the 'Leadership Development Program for Senior PSB Management' conducted by the Banks Board Bureau and Indian Institute of Management Bangalore, India. Prior to joining the Bank, he has worked at Union Bank of India. He has also served as a director on the boards of Kashi Gomti Samyut Gramin Bank, UP Industrial Consultant Limited and UBI Services Limited, and currently serves as a director on the boards of STCI Finance Limited and Star Union Dai-ichi Life Insurance Company Limited. He has 24 years of experience across digital, analytics and IT, retail and MSME credit and recovery.

Pramod Kumar Dwibedi is an Executive Director of the Bank and has been on the Board since 24 November 2025. He holds a master's degree in economics and a master's degree in business administration with specialisation in finance, and is a CAIIB. He also holds a certification in 'IT and Cyber Security for Senior Management' from the Institute for Development and Research in Banking Technology and a certification in 'Fundamentals of Risk Management' from the Institute of Risk Management, London. Prior to his appointment to the Bank, he has served as a general manager, Bhopal (comprising Madhya Pradesh and Chhattisgarh) and chief general manager, Pune. He also served as a director on the board of MPCON Limited.

Manoj M. Ayyappan is a non-Executive Director (nominated as the Government Nominee Director) of the Bank and has been on the Board since 5 August 2024. He holds a master's degree in business administration and a bachelor's degree in science from Mahatma Gandhi University, Kerala. He is presently posted as Joint Secretary in the Department of Financial Services, Ministry of Finance, Government of India. Prior to joining the Bank, he has worked at Karur Vysya Bank, Utkarsh Small Finance Bank, Axis Bank Limited, Accenture Management Consulting, Infosys BPM Limited and Bank of Madura Limited. He also serves as a director on the boards of the National Credit Guarantee Trustee Company and Small Industries Development Bank of India. He has over 25 years of experience in financial analysis, risk management and stressed account management, among others.

Ashok Narain is a non-Executive Director (elected as the RBI Nominee Director) of the Bank and has been on the Board since 14 July 2023. He holds a master's degree in business administration from Indian Institute of Management Kolkata, India, and is a CAIIB. Prior to joining the Bank, he was the chief general manager of RBI. He was also nominated by RBI to various national and international working groups, and served as a member of the board of a private-sector commercial bank, and represented RBI as a member of the 'International Operational Risk Working Group' and the 'G20-OECD Task Force on Financial Consumer Protection' and as co-lead of the non-banking financial institutions team (for credit institutions) of the Non-Banking Monitoring Expert Group of the Financial Stability Board, Basel. He has also been empanelled by the International Monetary Fund as a financial sector specialist since 2022. He is also on the board of Star Union Dai-ichi Life Insurance Company Limited as a non-executive independent director. He has over 35 years of experience.

Jamuna Ravi is a non-Executive, Independent Director (elected as the Shareholder Director) of the Bank and has been on the Board since 4 December 2024. She holds a master's degree in science in computer science from BITS, Pilani, India, and an honorary doctorate in computer science from Azteca University, Mexico. She is also

a certified information systems auditor and is certified in governance of enterprise information and technology. Prior to joining the Bank, she has held senior leadership roles at Tata Consultancy Services, Infosys, Shell and HSBC. She has over 35 years of experience in the global IT industry, specializing in technology for banking and capital markets.

Prabodh Parikh is a non-Executive Director (elected as Shareholder Director) of the Bank and has been on the Board since 29 November 2025. He holds a master's degree in commerce and a master's degree in business administration, and is a CAIIB. Prior to joining the Bank, he has worked as deputy managing director with State Bank of India ("**SBI**") as well as was on a deputation at the National Bank for Financing Infrastructure and Development ("**NaBFID**") as 'Executive Vice President – Officer on Special Duty'. He was also nominated by SBI as a director on the boards of Oman India Joint Investment Fund – Trustee Company Private Limited, Oman India Joint Investment Fund – Management Company Private Limited, and SBI Infra Management Solutions Private Limited. He has 37 years of banking experience, specializing in infrastructure and project financing.

Raj Kumar Sharma is a Part-time Non-Official Director of the Bank since 12 August 2026. He holds bachelor's degrees in commerce, with specialization in management, and law, and is a fellow member of the Institute of Company Secretaries of India ("**ICSI**"). He is a practising company secretary since 1997 and has vast experience in handling income tax and company law matters. Prior to joining the Bank, he served as an independent director on the boards of Numaligarh Refinery Limited and Mangalore Refinery and Petrochemicals Limited. In addition, he has served as a chairman of the north-east chapter of ICSI on two occasions and secretary of the Tax Bar Association in 2006. He currently serves as a director on the board of Assam Food and Civil Supplies Corporation Limited and holds directorships in three private companies. He is a regular speaker on income tax law and company law on various professional platforms.

Committees

The Bank has constituted various Committees of the Board including (a) Management Committee, (b) Audit Committee, (c) Stakeholders Relationship Committee, (d) Risk Management Committee of the Board, (e) Customer Service Committee of the Board, (f) IT Strategy and Digital Payment Promotion Committee, (g) Special Committee of the Board for Monitoring and Follow-up Cases of Fraud, (h) Nomination and Remuneration Committee, (i) Credit Approval Committee, (j) Director's Promotion Committee, (k) Disciplinary Proceedings Committee of the Board, (l) Share Transfer Committee, (m) Steering Committee of the Board on Human Resources, (n) Review Committee for Wilful Defaulters, (o) Committee for Monitoring High Value NPAs and Loss Assets, (p) Independent Directors' Committee of the Board, (q) Corporate Social Responsibility Committee, (r) Board Committee for Performance Evaluation of the Managing Director & CEO, Executive Directors and General Managers, (s) Group Governance Unit Committee, and (t) Investment Approval Committee.

(a) Management Committee

The Management Committee of the Board has been constituted in pursuance of Clause 13 of Nationalized Banks Scheme read with the directives of the MoF, Government of India. The composition of Management Committee of the Board has been advised by the Department of Financial Services, Ministry of Finance, Government of India vide communication F. No. 13/1/2006-BO.1/80061042 dated 24 August 2015, as may be amended by further communications. The Management Committee comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Chairperson	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Ashok Narain	Member	RBI Nominee Director
Prabodh Parikh	Member	Shareholder Director

(b) Audit Committee

The Audit Committee has been constituted as per the RBI guidelines of September 1995, read with Reserve Bank of India (Commercial Banks – Governance) Directions, 2025 dated 28 November 2025 (as amended from time to time). The Audit Committee comprises the following members:

Name of the Director	Designation	Nature of directorship
Raj Kumar Sharma	Chairperson	Part-time Non-Official Director
Manoj M. Ayyappan	Member	Government Nominee Director
Ashok Narain	Member	RBI Nominee Director
Pramod Kumar Dwibedi	Member	Executive Director

(c) Stakeholders Relationship Committee

The Stakeholders' Relationship Committee has been constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI Listing Regulations, with the objective of specifically looking into the redressal mechanism of grievances of shareholders, debenture holders and other security holders and to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends among other things. The Stakeholders' Relationship Committee comprises the following members:

Name of the Director	Designation	Nature of directorship
Prabodh Parikh	Member	Shareholder Director
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Jamuna Ravi	Member	Shareholder Director

(d) Risk Management Committee of the Board (the "RMC")

The RMC has been re-constituted in accordance with the RBI note dated April 26, 2021 bearing reference number DOR.GOV.REC.8/29.67.001/2021-22, as may be amended by further notifications on risk management, read with Reserve Bank of India (Commercial Banks – Governance) Directions, 2025 dated 28 November 2025 (as amended from time to time), and Regulation 21 of the SEBI Listing Regulations, as may be amended. It has been formed for successful implementation of proper risk management systems in our Bank and devises the policies and strategies for integrated risk management containing various risk exposures of the Bank. The RMC comprises the following members:

Name of the Director	Designation	Nature of directorship
Prabodh Parikh	Chairperson	Shareholder Director
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Jamuna Ravi	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director

(e) Customer Service Committee of the Board (the "CSC")

The CSC has been constituted as per the RBI guidelines. The functions of the committee are to bring about improvement in the quality of customer service provided by the Bank on an ongoing basis. The CSC meets at quarterly intervals to review the customer service in general, operation of the grievance redress mechanism in the Bank, progress in resolving customer complaints and to take note of the various customer service enhancing measures being taken by the Bank. The CSC comprises the following members:

Name of the member	Designation	Nature of directorship
M. R. Kumar	Chairperson	Non-Executive Chairman and Part-time Non-Official Director
Prabodh Parikh	Member	Shareholder Director
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Manoj M. Ayyappan	Member	Government Nominee Director
Yogendra Singh[(1)]	Invitee	-

Note:

(3) Internal ombudsman.

(f) IT Strategy and Digital Payment Promotion Committee (the "IT Committee")

The IT Committee has been constituted as per the RBI guidelines to track the progress of the Bank's IT initiatives. The IT Committee comprises the following members:

Name of the member	Designation	Nature of directorship
Jamuna Ravi	Chairperson	Shareholder Director
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Manoj M. Ayyappan	Member	Government Nominee Director
M. R. Kumar	Member	Non-Executive Chairman and Part-time Non-Official Director
Prabodh Parikh	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director
Kuldeep Pal[(1)]	Invitee	-

Note:

(1) Chief information security officer of the Bank.

(g) Special Committee of the Board for Monitoring and Follow-up Cases of Fraud (the "Fraud Monitoring Committee")

The major functions of the Fraud Monitoring Committee are to monitor and review all cases of fraud, with a view to identifying systemic weaknesses, and reasons for the delay in detection and reporting, to monitor progress of any investigation by the Central Bureau of Investigation and police investigations, to ensure that any staff accountability exercise is completed quickly, to review the efficacy of remedial action taken to prevent recurrence of fraud and to put in place suitable preventive measures. The Fraud Monitoring Committee comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer

Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Manoj M. Ayyappan	Member	Government Nominee Director
Jamuna Ravi	Member	Shareholder Director
M. R. Kumar	Member	Non-Executive Chairman and Part-time Non-Official Director
Prabodh Parikh	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director

Note:

The meeting of the Fraud Monitoring Committee shall be chaired by a non-executive director of the Bank other than the chairperson of the Audit Committee and the RMC.

(h) Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted in terms of the RBI notification dated 2 August 2019 bearing reference number RBI/DBR/2019-20/71/ Master Direction DBR-Appl No: 9/29.67.001/2019-20, as may be amended, to undertake the process of due diligence to determine the 'fit and proper' status of the persons to be elected as directors clause (i) of sub-section (3) of section 9 of the Banking Nationalisation Act. Further, the Government of India vide its notification dated 30 August 2019 directed the Bank to constitute a single Nomination and Remuneration Committee for carrying out the functions of both the Nomination Committee and the Remuneration Committee. The Nomination and Remuneration Committee comprises the following members:

Name of the Director	**Designation**	**Nature of directorship**
Prabodh Parikh	Member	Shareholder Director
M. R. Kumar	Member	Non-Executive Chairman and Part-time Non-Official Director
Jamuna Ravi	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director

(i) Credit Approval Committee

The Credit Approval Committee was constituted on 24 March 2012. It exercises the powers delegated to the Management Committee of the Board with regard to credit proposals of up to Rs.800.00 crores including decisions regarding financial sanctions, compromises or write-offs. The Credit Approval Committee comprises the following members:

Name of the member	Designation	Nature of directorship
Rajneesh Karnatak	Chairperson	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
CGM/ GM Risk Management	Member	-
CGM/ GM Finance	Member	-
CGM/ GM Credit	Member	-

(j) Director's Promotion Committee

The Director's Promotion Committee acts as the selection committee for promotion of the Bank's officers and comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Manoj M. Ayyappan	Member	Government Nominee Director
Ashok Narain	Member	RBI Nominee Director

(k) Disciplinary Proceedings Committee of the Board

The Disciplinary Proceedings Committee of the Board was formed to review the vigilance and non-vigilance cases and decide upon appeals and review petitions from officers in scale VI and scale VII in terms of Bank of India Officer Employees (Discipline & Appeals) Regulations, 1976 and comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Chairperson	Managing Director and Chief Executive Officer
Manoj M. Ayyappan	Member	Government Nominee Director
Ashok Narain	Member	RBI Nominee Director
Prabodh Parikh	Member	Shareholder Director

(l) Share Transfer Committee

The Share Transfer Committee was formed to consider and approve the cases of share transfer/ transmission, issue of duplicate share certificates, etc. and comprises the following members:

Name of the Director	Designation	Nature of directorship
Prabodh Parikh	Chairperson	Shareholder Director
Rajneesh Karnatak[(1)]	Member	Managing Director and Chief Executive Officer
Jamuna Ravi	Member	Shareholder Director

Note:

(1) In his absence, the meeting of the Share Transfer Committee will be attended by any of the Executive Directors of the Bank.

(m) Steering Committee of the Board on Human Resources

The Steering Committee of the Board on Human Resources was formed to consider critical issues in relation to human resources ("**HR**"), review human resource management plan and related policies on HR on the lines suggested by the Khandelwal Committee referred through DFS communication F. No.9/18- 2009-1 R dated 21 October 2011 and comprises the following members:

Name of the Director	Designation	Nature of directorship
M. R. Kumar	Member	Non-Executive Chairman and Part-time Non-Official Director
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Manoj M. Ayyappan	Member	Government Nominee Director
Prabodh Parikh	Member	Shareholder Director

Note:

The meeting of the Steering Committee of the Board on Human Resources shall be chaired by a non-executive director of the Bank.

(n) Review Committee for Wilful Defaulters

The Review Committee for Wilful Defaulters was formed to declare borrowers as wilful defaulters who are identified by the 'Identification Committee' and comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Chairperson	Managing Director and Chief Executive Officer
M. R. Kumar	Member	Non-Executive Chairman and Part-time Non-Official Director
Prabodh Parikh	Member	Shareholder Director

(o) Committee for Monitoring High Value NPAs and Loss Assets

The Committee for Monitoring High Value NPAs and Loss Assets was constituted for monitoring high value NPAs and loss assets to monitor recovery and review of top 30 NPAs. However, presently, this committee reviews top 50 NPA group borrowers of the Bank, apart from review of NCLT accounts, suit filed cases and other items as mandated by the Board and comprises the following members:

Name of the Director	Designation	Nature of directorship
M. R. Kumar	Chairperson	Non-Executive Chairman and Part-time Non-Official Director
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
Manoj M. Ayyappan	Member	Government Nominee Director

(p) Independent Directors' Committee of the Board

The Independent Directors' Committee of the Board was formed to (i) review the performance of non-independent directors and the Board as a whole and of the Chairperson of the Bank, taking into account the views of executive and non-executive directors, (ii) assess the quality, quantity and timelines of flow of information between the management and the Board to effectively and reasonably perform their duties, and (iii) review the effectiveness of the Board and the Board-level committees, and comprises the following members:

Name of the Director	Designation	Nature of directorship
M. R. Kumar	Member	Non-Executive Chairman and Part-time Non-Official Director
Jamuna Ravi	Member	Shareholder Director
Prabodh Parikh	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director

Note:

The meeting of the Independent Directors' Committee of the Board shall be chaired by a non-executive director of the Bank other than the chairperson of the Audit Committee and the RMC.

(q) Corporate Social Responsibility Committee (the "CSR Committee")

The CSR Committee shall oversee all corporate social responsibility activities as per the corporate social responsibility policy of the Bank or regulatory guidelines. It comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
M. R. Kumar	Member	Chairperson of the Board
Jamuna Ravi	Member	Shareholder Director
Prabodh Parikh	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director

Note:

The meeting of the CSR Committee shall be chaired by a non-executive director of the Bank other than the chairperson of the Audit Committee.

(r) Board Committee for Performance Evaluation of the Managing Director & CEO, Executive Directors, Chief General Managers and General Managers (the "Performance Evaluation Committee")

The Performance Evaluation Committee is the reporting, reviewing and accepting authority for the whole-time directors and heads of assurance functions as laid down by Department of Financial Services, Ministry of Finance and comprises the following members:

Name of the Director	Designation	Nature of directorship
M. R. Kumar	Chairperson	Non-Executive Chairman and Part-time Non-Official Director
Manoj M. Ayyappan	Member	Government Nominee Director
Jamuna Ravi	Member	Shareholder Director

(s) Group Governance Unit Committee

The Group Governance Unit Committee was formed to monitor the governance of the unlisted subsidiaries/ associates/ joint venture and regional rural banks, both domestic and overseas, and review policies pertaining to various aspects in relation to the subsidiaries. It comprises the following members:

Name of the Director	Designation	Nature of directorship
Rajneesh Karnatak	Member	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
M. R. Kumar	Member	Chairperson of the Board
Jamuna Ravi	Member	Shareholder Director
Prabodh Parikh	Member	Shareholder Director
Raj Kumar Sharma	Member	Part-time Non-Official Director

Note:

The meeting of the Group Governance Unit Committee shall be chaired by a non-executive director of the Bank other than the chairperson of the Audit Committee and the RMC.

(t) Investment Approval Committee

The Investment Approval Committee is responsible for all investments made by the Bank in equity shares, preference shares, convertible instruments and equity-like products, and comprises the following members:

Name of the member	Designation	Nature of directorship
Rajneesh Karnatak	Chairperson	Managing Director and Chief Executive Officer
Paripurnam Ramanujam Rajagopal	Member	Executive Director
Subrat Kumar	Member	Executive Director
Rajiv Mishra	Member	Executive Director
Pramod Kumar Dwibedi	Member	Executive Director
CGM/ GM Risk Management	Member	—
CGM/ GM Finance	Member	—
CGM Treasury	Member	—
GM Treasury	Member	—

STRUCTURE OF INDIA'S BANKING INDUSTRY

The information presented in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government and its various ministries, the RBI and the Indian Banks Association, and has not been prepared or independently verified by the Bank, the Arrangers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers.

The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Offering Circular.

Introduction

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority and watchdog for Indian banks, financial institutions and non-banking finance companies. A variety of financial intermediaries in the public and private sectors participate in India's financial sector.

Until the 1990s, the Indian financial system was strictly controlled. Interest rates were administered by the Government. Formal and informal parameters governed asset allocation and strict controls limited entry into and expansion within the financial sector. Bank profitability was low, NPAs were comparatively high, capital adequacy was diminished and operational flexibility was hindered. The Government's economic reform program, which began in 1991, encompassed the financial sector. The first phase of the reform process began with the implementation of the recommendations of the Committee on the Financial System, namely the Narasimham Committee I. Following that, reports were submitted in 1997 and 1998 by other committees, such as the second Committee on Banking Sector Reform, namely the Narasimham Committee II, and the Tarapore Committee on Capital Account Convertibility. This, in turn, led to the second phase of reforms relating to capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The deregulation of interest rates, the emergence of a liberalized domestic capital market and the entry of new private sector banks have progressively intensified the competition among banks. Banks in India may be categorized as scheduled banks and non-scheduled banks, where the former are banks which are included in the second schedule to the RBI Act as amended. These banks comprise scheduled commercial banks ("**SCBs**") and scheduled cooperative banks.

This discussion presents an overview of the role and activities of the RBI and of each of the major participants in the Indian financial system, with a focus on commercial banks. This is followed by a brief summary of the banking reform process along with the recommendations of various committees that have played a key role in the reform process. A brief discussion on the impact of the liberalization process on long-term lending institutions and commercial banks is then presented. Finally, reforms in the non-banking financial sector are briefly reviewed.

Overview of the Indian banking sector

The Reserve Bank of India is the central bank of the country. The Reserve Bank of India Act, 1934 (Act No. 2 of 1934) establishes the legal foundation for the bank's operations. It was constituted to primarily regulate the issue of banknotes, maintain reserves in order to secure monetary stability and operate the credit and currency system of the country. In order to strengthen the nation's financial infrastructure, the bank also played a key

role in the establishment of organizations such as the Unit Trust of India, the Industrial Development Bank of India, the National Bank of Agriculture and Rural Development and others.

The Banking Regulation Act, 1949 followed soon after independence, consolidating control over banking activities under a uniform legal structure. It is one of the most significant legislative frameworks in India, regulating the banking sector to ensure stability, security, and growth.

In order to better serve the needs of development of the economy in conformity with the national policy objectives, 14 significant Indian SCBs with deposits over Rs 50 crores were nationalized in 1969. Further, a fresh Ordinance was issued which was later replaced by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. To promote the welfare of the people, The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 was passed to provide for the acquisition and transfer of the undertakings of certain banking companies.

The Bank was incorporated on September 7, 1906 under the Act No. VI of 1882 of the Legislative Council of India as "Bank of India Limited". On 19 July 1969, the Bank was taken over by the Government and was constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. Following its nationalisation, the name of the Bank was changed to "Bank of India".

Several important amendments to the RBI Act such as the Banking Regulation (Amendment) Act, 1994, the Banking Companies (Acquisition and Transfer of Undertakings) Amendment Act, 1994 and the Banking Regulation (Amendment) Act, 2007, the Banking Laws (Amendment) Act, 2012 relating to governance, capital flexibility, Statutory Liquidity Ratio (SLR) or Cash Reserve Ratio (CRR) based liquidity management were introduced, reforming India's banking framework.

With the Banking Regulation (Amendment) Act, 2020, additional powers were provided to the Reserve Bank of India for enhanced effective regulation of Co-operative banks. Continuing this momentum, in a recent reform, The Banking Laws (Amendment) Act, 2025 amends five acts viz. the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the State Bank of India Act, 1955, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980. The move aims to enhance banking governance, improve audit transparency, strengthen depositor protection, and bring cooperative banks under a more robust regulatory framework.

The Banking Laws (Amendment) Act, 2025 has been introduced amid rapid digital growth and evolving financial challenges. The reform seeks to align governance and compliance frameworks with contemporary industry dynamics and evolving technology. The Banking Laws (Amendment) Act, 2025 represents a significant stride towards modernizing India's financial architecture. By aligning governance norms, depositor safeguards, and audit practices with current economic realities, the Banking Laws (Amendment) Act, 2025 not only strengthens public confidence but also supports India's vision of a secure, inclusive, and technology-driven banking system. These reforms reinforce stability, transparency, and efficiency essential pillars for sustaining growth in an increasingly digital economy.

The key provisions are as follows:

Depositor-centric: The Banking Laws (Amendment) Act, 2025 includes robust measures to safeguard public trust in banking institutions by simplified claim settlement for their families.

Enhanced Governance: The revised threshold for "substantial interest" reflects inflation and growth. The maximum tenure for cooperative bank directors (excluding the Chairperson and whole-time directors) now aligns with the 97th Constitutional Amendment indicating the democratic outlook.

Improved Financial Transparency: Transfer to the Investor Education and Protection Fund aims at creating a more transparent system for fund management.

Enhanced Audit Quality: The PSBs will now be able to attract more qualified professionals and improve audit quality by paying better auditor remuneration.

Improved Operational Efficiency: The Banking Laws (Amendment) Act, 2025 simplifies certain procedures, such as updating certain operational definitions.

The Reserve Bank of India

The RBI, established on 1 April 1935 in accordance with the provisions of the Reserve Bank of India Act, 1934, is the central banking, monetary and statutory authority in India. Though originally privately owned, since nationalization in 1949, the RBI is fully owned by the Government of India. The RBI manages the country's money supply and foreign exchange and also serves as a bank for the Government and for the country's commercial banks. In addition to these traditional central banking roles, the RBI undertakes certain developmental and promotional roles.

The RBI issues guidelines on exposure limits, income recognition, asset classification, provisioning for non-performing and restructured assets, investment valuation and capital adequacy for commercial banks, long-term lending institutions and non-banking financial companies. The RBI requires these institutions to furnish information relating to their businesses to it on a regular basis.

Commercial Banks

Commercial banks in India have traditionally focused on meeting the short-term financial needs of primary, secondary & tertiary sector. In recent years they have also focused on increasing long-term financing to sectors like infrastructure. As of June 10, 2026, there are 120 SCBs in the country, including 28 regional rural banks ("**RRBs**") which have been reduced from 43 to 28 guided by the principle of 'One State-One RRB'.

SCBs are banks that are listed in the Second Schedule to the RBI Act, and are further categorized as public sector banks, private sector banks, small finance banks, payments banks, regional rural banks and foreign banks. SCBs have a presence throughout India with majority of them located in rural or semi-urban areas of the country. A large number of these branches belong to the public sector banks.

Public Sector Banks

As on 31 March 2026, there were 12 public sector banks in India and these make up the largest category in the Indian banking system. In one of the largest consolidations in the Indian banking industry, the State Bank of India merged its five associate banks, i.e., State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Raipur, State Bank of Travancore, State Bank of Hyderabad as well as Bhartiya Mahila Bank ("**BMB**") with itself. The merger was effective from 1 April 2019. Vijaya Bank and Dena Bank were also merged with Bank of Baroda, effective from 1 April 2019. In fiscal 2019, the ownership of a public sector bank, IDBI Bank, was acquired by LIC, following which IDBI Bank was reclassified as a private sector bank by the RBI.

During the Financial Year ended 31 March 2020, 10 of the public sector banks were merged into 4 entities. These included the merger of United Bank of India and Oriental Bank of Commerce with Punjab National Bank, Syndicate Bank merger with Canara Bank, Allahabad Bank merger with Indian Bank and merger of Andhra Bank and Corporation Bank with Union Bank of India.

Regional rural banks (RRBs) were established from 1976 to 1987 by the Government, state governments and sponsoring commercial banks jointly with a view to develop the rural economy. RRBs provide credit to small farmers, artisans, small entrepreneurs and agricultural laborers. The National Bank for Agriculture and Rural Development (NABARD), India's apex specialized development bank, which was established in 1982 under an Act of Parliament to promote sustainable and equitable agriculture, small-scale industries, and rural development, is responsible for supervising the functions of the regional rural banks, and facilitated the transfer of agricultural credit functions from the RBI, aimed at fostering rural prosperity.

As on 31 March 2026, there are 28 RRBs functioning in 26 States and 2 UTs, with more than 22000 branches covering 700 districts. Their predominant area of operation is in rural areas with approx. 92% of branches in rural/semi urban areas.

Private Sector Banks

Most large banks in India were nationalized in 1969, resulting in public sector banks making up the largest portion of Indian banking. The Government's focus on public sector banks was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. These banks are collectively known as the "new" private sector banks. As at June 10, 2026, there were a total of 21 private banks and private sector banks.

On 18 June 2026, Emirates NBD Bank (P.J.S.C.) completed the acquisition of a 60% stake in RBL Bank Limited through a Rs.26,000 crore (approximately US$2.75 billion) preferential share issuance, following a mandatory open offer to public shareholders. The transaction, first disclosed in October 2025, received RBI approval on 2 April 2026 -- permitting Emirates NBD to hold up to 74% of RBL Bank (at which point RBL Bank would be reclassified as a foreign bank subsidiary), while capping Emirates NBD's voting rights at 26% under the Banking Regulation Act, 1949 -- together with clearances from the Competition Commission of India, SEBI and the Central Bank of the UAE, and Government of India approval for foreign investment above the 49% automatic-route threshold. The parties have described this as the largest foreign direct investment in the Indian banking sector and the largest equity fund-raise in Indian banking history to date. RBL Bank's board has approved five Emirates NBD nominee directors with effect from 18 June 2026, subject to shareholder approval.

Small Finance Banks and Payments Banks

Payments banks and small finance banks are regulated entities falling under the regulatory purview of the RBI. The primary objective of setting up the payments banks and small finance banks was to further financial inclusion by providing (i) small savings accounts and (ii) payments/remittance services to a migrant labour workforce, low income households, small businesses, other unorganized sector entities and other users, by enabling high-volume low-value transactions in deposits and payments/remittance services in a secured technology driven environment. As at June 10, 2026, there are 4 payments banks and 11 small finance banks operating in India, focusing on financial inclusion, digital payments, and serving small businesses/unserved sectors.

Foreign Banks

As at June 10, 2026, there are 44 foreign banks with 775 branches operating in India. The primary activity of most foreign banks in India has been in the corporate segment. However, some of the larger foreign banks have made retail banking a significant part of their portfolios. Most foreign banks operate in India through branches of the parent bank. Certain foreign banks also have wholly owned non-banking financial company subsidiaries or joint ventures for both corporate and retail lending.

The RBI has granted in-principle approval to Japan-based Sumitomo Mitsui Banking Corporation to set up a wholly owned subsidiary (WOS) in India. The approval was announced on 14 January 2026, and has been issued under the Reserve Bank of India (Setting Up of Wholly Owned Subsidiaries by Foreign Banks) Guidelines, 2025.

The central bank stated that it would consider granting a licence for the commencement of banking operations once the bank fulfils the conditions attached to the in-principle approval, as required under Section 22(1) of the Banking Regulation Act, 1949.

Under current RBI regulations, foreign banks are permitted to operate in India either through branch mode or as wholly owned subsidiaries. At present, DBS Bank India and SBM Bank India operate as WOS entities. With this approval, SMBC will become the fourth foreign lender to move to the subsidiary model. The approval comes after SMBC acquired a 24.22% stake in Yes Bank for INR13,482 crore, making it the largest shareholder in the private sector lender. Following the transaction, State Bank of India's holding in Yes Bank was diluted to 10.78%.

Yes Bank had undergone a reconstruction process in March 2020, led by SBI and other lenders, which together acquired a 79% stake to stabilise the bank. The in-principle approval allows SMBC to transition from a branch-based presence to a locally incorporated banking subsidiary in India, subject to regulatory conditions being met.

Once Emirates NBD's acquisition of a majority stake in RBL Bank is completed and its holding reaches the 74% threshold, RBL Bank itself will be reclassified as a foreign bank subsidiary.

Co-operative Banks

Cooperative banks cater to the financing needs of agriculture, small industry and self-employed businessmen in urban and semi-urban areas of India. The state land development banks and the primary land development banks provide long-term credit for agriculture. In response to liquidity and insolvency problems experienced by some cooperative banks in fiscal 2001, the RBI undertook several interim measures, pending formal legislative changes, including measures relating to lending against shares, borrowing in the call market and term deposits placed with other urban cooperative banks.

The RBI regulates and supervises Urban Cooperative Banks (UCBs) under the Banking Regulation Act, 1949, focusing on banking operations like capital adequacy and lending, with oversight from the Urban Banks Department. Conversely, Rural Cooperative Banks – comprising State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs) – are supervised by NABARD.

The Banking Regulation Act, 1949 has been amended to provide additional powers to RBI for more effective regulation of Co-operative banks vide Banking Regulation (Amendment) Act, 2020 ("**2020 Act**"). The major amendments pertain to areas such as management, audit, capital, liquidation, reconstruction/amalgamation, etc. The provisions of the 2020 Act have been brought into force for Urban Co-operative Banks (UCBs) with effect from 26 June 2020. Post these amendments*, inter alia,* the governance/management related provisions of the Banking Regulation Act, 1949, (such as Section 10,10A,10B,35B,36AB, etc.), have become applicable to co-operative banks.

Urban cooperative banks that fulfil certain eligibility criteria are allowed direct access to the negotiated dealing system order matching, subject to obtaining prior approval from the RBI. This helps deepen the bond market by increasing the number of participants.

Long-Term Lending Institutions

The long-term lending institutions were established to provide medium-term and long-term financial assistance to various industries for setting up new projects and for the expansion and modernization of existing facilities. These institutions provided fund-based and non-fund-based assistance to industry in the form of loans, underwriting, direct subscription to shares, debentures and guarantees. The primary long-term lending institutions included Industrial Development Bank of India (now IDBI Bank), IFCI Limited, the Industrial Investment Bank of India and ICICI prior to its amalgamation with ICICI Bank Limited.

The National Bank for Financing Infrastructure and Development Act, 2021 was introduced by the Hon'ble Finance Minister on 22 March 2021, marking a significant shift in the approach to infrastructure financing in India, as it denotes the return of Development Financial Institutions (DFIs) in the country after a few decades.

The National Bank for Financing Infrastructure and Development Act, 2021 subsequently received the assent of the President on 28 March 2021 and has come into force effective 19 April 2021.

The long-term lending institutions were expected to play a critical role in Indian industrial growth and, accordingly, had access to concessional Government funding. However, in recent years, the operating environment of the long-term lending institutions has changed substantially. Although the initial role of these institutions was largely limited to providing a channel for Government funding to industry, the reform process required such institutions to expand the scope of their business activities.

Non-Banking Financial Companies ("NBFC(s)")

There were 8,561 non-banking financial companies in India as of 30 June 2026, mostly in the private sector. All non-banking financial companies are required to register with the RBI. The non-banking financial companies have previously been categorized into entities which take public deposits and those which do not. The companies which take public deposits are subject to strict supervision and the capital adequacy requirements of the RBI. Presently, the regulatory structure for NBFCs comprises of four layers based on their size, activity and perceived riskiness. NBFCs in the lowest layer are known as NBFCs-Base Layer (NBFCs-BL). NBFCs in middle layer and upper layer are known as NBFCs-Middle Layer (NBFCs-ML) and NBFCs Upper Layer (NBFCs-UL), respectively. The Top Layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL).

The Base Layer comprises of non-deposit taking NBFCs below the asset size of INR 1,000 crore and NBFCs undertaking certain specified activities (i.e., NBFC-peer to peer lending platform, NBFC-account aggregator, Non-Operative Financial Holding Company and NBFC holding certificate of registration as 'Type I NBFC'). The Middle Layer consists of all deposit taking NBFCs (NBFCs-D), irrespective of asset size, non-deposit taking NBFCs with asset size of INR 1,000 crores and above, and NBFCs undertaking certain specified activities (i.e., Standalone Primary Dealer, Infrastructure Debt Fund-Non-Banking Financial Company, Core Investment Company, Housing Finance Company and NBFC - Infrastructure Finance Company). The Upper Layer comprises of those NBFCs having asset size of INR 1,00,000 crores and above as per the latest audited balance sheet for the financial year. The Top Layer will ideally remain empty and may be populated if the RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFCs in the Upper Layer. Such NBFCs shall move to the Top Layer from the Upper Layer.

The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting.

Housing Finance Companies

Housing finance companies form a distinct sub-group of non-banking financial companies. As a result of the various incentives given by the Government for investing in the housing sector in recent years, the scope of this business has grown substantially. In recent years, several other players, including banks, have entered the housing finance industry. The National Housing Bank ("**NHB**") and Housing and Urban Development Corporation Limited are the two major financial institutions instituted through acts of Parliament to improve the availability of housing finance in India. The National Housing Bank Act, 1987 ("**NHB Act**") was enacted to establish the NHB to operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support to such institutions. The NHB Act provides for securitization of housing loans, foreclosure of mortgages and setting-up of mortgage credit guarantee schemes. Thus, NHB has played a lead role in starting up mortgage- backed securitisation and development of a secondary mortgage market in the country. Considering the need to promote the development of secondary market for Residential Mortgage Backed Securities (RMBS) in India, the RMBS Policy of NHB envisages to

introduce specialized institutional measures for providing credit enhancements for promoting the development of secondary market for residential mortgages. The Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH), managed by NHB, provides collateral-free housing loans to Economically Weaker Section (EWS) and Low-Income Group (LIG) families. The scheme guarantees up to 70% of default amounts for loans up to INR 20 lakh for homes up to 60 sqm (645 sq ft).

Microfinance Institutions

Microfinance institutions (MFIs) also form a distinct sub-group of non-banking financial companies. They focus on providing access to small-scale financial services, especially to the poor. Microfinance institutions differ from other financial services providers as they do not depend on grants or subsidies to provide unsecured loans to borrowers with low incomes and no access to the mainstream banking system.

As per the Reserve Bank of India (Non-Banking Financial Companies – Microfinance Institution) Directions, 2025, an NBFC-MFI is a non-deposit taking NBFC which has a minimum of 60% of its total assets (netted off by intangible assets) deployed towards "microfinance loans" on an ongoing basis. Microfinance loans are collateral-free loans (irrespective of end use and mode of application/processing/disbursal (either through physical or digital channels) given to households having an annual household (an individual family unit, i.e., husband, wife and their unmarried children) income up to INR 300,000.

Other Financial Institutions

Specialized Financial Institutions

In addition to the long-term lending institutions, there are various specialized financial institutions which cater to the specific needs of different sectors. These include NABARD, Export Import Bank of India, Small Industries Development Bank of India, Risk Capital and Technology Finance Corporation Limited, Tourism Finance Corporation of India Limited, NHB, Power Finance Corporation Limited, IDFC First Bank, Industrial Investment Bank of India, North Eastern Development Finance Corporation and India Infrastructure Finance Company.

State-level Financial Institutions

State financial corporations operate at the state level and form an integral part of the institutional financing system. State financial corporations were set up to finance and promote SMEs. The state financial institutions are expected to achieve balanced regional socio-economic growth by generating employment opportunities and widening the ownership base of industry. At the state level, there are also state industrial development corporations, which provide finance primarily to medium-sized and large enterprises.

Insurance Companies

As on 31 March 2026, there are 75 insurers operating in India; of which 26 are life insurers, 27 are general insurers, 7 standalone health insurers and 15 (3 domestic and 12 foreign) re-insurance company. The only domestic reinsurance companies are the General Insurance Corporation of India, Valueattics Reinsurance and Allianz Jio Reinsurance and out of which the General Insurance Corporation of India operates in the public sector. Life Insurance Corporation of India, General Insurance Corporation of India and public sector general insurance companies also provide long-term financial assistance to the industrial sector. The insurance sector in India is regulated by the Insurance Regulatory and Development Authority. In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors.

In its monetary and credit policy for fiscal 2001, the RBI issued guidelines governing the entry of banks and financial institutions into the insurance business. The guidelines permit banks and financial institutions to enter the business of insurance underwriting through joint ventures provided they meet stipulated criteria relating to

their net worth, capital adequacy ratios, profitability track record, level of non-performing loans and the performance of their existing subsidiary companies.

As per the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025, banks can undertake insurance business with risk participation only through a subsidiary/joint venture set up for the purpose, and subject to fulfilment of the eligibility criteria set out in the aforesaid directions.

Mutual Funds

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India at the initiative of the Government and the RBI. From 1963 to 1987, Unit Trust of India was the only mutual fund operating in India. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, LIC and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulations, 1996. The SEBI (Mutual Funds) Regulations, 1996, establish the primary legal framework for mutual funds in India, mandating registration with SEBI, structure as trusts, and the appointment of an Asset Management Company (AMC) and Custodian. It ensures investor protection through strict, regularly updated norms for fund management, valuation, and disclosures.

The latest data from the Association of Mutual Funds in India (AMFI) show industry AUM had grown further to Rs.85.76 lakh crore (Rs.85.76 trillion) as of 31 July 2026, with 28.09 crore investor folios and SIP assets of Rs.18.19 lakh crore (approximately 21.2% of industry AUM; monthly SIP inflow of Rs.31,961 crore, a four-month high). July 2026 alone recorded net inflows of approximately Rs.2.35 lakh crore, which AMFI attributed to higher market valuations and sustained domestic institutional buying. Equity, small-cap and mid-cap categories continued to see the largest net inflows through mid-2026, while large-cap funds saw a modest net outflow in July 2026.

Committee on Banking Sector Reform

The second Committee on Banking Sector Reform ("**Narasimham Committee II**") submitted its report in April 1998. The major recommendations of the committee were in respect of capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The RBI accepted and began implementing many of these recommendations in October 1998.

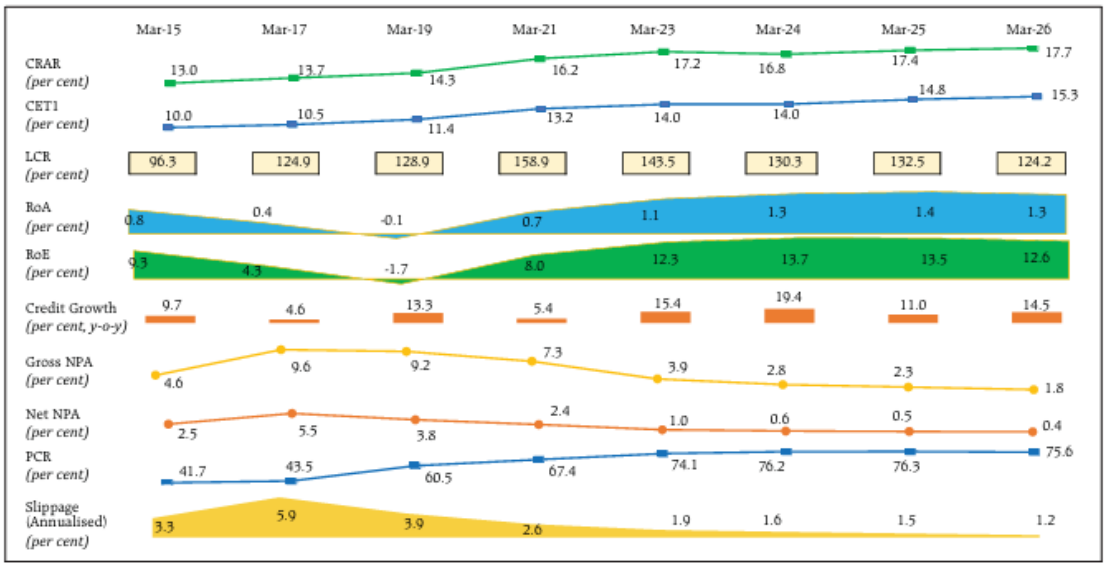
Banks implemented new prudential accounting norms for the classification of assets, income recognition and loan loss provisioning. Following the Bank for International Settlements guidelines, capital adequacy norms were also prescribed. To meet additional capital requirements, public sector banks were allowed to access the market for funds. Interest rates were deregulated, while the rate of directed lending was progressively reduced.

Commercial Banking Trends

Banking System

Sound Financials Strengthen the Banking System

The resilience of the banking system is paramount in preserving financial stability. The Indian banking system, led by SCBs, remains healthy with strong capital, liquidity and profitability positions. Alongside, declining non-performing loan ratios and steady slippage are improving overall asset quality. Robust common equity tier 1 (CET1) capital, lower loan losses and credit costs, and healthy return-on-equity reinforce banking system's strong performance.



Source: RBI supervisory returns

Notes:

(1) Domestic operations of SCBs, including SFBs (except for CRAR, whose minimum regulatory requirement is higher for SFBs).

(2) Data as of 11 June 2026.

Table 2.1: Health Tracker – Scheduled Commercial Banks (SCBs)

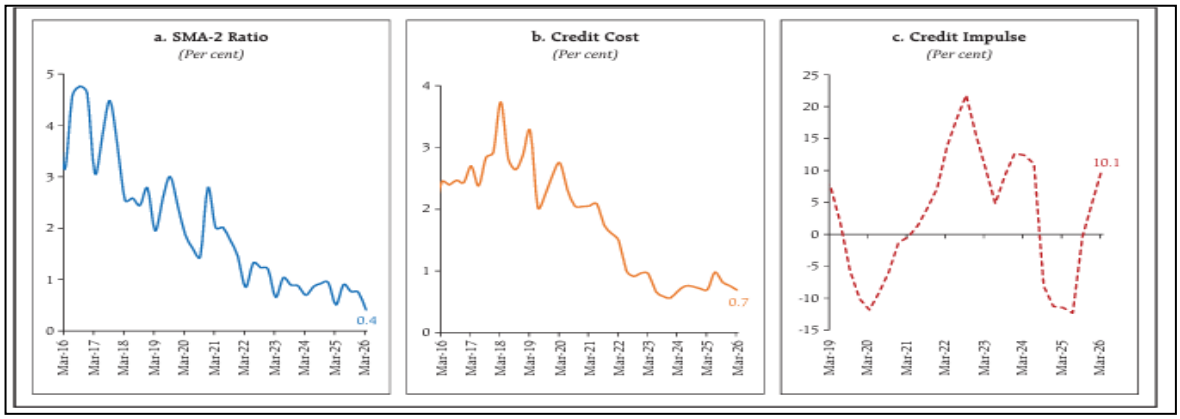
			Best ← → Worst			
	(Per cent)	*10-year median*	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26
Credit and Deposit	Credit Growth	*11.0*	15.4	19.4	11.0	14.5
	Deposit Growth	*10.1*	10.1	13.8	10.7	11.5
Asset Quality and Pro-visioning	GNPA Ratio	*7.3*	3.9	2.8	2.3	1.8
	NNPA Ratio	*2.4*	1.0	0.6	0.5	0.4
	Slippage Ratio	*2.8*	1.9	1.6	1.5	1.2
	PCR	*67.4*	74.1	76.2	76.3	75.6
Liquidity	LCR	*130.3*	143.5	130.3	132.5	124.2
	NSFR	*126.4*	128.8	126.9	126.4	122.1
Earnings	NII Growth	*10.1*	21.6	15.4	7.9	4.0
	OOI Growth	*7.9*	7.7	17.9	18.0	14.5
	EBPT Growth	*12.3*	16.1	12.3	14.9	7.9
	PAT Growth	*16.8*	39.7	31.5	16.8	7.2
Profit-ability	NIM	*3.3*	3.7	3.7	3.5	3.3
	ROA	*0.7*	1.1	1.3	1.4	1.3
	ROE	*8.0*	12.3	13.7	13.5	12.6
Capital	CET 1 Ratio	*13.2*	14.0	14.0	14.8	15.3
	CRAR	*16.2*	17.2	16.8	17.4	17.7

Note: This table provides relative health of the sector based on the last 10 years' data. For colour to represent appropriate status; a 10-year minimum/ maximum (depending on the indicator) is considered the best/ worst. Midpoint is 50th percentile, except for LCR and NSFR (Min 100 and Midpoint 120). For CET1 ratio and CRAR, the minimum regulatory capital is considered as the worst. PAT growth: Minimum and maximum are considered as (-)100 and 100, respectively.
Sources: RBI Supervisory Returns; and RBI Staff Estimates.

The consolidated balance sheet of SCBs continued to remain resilient, with ongoing improvement in asset quality and capital ratios, and comfortable liquidity buffers. Credit and deposit growth gained momentum

during the second half of 2025-26. Net interest margins (NIMs) remained broadly stable during the financial year. Growth in earnings before provisions and tax (EBPT) moderated as the growth in other operating income lost some traction in March 2026. Year-on-year change in bank funding composition shows that over the past year, equity capital has seen a strong increase even as the primary source of funding, through deposits from households decreased. A similar change in asset composition shows an increase in net loans and advances, investments in state government securities and other assets. Consequently, the credit-to-deposit (CD) ratio has increased from 80.8 per cent. in March 2025 to 81.7 per cent. in March 2026. Importantly, the increase in the CD ratio is driven by the substitution of funding from deposits with an increase in equity capital.

Improving Asset Quality and Credit Cost Driving Credit Growth



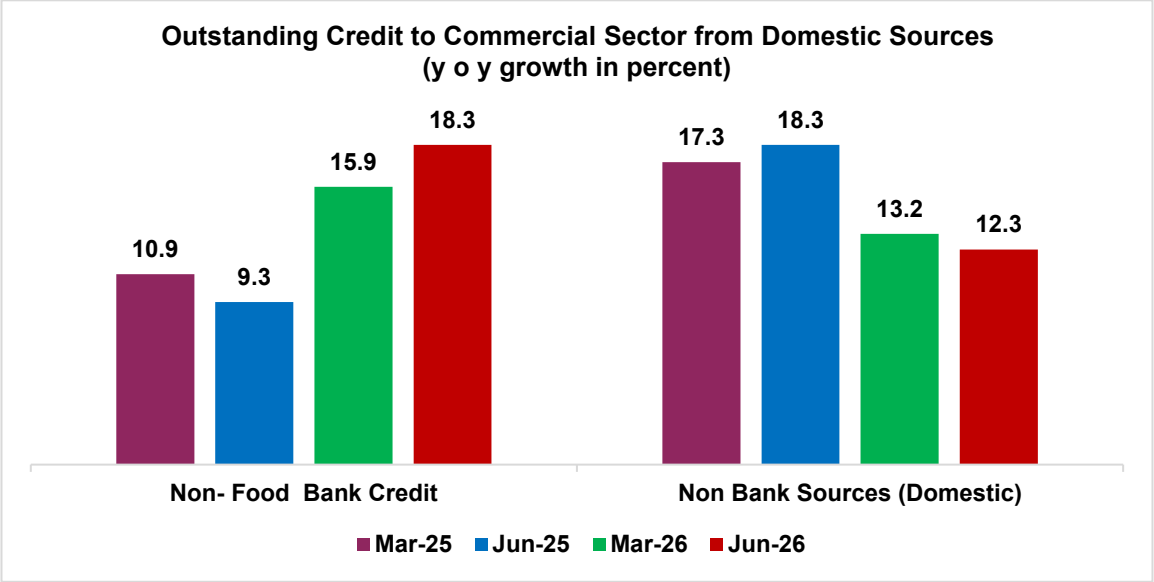
Sources: RBI FSR

In chart b, Credit Cost = Annualised (Risk provisions + write-offs)/Average gross loans and advances

The recent pickup in bank credit growth alongside a recovery in credit impulse reflects a more supportive credit environment for economic activity. Furthermore, the growth in bank lending to NBFCs and unsecured retail, in which risk weights were increased in November 2023, is showing signs of revival. Credit to large corporates also picking up. Alongside, the yield curve has steepened and the spread between state government securities and G-sec yields have risen. This is driving demand away from loans (except MSMEs), especially in respect of PVBs, as these investments are offering better returns on a risk-adjusted basis.

However, there is significant diversification among sources of credit to the commercial sector with lending from non-banks and market-based financing growing steadily. Thus, credit from these sources has not only substituted bank credit, but also ensured steady flow of funds to the commercial sector.

Growth in other operating income, although remaining robust at 14.5 per cent, lost some momentum in the quarter ending March 2026, resulting in a moderation in the growth of EBPT. Profit after tax (PAT) of SCBs increased to INR 4,05,268 crore during 2025-26 from INR 3,78,163 crore a year ago.



Source: RBI Bulletin

Notes:

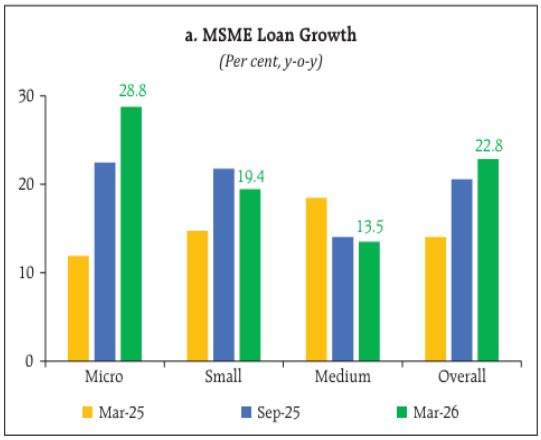
Non-banks include NBFCs, HCFs and AIFIs.

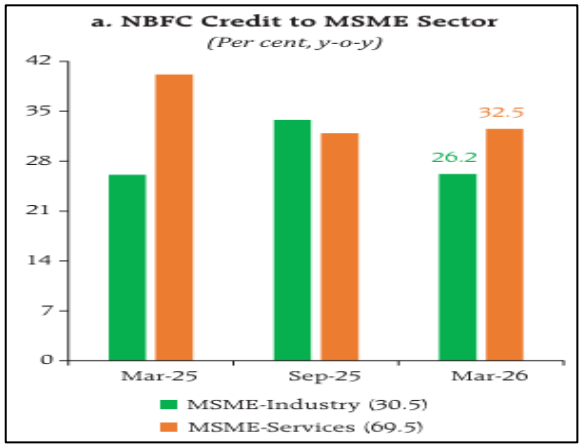
Unsecured retail lending, a key driver of bank loan growth during the post-pandemic period, declined sharply after the RBI increased risk weights on certain consumer segment loans in November 2023. Even as asset quality in aggregate remains stable – GNPA ratio at 1.8 per cent vis-à-vis 1.1 per cent for retail advances – slippages in unsecured retail loans constituted 53.1 per cent of the total retail loan slippages of SCBs. Among bank groups, the share of PVBs in fresh slippages of unsecured loans was higher, and their write-offs continue to remain elevated.

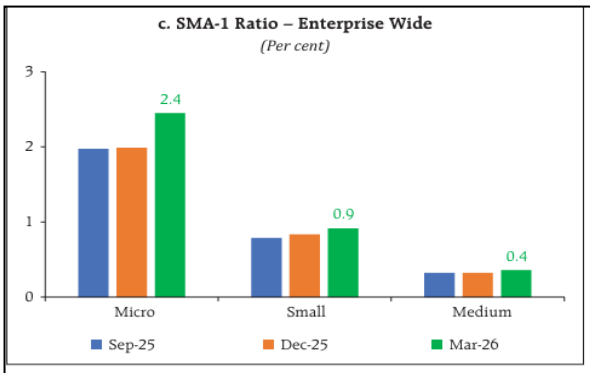
Bank credit to the Micro, Small and Medium Enterprises (MSME) rose sharply, aided partly by a change in classification criteria, registering growth of 22.8 per cent (y-o-y) in March 2026 and taking the share of MSME credit to 19 per cent in total non-food bank credit.

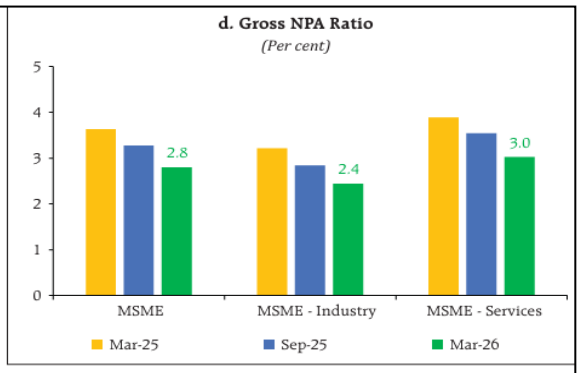
Importantly, advances to the super prime borrower category remained dominant, contributing almost 49 per cent of total MSME advances. Moreover, their asset quality remained sound with the aggregate gross NPA ratio showing further improvement – it fell from 5.2 per cent in September 2023 to 3.3 per cent in September 2025. The improvement is seen across sectors, even though the default rate for micro enterprises remained a tad elevated.

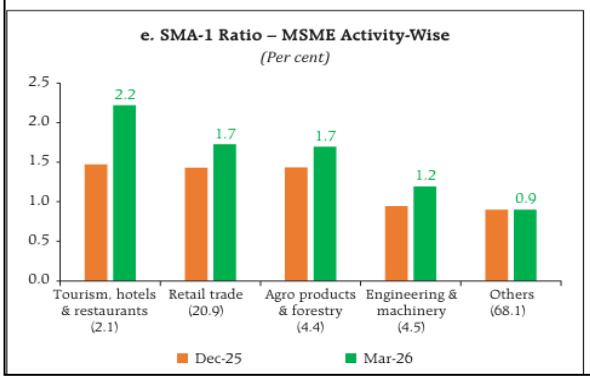
Credit to the microfinance sector increased after seven quarters of decline but the borrower base continued to decline by 22.7 lakh in the March 2026 quarter. Bank credit to the sector, which forms 47.7 per cent of total credit outstanding to the sector, contracted by 10.6 per cent during the same period. Asset quality is showing signs of improvement with the ratio of stressed assets declining in three successive quarters.

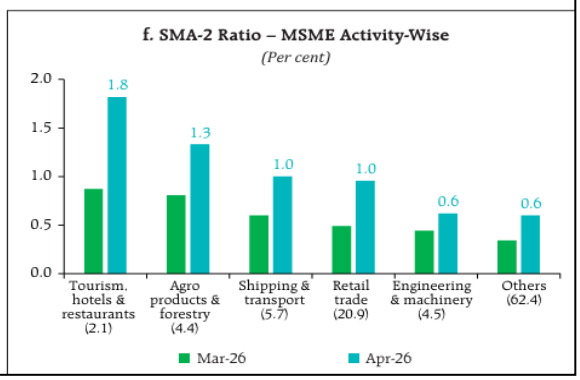












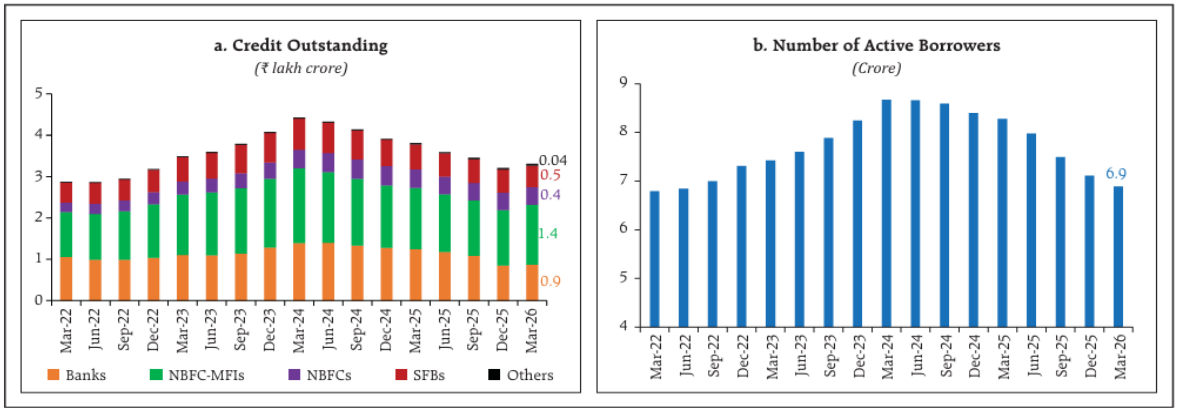
Source: RBI FSR
Sources: RBI supervisory returns; and staff estimates.

Consumer segment loans remain a key driver of loan demand for both banks and non-bank finance companies (NBFCs). After registering sharp growth post-pandemic, loans to consumer segment declined following countercyclical regulatory measures by the RBI to arrest the rapid growth in this segment. There are signs of stabilisation in the segment. Enquiry volumes have picked up in the month of September 2025, reflecting a rebound in demand post-GST rate cuts, even as the slowdown in the growth of credit active consumers appears to have bottomed out.

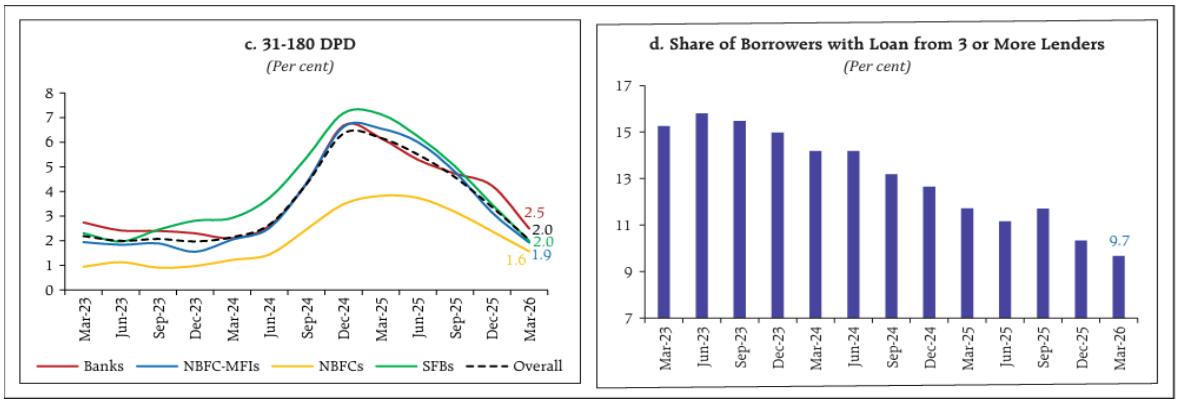
Gold loans have emerged as the largest segment within non-housing retail loans, growing at a CAGR of more than 100 per cent since March 2024 during the same period. Both banks and NBFCs have significantly expanded their gold loan portfolios in 2025–26, outpacing growth in other retail loan categories, including housing loans. This trend has been supported by a sharp increase in gold prices.

Consumer segment loans continued to be a key driver of credit growth across banks and NBFCs, expanding at a faster pace than overall advances. Both enquiry volumes and the growth of credit-active consumers remain robust. Asset quality in the consumer lending segment continued to improve across lender categories and loan products, Slippages from SMA-2 accounts declined at a faster pace, while loan upgradations continued to increase gradually. Moreover, the high proportion of prime and above-rated borrowers further strengthens the credit outlook for the segment.

The asset quality of the consumer segment loans remained sound across lender and product types with declining levels of non-performing loans. Slippages from SMA-2 accounts also decreased. However, upgradations which saw a jump in Q4:2024-25, are trending lower. Overall, the high share of better-quality borrowers – prime and above categories – augur well for consumer loan performance.

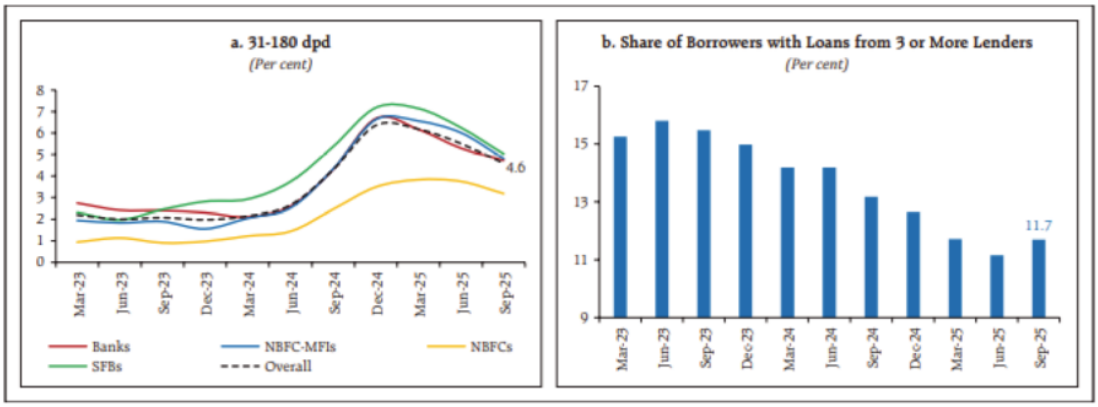


Source: RBI FSR



Source RBI FSR

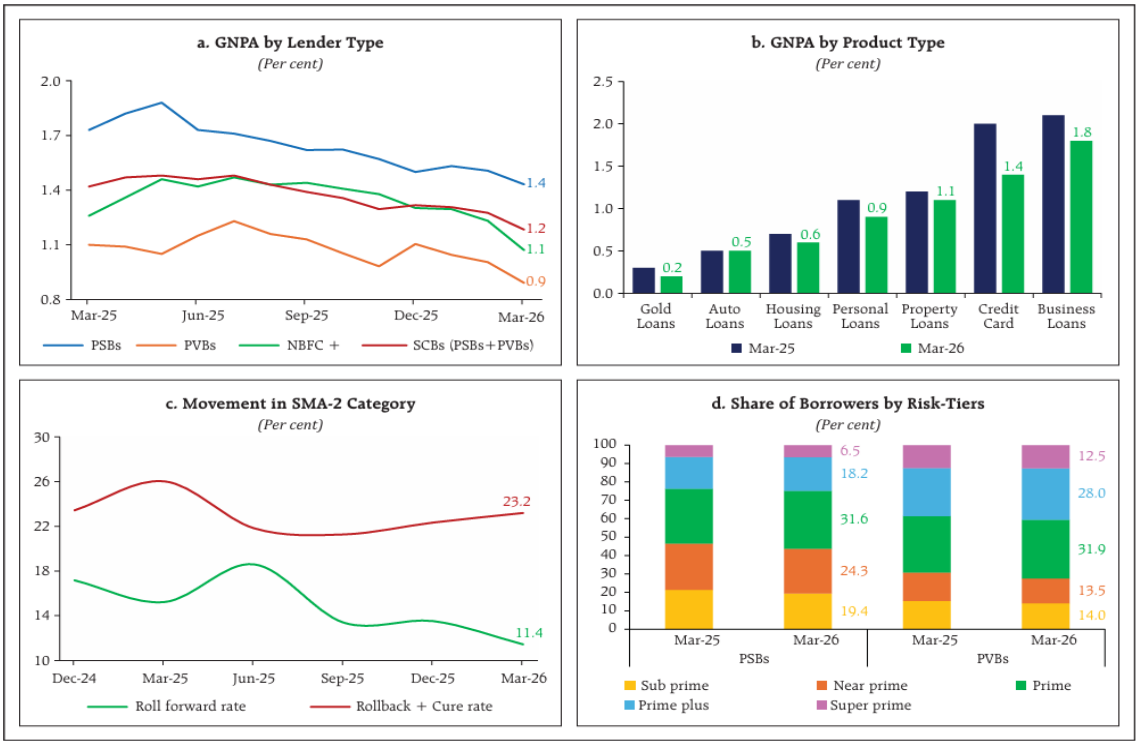
Chart 1.65: Microfinance Sector Stress and Indebtedness Easing



Sources: CRIF High Mark.

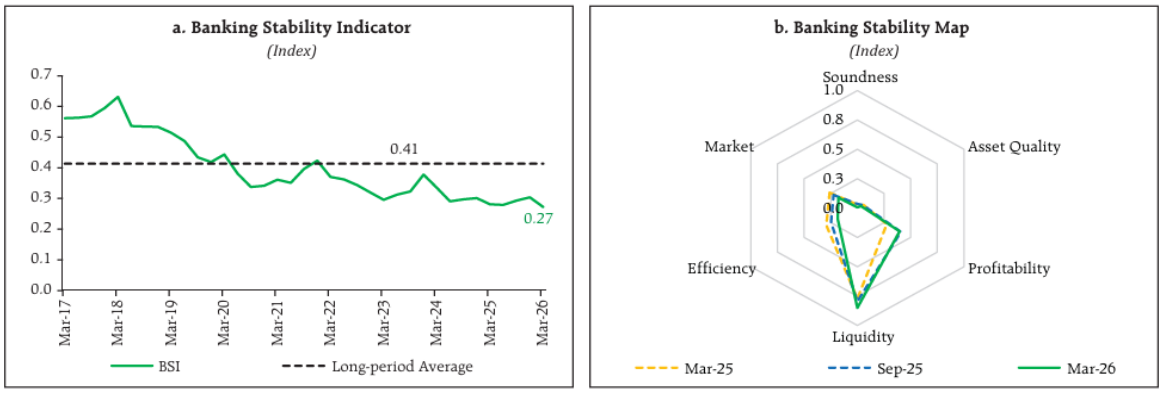
The resilience of the banking system remained strong, as reflected in the Banking Stability Indicator (BSI), an aggregate indicator of the banking system's robustness, which remained well below the long-term average. Improved soundness and asset quality, along with easing market risk, have partly offset the weakening in liquidity and profitability indicators.

Chart 1.61: Asset Quality of Consumer Segment Loans Improving



Source: RBI FSR

The growth in non-bank financial intermediaries (NBFIs) and their increasing interlinkages with the banking system is a key concern globally. In India too, banks' asset exposures to NBFIs are rising. PSBs predominantly hold funded exposures, whereas PVBs have nearly half of their total exposure in non-funded facilities, which may be invoked by NBFIs during periods of liquidity stress.



Sources: RBI supervisory returns; and staff estimates.

Notes:

(1) In chart (a), average of the last 40 quarters considered.

(2) In chart (b), away from the centre indicates an increase in risk.

Recent Structural Reforms

Prudential Framework for Resolution of Stressed Assets

In 2019, RBI issued Reforms in the form of a framework for resolution of Stressed Assets. The directions came into force with immediate effect. The provisions of these directions applied to the following entities:

(a) SCBs (excluding Regional Rural Banks);

(b) All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI);

(c) Small Finance Banks; and

(d) Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and Deposit taking Non-Banking Financial Companies (NBFC-D).

Purpose:

(a) These directions were issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets.

(b) These directions were issued without prejudice to issuance of specific directions, from time to time, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act, 1949, for initiation of insolvency proceedings against specific borrowers under the IBC.

Pursuant to the RBI's regulatory overhaul, the aforementioned directions have been withdrawn and the provisions have been consolidated in the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025. Similar directions have been issued for various regulated entities.

Early identification and reporting of stress

Lenders shall recognize incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts ("**SMA**") as per the following categories:

SMA Sub-categories	Basis for classification — Principal or interest payment or any other amount wholly or partly overdue between
SMA-0	1-30 days
SMA-1	31-60 days
SMA-2	61-90 days

In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows:

SMA Sub-categories	Basis for classification - Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-1	31-60 days
SMA-2	61-90 days

Timeline for implementation of viable resolution plan	Additional provision to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline
180 days from the end of review period	20%
365 days from the commencement of review period	15% (i.e. total additional provisioning of 35%)

National Asset Reconstruction Company Limited ("NARCL")

In the Union Budget for 2021-22, the Government announced a proposal for setting up NARCL, popularly termed as a "bad bank", to consolidate and take over stressed debt from banks, based on decided characteristics. The aggregation of assets is expected to assist in turning around the assets and eventually offloading them to AIFs and other potential investors for further value unlocking. Drawing from established market principles and global experience, the success of a bad bank initiative would eventually depend upon design aspects, namely fair pricing; complete segregation of risk from selling banks; investment of external capital; independent and professional management of the new entity; minimizing moral hazard; and adequate capitalization of the banks post-sale of assets to invigorate fresh lending.

NARCL is registered with the RBI as an asset reconstruction company set up with a strategic initiative to clean up the legacy stressed assets above a specified exposure in the Indian Banking system.

Base Rate System

The RBI issued a circular on 4 September 2019 making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small enterprise borrowers to an external benchmark with effect from 1 October 2019. The banks are free to choose one of the several benchmarks indicated in the circular. The banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract.

Following the introduction of an external benchmark system, the monetary policy transmission has improved in respect of the sectors where new floating rate loans have been linked to external benchmarks. With a view to further strengthening monetary policy transmission, it has been decided that all new floating rate loans to medium-sized enterprises extended by banks from 1 April 2020, shall be linked to the external benchmarks.

As per the Reserve Bank of India (Commercial Banks – Interest Rates on Advances) Directions, 2025, all floating rate loans are to be priced with reference to a benchmark. A bank can offer all categories of advances on fixed or floating interest rates. When the floating rate advances are linked to a reference benchmark rate, banks can determine actual lending rates by adding the components of spread to the reference benchmark rate. Banks cannot lend below the benchmark rate for a particular maturity for all loans linked to that benchmark.

RBI Monetary Policy Report and Monetary Policy Committee ("MPC") discussion

The sixty second meeting of the MPC, constituted under Section 45ZB of the Reserve Bank of India Act, 1934, was held during 3-5 August 2026.

The meeting was chaired by Shri Sanjay Malhotra, Governor and was attended by all the members – Dr. Nagesh Kumar, Director and Chief Executive, Institute for Studies in Industrial Development, New Delhi; Shri Saugata Bhattacharya, Economist, Mumbai; Professor Ram Singh, Director, Delhi School of Economics, Delhi; Dr. Poonam Gupta, Deputy Governor in charge of monetary policy and Shri Indranil Bhattacharyya, Executive Director (the officer of the Reserve Bank of India nominated by the Central Board under Section 45ZB(2)(c) of the Reserve Bank of India Act, 1934).

According to Section 45ZL of the Reserve Bank of India Act, 1934, the Reserve Bank of India shall publish, on the fourteenth day after every meeting of the MPC, the minutes of the proceedings of the meeting which shall include the following, namely:

(a) the resolution adopted at the meeting of the MPC;

(b) the vote of each member of the MPC, ascribed to such member, on the resolution adopted in the said meeting; and

(c) the statement of each member of the MPC under sub-section (11) of section 45ZI on the resolution adopted in the said meeting.

The MPC reviewed in detail the macroeconomic projections, and alternative scenarios around various risks to the outlook. The MPC also reviewed the surveys conducted by the Reserve Bank of India to gauge consumer confidence, households' inflation expectations, corporate sector performance, credit conditions, the outlook for the industrial, services and infrastructure sectors, and the projections of professional forecasters. Drawing on the above and after extensive discussions on the stance of monetary policy, the MPC adopted the resolution that is set out below.

Resolution

The MPC held its 62nd meeting from 3 to 5 August 2026, under the chairmanship of Shri Sanjay Malhotra, Governor, Reserve Bank of India. The MPC members Dr. Nagesh Kumar, Shri Saugata Bhattacharya, Prof. Ram Singh, Dr. Poonam Gupta and Shri Indranil Bhattacharyya attended the meeting.

After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted unanimously to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.25 per cent. Consequently, the standing deposit facility (SDF) rate remains at 5.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate remains at 5.50 per cent. The MPC also decided to continue with the neutral stance.

Growth and Inflation Outlook

The MPC noted that the global economic outlook in 2026 so far has been characterised by sharp and frequent market swings, persisting inflation concerns and shifting policy expectations. Relief from the temporary ceasefire in West Asia has quickly dissipated amidst resumption of conflict in July. Persistent inflation has prompted several central banks to raise rates while others remain vigilant. The US dollar appreciated, supported by elevated yields, a hawkish Federal Reserve tone, and a relatively buoyant US economy riding on AI driven productivity gains. The global equity market remained volatile as investors repriced their exposure to AI-related stocks. The MPC observed that the conflict in West Asia, volatile oil prices, sticky inflation expectations, and fragile public finances in systemic economies pose significant downside risks to the outlook.

The MPC noted that the Indian economy has remained resilient amidst persisting global headwinds. High frequency indicators available so far point towards steady domestic demand in Q1:2026-27. Private consumption remained robust. Investment continues to be resilient, as suggested by various indicators related to construction, capital goods and bank credit. External demand also sustained, as healthy expansion in services exports was complemented by a rebound in merchandise exports. Looking ahead, the turbulent global economic environment is likely to have some bearing on domestic economic activity. Energy prices and supply chain pressures remain elevated and uncertain. The adverse impact is being contained with various supply side measures. The MPC elaborated that even though the situation is still evolving, deficient and uneven south-west monsoon amidst El Niño conditions poses some risks to agriculture sector's outlook and rural demand. Nevertheless, government's initiatives pertaining to crop diversification including short duration as well as climate-resilient crops, and water harvesting and conservation, among others, are expected to mitigate the impact. Furthermore, sustained momentum in services, continuing impact of GST rationalisation, and broadly stable employment conditions should continue to support urban demand. Strong capacity utilisation, robust credit flow and the government's continued thrust on infrastructure are expected to sustain investment activity. While services exports are expected to sustain, merchandise exports will be supported by the recent trade agreements and thrust on diversification.

On the domestic front, the MPC noted that real gross domestic product (GDP), is estimated to grow at 6.7 per cent (y-o-y) in 2026-27. Private consumption and fixed investment contributed significantly to overall growth. Net external demand, however, continued to be a drag, with imports outpacing exports. On the supply side, real GVA growth of 7.3 per cent is driven by buoyant services sector, resilient agricultural sector and revival in manufacturing activity.

The MPC observed that looking ahead, the turbulent global economic environment is likely to have some bearing on domestic economic activity. Energy prices and supply chain pressures remain elevated and uncertain. The adverse impact is being contained with various supply side measures. Even though the situation is still evolving, deficient and uneven south-west monsoon amidst El Niño conditions poses some risks to agriculture sector's outlook and rural demand. Nevertheless, government's initiatives pertaining to crop diversification including short duration as well as climate-resilient crops, and water harvesting and conservation, among others,

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The MPC noted that headline CPI inflation remained at 4.4 per cent (y-o-y) in June 2026 after remaining below the target for 16 consecutive months. The increase in food inflation was broad based with most constituents witnessing price pressures during May & June. Fuel group inflation also rose driven by revision in retail prices following sharp spike in international energy prices. Despite the pressure from higher input costs, core (CPI excluding food and fuel) inflation remained unchanged at 3.9 per cent during May-June. Excluding precious metals, core inflation remained even lower at 2.3-2.5 per cent during this period.

The MPC observed that the near-term outlook suggests that El Nino impact on temporal and spatial rainfall distribution continues to remain a risk, although proactive supply management and adequate stocks of foodgrains could provide buffers. Global oil prices have remained volatile with sharp two-way movements triggered by geopolitical developments, blurring the near-term outlook. Although generalised inflation pressures continue to remain modest so far, the risks of higher food, fuel and other input prices translating into a broad-based increase in inflation persist. Considering all these factors, CPI inflation for 2026-27 is projected to be 5.0 per cent with Q2 at 4.7 per cent; Q3 at 5.9 per cent; and Q4 at 5.5 per cent. Inflation for Q1:2027-28 is projected at 5.3 per cent with risks being evenly balanced.

Rationale for Monetary Policy Decisions

The MPC noted that headline CPI inflation edged up above the target, as expected. The realised inflation for Q1, however, remained marginally lower than projections reflecting limited pass-through of cost pressures. The higher inflation is mostly on account of fuel and food with little signs of generalisation of price pressures so far. Core inflation excluding precious metals continues to be benign. The MPC further observed that as projected earlier, headline inflation is expected to rise further in the near term and peak in Q3:2026-27, primarily due to food and fuel, before moderating thereafter. The underlying inflation, reflected by core inflation excluding precious metals, which has been benign for some time, is likely to align with core inflation towards the end of the financial year. Growth continues to be supported by resilient domestic demand, sustained expansion in manufacturing and services activity, and robust exports, reaffirming India's position as the world's fastest-growing major economy. To sum up, the MPC concluded that even though headline inflation is projected to increase, it is primarily on account of supply side pressures caused by food and fuel; it is not getting broad based; core inflation remains moderate and is expected to decline after peaking in Q3. Growth, albeit resilient, is expected to be lower in 2026-27. The outlook, however, is hazy because of the uncertainties regarding south-west monsoon, El Niño, geopolitics and global trade policy. Further, there is a need for greater clarity to emerge, especially regarding inflation, its path and composition before taking any policy action. Any such action would also have to consider the need for recalibration of policy rates in line with the evolving growth-inflation dynamics, especially the normalisation of the underlying inflation from its benign levels seen hitherto. Considering all these factors, the MPC voted to keep the policy rate unchanged. The MPC also decided to retain the neutral stance to respond appropriately to macroeconomic developments. The MPC underscored that it will maintain a close vigil and remain resolute in its commitment to align inflation with the target.

The next meeting of the MPC is scheduled for 5-7 October 2026.

Consolidation of Master Directions by The Reserve Bank of India

(1) The RBI has issued numerous directions over the years, under the statutory powers conferred upon it by various Acts. While increase in regulatory guidelines is a natural process as the financial system evolves, this was further driven by an expanding regulatory perimeter, distributed supervisory/regulatory

jurisdiction over certain regulated entities, and non-repeal of some of the earlier instructions when new ones were issued. Being mindful of compliance burden to the Regulated Entities (REs), the RBI has continuously endeavoured to optimise its regulatory framework. RBI issues directions and notifications on credit facilities, prudential norms, governance, asset classification, and compliance for banks and financial institutions.

(2) Against this backdrop, the RBI has recently undertaken a fundamental reorganisation of the regulatory instructions administered by its Department of Regulation – marking a paradigm shift in its regulatory communication. On 28 November 2025, the Reserve Bank of India (RBI) issued a landmark circular announcing the consolidation and streamlining of regulatory directions across various banking and financial sectors. This pivotal move aims to enhance compliance, promote transparency, and ensure uniformity in regulatory guidelines. On 28 November 2025, the RBI issued Directions and Notifications. The Directions are 244 and 3 guidelines covering a wide spectrum of regulatory and operational aspects for the financial sector. These span credit card facilities, credit resource management, prudential norms, governance standards, Cash Reserve Ratio ('CRR'), Statutory Liquidity Ratio ('SLR'), interest rate regulations, asset liability management, income recognition, asset classification, and treatment of wilful defaulters.

The comprehensive framework applies to commercial banks, NBFCs, small finance banks, payment banks, local area banks, regional rural banks, urban cooperative banks, all-India financial institutions, and rural cooperative banks, reflecting RBI's intent to strengthen prudential oversight and ensure stability across India's diverse financial ecosystem. In addition, notifications on KYC compliance and consolidation of regulations were also issued, superseding and replacing earlier circulars.

The comprehensive exercise involved consolidation of more than 9,000 existing circular/guidelines administered by Department of Regulation into 238 function-wise Master Directions (MDs), specific to each category of regulated entity. Instructions issued by NABARD to Regional Rural Banks, State Co-operative Banks and Central Co-operative Banks were also consolidated in consultation with NABARD. This exercise is expected to enhance clarity, ease of access, and reduce compliance burden for REs, thereby supporting the broader objective of improving ease of doing business.

(3) Under this consolidation effort, instructions contained in approximately 3,500 directions, circulars, and guidelines, were consolidated into 238 Master Directions, across 11 types of regulated entities. For this purpose, the 11 types of regulated entities identified are: (a) Commercial Banks; (b) Small Finance Banks; (c) Payments Banks; (d) Local Area Banks; (e) Regional Rural Banks; (f) Urban Co-operative Banks; (g) Rural Co-operative Banks; (h) All India Financial Institutions; (i) Non-Banking Financial Companies; (j) Asset Reconstruction Companies; and (k) Credit Information Companies. Instructions contained in remaining directions/circulars were identified as obsolete and marked for repeal once the consolidated master directions are issued.

(4) Consequently, the following set of final documents were issued by the RBI on 28 November 2025:

(i) 244 Master Directions consolidating the instructions currently administered by the Department of Regulation on an 'as-is' basis. These instructions have been issued separately for 11 types of regulated entities and are cohesively organised across various regulatory areas. These documents can be accessed through Notifications - Master Directions - Department of Regulation. These Master Directions will serve as the sole library of regulations administered by the Department of Regulation.

(ii) List of 9445 circulars that are being repealed/withdrawn following the issue of these consolidated Master Directions can be accessed through Notifications - Circulars Withdrawn - Circulars withdrawn by the Department of Regulation.

(5) Further, the RBI has vide notification dated July 31, 2026 issued a list setting out 628 circulars comprising those whose instructions have been consolidated into the new directions issued by the RBI on 31 July 2026, as well as those which have become obsolete or redundant and repealed by the RBI with immediate effect on 31 July 2026. This has come pursuant to RBI's constant endeavours to refine and strengthen its regulatory and supervisory framework with a view, *inter alia,* to rationalise the requirements and minimising compliance costs through periodic evaluation for their continued relevance.

SUPERVISION AND REGULATORY

The primary legislation governing commercial banks in India is the Banking Regulation Act. The provisions of the Banking Regulation Act are in addition to, and not (save as expressly provided in the Banking Regulation Act) in derogation of the Companies Act or any other law for the time being in force. Other important laws and legislations include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881, the SARFAESI Act, the IBC and the Bankers' Books Evidence Act, 2026. Additionally, the RBI, from time to time, issues directions, guidelines, regulations, notifications, circulars, etc. to be followed by the Bank. Compliance with all regulatory requirements is evaluated with respect to financial statements under Indian Generally Accepted Accounting Principles ("**GAAP**") and Ind AS. Banks in India are subject to detailed regulation and supervision by the RBI. The RBI sets guidelines, inter alia, on, matters related to the Bank's business including cash reserve ratios, statutory liquidity ratios, capital adequacy ratio, priority sector lending, recognition and provisioning for Non-Performing Assets ("**NPAs**"), export credit, market risk and branch licensing.

Additionally, the RBI, from time to time, issues guidelines and regulations, etc. to be followed by the Bank. Banking companies in India are also subject to the purview of the Companies Act, as amended, and if such companies are listed on a stock exchange in India, then various regulations of the Securities Exchange Board of India ("**SEBI**") shall additionally apply to such companies.

The Bank is governed by the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 ("**Banks Nationalisation Act**") and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("**Nationalised Banks Scheme**"). Under the Banks Nationalisation Act and the Nationalised Banks Scheme, existing banking companies were acquired and new banks were established as public sector banks. Initially, the entire capital of the nationalised banks was held by the Government of India, but through an amendment in 1994 to the Banks Nationalisation Act, the Government of India reduced its stake in the nationalised banks by issuing shares to the public. However, under Section 3(2B)(c) of the Banks Nationalisation Act, the Government of India shall continue to hold no less than 51.00 per cent. of the paid-up capital of the banks.

The Banks Nationalisation Act and the Scheme

The Bank was constituted under the Banks Nationalisation Act and is principally governed by the Banks Nationalisation Act and the Nationalised Banks Scheme, together with the Banking Regulation Act, to the extent applicable. Subject to the provisions of its governing statutes, the Bank is also subject to applicable provisions of the SEBI regulations and other applicable legislations. Section 18 of the Banks Nationalisation Act provides that no provision of law relating to the winding up of the companies shall apply to the Bank and the Bank shall not be placed in liquidation except by order of the Government of India and in such manner as it may direct.

Under the Banks Nationalisation Act, the entire paid-up capital of a corresponding new bank set up under the Banks Nationalisation Act, except the paid-up capital raised from the public by a public issue or rights issue or by issue of bonus shares or preferential allotment or private placement, will stand vested in and allotted to the Government of India. The Government of India will, at all times, hold not less than 51 per cent. of the paid-up capital consisting of equity shares of each corresponding new bank. No shareholder of a corresponding new bank, other than the Government of India, is entitled to exercise voting rights in respect of any shares held by him in excess of 10.00 per cent. of the total voting rights of all the shareholders of the corresponding new bank. However, a shareholder holding any preference share capital in the corresponding new bank will have, in respect of such capital, a right to vote only on resolutions placed before such corresponding new bank, which directly affects the rights attached to his preference shares and no preference shareholder, other than the Government of India, is entitled to exercise voting rights in respect of preference shares held by him in excess of 10.00 per cent. of the total voting rights of all the shareholders holding preference share capital only. Furthermore, not

more than 20.00 per cent. of the shareholding of all corresponding new banks, including the Bank, can be held by foreign entities. Raising of further capital is permitted under the Banks Nationalisation Act subject to consultation with the RBI and obtaining the prior approval of the Government of India.

The nationalisation of banks, including the Bank, was to enable banks to progressively meet and better serve the needs of the development of the economy in conformity with the national policy and objectives. Therefore, under the Banks Nationalisation Act, the Bank is guided by such directions in matters of policy involving the public interest as the Government of India may, in consultation with the Governor of the RBI, give to the Bank. The Bank is managed by the board of directors, which includes the MD & CEO who are appointed by the Government of India under the Banks Nationalisation Act as well as other elected Directors from the shareholders and other directors who may be appointed by the Government of India. The directors are required to: (a) have a special knowledge in one or more of: agricultural and rural economy, banking, co-operation, economics, finance, law and small-scale industry; (b) represent the interest of depositors or of farmers, workers and artisans.

An annual general meeting has to be held at the place of the head office of the Bank in each year at such time to be specified by the board of directors of the Bank. However, such annual general meeting has to be held before the expiry of six weeks from the date on which the balance sheet, the profit and loss account and the auditor's report are forwarded to the Government of India or to the RBI, whichever date is earlier.

The Nationalised Banks Scheme was enacted by the Government of India in consultation with the RBI pursuant to powers granted to it under Section 9 (*Power of Central Government to make scheme*) of the Banks Nationalisation Act. The terms of the Nationalised Banks Scheme prescribe the procedure for the constitution and operation of the board of directors, the appointment of the MD & CEO, their terms of office and the remuneration payable to a whole-time managing director, the terms of office of the other directors of the board, the mode and procedure for the removal and disqualification of directors, including the manner of retirement of the nominee directors. The Nationalised Banks Scheme also prescribes the procedure for: (a) conducting meetings of the board of directors; (b) the constitution of various advisory committees, including the Management Committee; and (c) the manner and procedure for the increase in the paid-up capital of the bank. Meetings of the board of directors should ordinarily be held at least six times in a year and at least once in each quarter.

The Banking Regulation Act and recent amendments thereto

The Banking Regulation (Amendment) Act, 2017

The Government of India enacted the Banking Regulation (Amendment) Act, 2017 ("**2017 Amendment**"), which was deemed to have come into force on 4 May 2017. This amendment inserted two new sections in the Banking Regulation Act, i.e., sections 35AA and 35AB. The sections enabled the Government of India to authorise the RBI to direct banking companies to resolve specific stressed assets by initiating an insolvency resolution process, where required. The RBI has also been empowered to issue other directions for resolution, and appoint or approve for appointment, authorities or committees to advise banking companies for stressed assets resolution. This measure had a direct impact on effective resolution of stressed assets, particularly in consortium or multiple banking arrangements, as the RBI was empowered to intervene in specific cases of resolution of non-performing assets, to bring them to a definite conclusion. The 2017 Amendment was intended to lead to effective resolution of stressed assets, particularly in consortium or multiple banking arrangements.

The Banking Regulation (Amendment) Act, 2020

The Government of India enacted the Banking Regulation (Amendment) Act, 2020 ("**2020 Amendment**") which brought co-operative banks under the supervision of the RBI. The amendment also allowed the RBI to

prepare a scheme for the reconstruction or amalgamation of a banking company without the necessity of first making an order of moratorium.

Further, the 2020 Amendment also stated that a co-operative bank may, with the prior approval of the RBI, issue, by way of public issue or private placement – (i) equity shares or preference shares or special shares, on face value or at premium; and (ii) unsecured debentures or bonds or other like securities with initial or original maturity of not less than ten years, to any member of such co-operative bank or any other person residing within its area of operation, subject to conditions, ceiling, limits or restrictions as specified by the RBI.

The Banking Laws (Amendment) Act, 2025

The Banking Laws (Amendment) Act, 2025 ("**2025 Amendment**") was enacted as a step towards strengthening governance standards in the Indian banking sector by ensuring uniformity in reporting by banks to the RBI along with improved audit quality in public sector banks (PSBs). The 2025 Amendment enhances depositor and investor protection by promoting customer convenience through improved nomination facilities. The 2025 Amendment amends five legislations, i.e., the Reserve Bank of India Act, 1934, the Banking Regulation Act, 1949, the State Bank of India Act, 1955, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980. The various amendments reinforce the ongoing efforts to enhance banking oversight and governance and aim to enhance improve audit transparency, strengthen depositor protection and bring cooperative banks under a more robust regulatory framework. In view of the rapid digital growth and evolving financial challenges, the reforms proposed hereunder seek to align governance and compliance frameworks with contemporary industry dynamics and evolving technology.

The 2025 Amendment provides for a modernised nomination framework, allowing depositors to nominate up to 4 (four) persons for their bank accounts either through simultaneous or successive nominations. Certain operational definitions have been updated, and certain procedures have been simplified to improve operational efficiency. Further, financial transparency has been prioritised. Additionally, the definition of "substantial interest" in relation to a company has been revised, to mean the holding of a beneficial interest by an individual or his spouse or minor child, whether singly or taken together, in the shares thereof, the amount paid-up on which exceeds INR 2 crore (previously, INR 5 lakhs) or such other amount as may be notified by the Central Government or 10 per cent. of the paid-up capital of the company, whichever is less.

The RBI Act and other RBI Regulations

Since the Bank is classified as a scheduled bank in the second schedule to the RBI Act, the provisions of the RBI Act applicable to scheduled banks are applicable to the Bank. Under Section 42 of the RBI Act, every scheduled bank is required to maintain, with the RBI, an average daily balance of an amount not less than such percentage of the total of the demand and time liabilities in India as shown in the return of the Bank submitted with the RBI and as the RBI may, from time to time, having regard to the needs of securing the monetary stability in the country, notify in the Gazette of India. Notwithstanding the above, the RBI may, by notification in the Gazette of India, direct every scheduled bank to maintain, in addition to the balance mentioned above, an additional average daily balance the amount of which shall not be less than the rate specified in such notification, such additional balance being calculated with reference to the excess of the total of the demand and time liabilities of the bank as shown in the aforementioned return over the total of its demand and time liabilities, at the close of business on the date specified in the notification as shown by such return so however, that the additional balance shall, in no case, be more than such excess.

Further, every scheduled bank is required to comply with the certain directives, including sending specified returns to the RBI indicating the following, (i) the amount of its demand and time liabilities and the amount of its borrowings from banks in India, classifying them into demand and time liabilities, (ii) the total amount of legal tender notes and coins held by it in India, (iii) the balance held by it at the RBI in India, (iv) the balances

held by it at other banks in current account, (v) the money at call and short notice in India, (vi) its investments (at book value) in central and state government securities including treasury bills and treasury deposit receipts, (vii) the amount of advances in India, and (viii) the inland bills purchased and discounted in India and foreign bills purchased and discounted.

The Bank is regulated and supervised by the RBI. The RBI requires the Bank to furnish statements, information and certain details relating to its business. It has issued guidelines for commercial banks on recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets.

The RBI has set up a Board for Financial Supervision (the "**BFS**"), under the chairmanship of the Governor of the RBI. The auditors of the Bank are appointed by the RBI. The primary objective of the BFS is to undertake consolidated supervision of the financial sector comprising commercial banks, financial institutions and non-banking finance companies. The appointment of the auditors of banks is subject to the approval of the RBI. The RBI can direct a special audit in the interest of the depositors or in the public interest.

Regulations relating to the opening of branches

The opening of new branches and shifting of existing branches of banks is governed by the provisions of Section 23 of the Banking Regulation Act read with the Reserve Bank of India (Commercial Banks – Branch Authorisation) Directions, 2025 dated 28 November 2025 (the "**Branch Authorisation Directions**").

As per the Branch Authorisation Directions, with RBI push for financial inclusion being the overarching objective of banking expansion and in view of the operational flexibility being given to banks, a scheduled commercial bank is permitted to open 'Banking Outlets' (*as defined below*) in Tier 1 to Tier 6 centres without having the need to obtain permission from RBI in each case, unless otherwise specifically restricted.

The Branch Authorisation Directions define Banking Outlet to mean a fixed point service delivery unit, manned by either bank's staff or its business correspondent where services of acceptance of deposits, encashment of cheques/cash withdrawal, or lending of money are provided for a minimum of four hours per day for at least five days a week. It carries uniform signage with name of the bank and authorisation from it, contact details of the controlling authorities and complaint escalation mechanism. The bank should have a regular off-site and on-site monitoring of the Banking Outlet to ensure proper supervision, 'uninterrupted service' except temporary interruptions due to telecom connectivity, etc. and timely addressing of customer grievances. The working hours/days need to be displayed prominently. A Banking Outlet which does not provide delivery of service for a minimum of four hours per day and for at least five days a week will be considered a 'Part-time Banking Outlet'.

Under the Branch Authorisation Directions, centres are classified into six tiers based on population size according to the 2011 census. The Branch Authorisation Directions *inter alia* mandate that at least 25 per cent. of the total number of Banking Outlets opened during a financial year must be opened in unbanked rural centres, i.e., a rural (Tier 5 and 6) centre that does not have a core banking system-enabled Banking Outlet for carrying out customer-based banking transactions.

A bank having general permission may shift, merge or close all Banking Outlets (except rural outlets and sole semi-urban outlets) at its discretion. Any rural Banking Outlet as well as a sole semi urban Banking Outlet requires approval of the District Consultative Committee ("**DCC**")/ District Level Review Committee ("**DLRC**") for merger, closure and shifting outside a revenue centre. However, conversion of any rural or sole semi-urban Banking Outlet into a full-fledged brick and mortar branch i.e., a Banking Outlet manned by bank's employee and vice versa does not require such approval. While merging/ closing/ shifting/ converting a rural or a sole semi urban Banking Outlet, the bank and DCC/ DLRC must ensure that the banking needs of the centre continue to be met.

A bank must also ensure that customers of the Banking Outlet, which is being merged/ closed/ shifted are informed well in time so as to avoid inconvenience to them. Further, the bank must ensure that it continues to fulfill the role entrusted to these Banking Outlets under the Government sponsored programmes and Direct Benefit Transfer Schemes. A bank must further ensure that Banking Outlets are shifted within the same or to a lesser population category, i.e., semi urban Banking Outlets to semi urban or rural centres and rural Banking Outlets to other rural centres.

Capital Adequacy Requirements

Pursuant to the guidelines issued by the RBI in April 1992, the Bank is subject to capital adequacy requirements in line with the capital adequacy norms prescribed by the Basel Committee on Banking Regulations and Supervisory Practices, 1998 ("**BCBS**"). The BCBS is the primary global standard setter for the prudential regulation of banks and provides a forum for regular cooperation on banking supervisory matters.

The RBI *inter alia* prescribes certain risk weights for the balance sheet assets, non-funded items and other off-balance sheet exposures, the minimum capital funds to be maintained as a ratio to the aggregate of the risk weighted assets and other exposures, and capital requirements in the trading book, on an ongoing basis. The RBI has implemented the Basel III framework in India with effect from 1 April 2013 in phases and the framework was fully implemented on 1 October 2021.

Furthermore, the Bank is required to maintain a minimum Pillar 1 capital to risk-weighted assets ratio ("**CRAR**") of 9.00 per cent. on an ongoing basis (other than capital buffers). However, taking into account the relevant risk factors and internal capital adequacy assessments of a bank, the RBI may prescribe a higher level of minimum capital ratio for each bank under the Pillar 2 framework to ensure that the capital held by a bank is commensurate with its overall risk profile.

The object of such a capital adequacy framework is that a bank should have sufficient capital to provide a stable resource to absorb any losses arising from the risks in its business. Capital is divided into tiers according to the characteristics/qualities of each qualifying instrument. For supervisory purposes, capital is split into two categories: Tier I and Tier II. These categories represent different qualities of capital investment. The loss absorption capacity of Tier II capital is lower than that of Tier I capital. The Bank is required to maintain, at both solo and consolidated level, a minimum Tier I ratio of at least 7.00 per cent.

Summary of the Basel III Capital Requirements

The RBI has, from time to time, notified certain master circulars, consolidating all the amendments and notifications under Basel III capital regulations. In the master circular dated 1 April 2022, the RBI mandated that all commercial banks in India (excluding local area banks and regional rural banks) should adopt standardised approach for credit risk. The Supervisory Review and Evaluation Process (SREP) was introduced with the objective to ensure that banks have adequate capital to support all the risks in their business and to encourage them to develop and use better risk management techniques for monitoring and managing their risks. This master circular aimed to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposures, risk assessment processes and hence, the capital adequacy of the institution. It also introduced a countercyclical capital buffer framework which required banks to build up a buffer of capital in good times which may be used to maintain flow of credit to the real sector in difficult times. On 12 May 2023, the RBI issued a Master Circular titled 'Basel III Capital Regulations' consolidating all the amendments and notifications under Basel III capital regulations. In this circular, directions were issued for commercial banks (excluding local area banks and regional rural banks) regarding disclosure requirements for procuring a bank loan rating for the purpose of capital computation. According to the directions, a bank loan rating issued by

External Credit Assessment Institutions without disclosing the name of the banks and the corresponding credit facilities rated by them shall not be eligible for being reckoned for the purpose of capital computation by banks. Banks shall treat such exposures as unrated and assign risk weights accordingly.

Later, the master circular was introduced on 1 April 2025, which consolidated the prudential guidelines on Basel III capital adequacy issued until such date. However, all such master circulars stand withdrawn by the RBI as of 28 November 2025. The current Basel III and capital adequacy framework applicable to the Bank stands consolidated in the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 dated 28 November 2025 ("**Capital Adequacy Directions**"). The Capital Adequacy Directions have been subsequently amended from time to time by the RBI.

Under the Basel II guidelines, Tier I capital comprised paid-up equity capital, reserves consisting of any statutory reserves, other disclosed free reserves, capital reserves representing surplus arising out of sale proceeds of assets, innovative perpetual debt instruments, perpetual non-cumulative preference shares and any other type of instrument generally notified by the RBI from time to time for inclusion in Tier I capital. Tier II capital included undisclosed reserves, revaluation reserves, general provisions and loss reserves, subordinated debt capital instruments classified into upper Tier II and lower Tier II, and any other type of instrument generally notified by the RBI from time to time for inclusion in Tier II capital. In January 2011, the RBI directed banks not to issue Tier I or Tier II capital instruments with step-up options as such instruments shall not qualify as regulatory capital under the Basel III capital framework agreed upon by the Basel Committee.

The Capital Adequacy Directions, *inter alia*, categorises Tier 1 capital (going-concern capital) into Common Equity Tier 1 ("**CET 1**") capital and Additional Tier 1 ("**AT1**") capital and mandate that: (i) CET1 capital must be at least 5.5 per cent. of the total RWAs on an ongoing basis; (ii) Tier 1 capital must be at least 7.0 per cent. of the RWAs on an ongoing basis; (iii) total capital (Tier 1 capital + Tier 2 capital) must be at least 9 per cent. of the RWAs on an ongoing basis; and (iv) minimum leverage ratio for: (A) domestic systemically important bank must be 4.0 per cent.; and (B) other banks must be 3.5 per cent.

Capital Conservation Buffer

The capital conservation buffer ("**CCB**") is designed to ensure that banks build up capital buffers during normal times (i.e. outside periods of stress) which can be drawn on as losses are incurred during a stressed period. The requirement is based on simple capital conservation rules designed to avoid breaches of minimum capital requirements. Therefore, banks are required to maintain a CCB of 2.50 per cent. which must comprise of CET1 capital, above the regulatory minimum capital requirement of 9 per cent.

Countercyclical Capital Buffer

The purpose of a countercyclical capital buffer ("**CCCB**") is that it requires banks to build up a buffer of capital in good times which may be used to maintain flow of credit to the real sector in difficult times and it achieves the broader macro-prudential goal of restricting the banking sector from indiscriminate lending in the periods of excess credit growth that have often been associated with the building up of system-wide risk. A bank must maintain CCCB in the form of CET1 capital only, and the amount of the CCCB may vary from 0 to 2.5 per cent of RWA of the bank, depending on the assessment of the RBI.

As per the Capital Adequacy Directions, it is noted that presently, the CCCB requirement has not yet been activated. The decision to activate CCCB shall normally be pre-announced by the RBI with a lead time of four quarters. However, depending on the CCCB indicators, a bank may be advised to build up the requisite buffer in a shorter span of time. The main indicator considered by the RBI for invoking CCCB is the credit-to-gross domestic product gap (which will be used in conjunction with the gross non-performing assets growth).

Liquidity Coverage Ratio (LCR, FALLCR against credit disbursed to NBFCs and HFCs)

The Basel III framework on liquidity standards includes the Liquidity Coverage Ratio ("**LCR**"), the Net Stable Funding Ratio ("**NSFR**") and liquidity risk monitoring tools. The applicable requirements for commercial banks are prescribed under the relevant directions and guidelines issued by the RBI governing asset-liability management and liquidity risk, as amended from time to time.

The LCR is intended to promote the short-term resilience of a bank's liquidity risk profile by requiring it to maintain an adequate stock of unencumbered High Quality Liquid Assets ("**HQLA**") that can be readily converted into cash to meet its liquidity requirements under a significantly severe liquidity stress scenario lasting 30 calendar days. Commercial banks are required to maintain a minimum LCR of 100% on an ongoing basis, such that the stock of HQLA is at least equal to total net cash outflows over the following 30 calendar days. RBI's supervisory framework continues to recognise an LCR of at least 100% as the applicable regulatory benchmark.

With effect from 1 April 2026, the revised LCR framework is applicable to commercial banks. Under the revised framework, retail deposits enabled with internet and mobile banking facilities are subject to an additional run-off factor of 2.5 percentage points. Accordingly, stable retail deposits with such facilities attract a run-off factor of 7.5%, while less-stable retail deposits with such facilities attract a run-off factor of 12.5%. The revised framework is intended to take account of the potential for faster withdrawal of digitally accessible deposits during periods of liquidity stress. The Bank is required to compute and maintain its LCR in accordance with these revised requirements from 1 April 2026.

As part of the LCR framework, the RBI permits banks to reckon specified Government securities held within the mandatory Statutory Liquidity Ratio ("**SLR**") requirement as Level 1 HQLA under the Facility to Avail Liquidity for Liquidity Coverage Ratio ("**FALLCR**"), subject to the limits and conditions prescribed by the RBI from time to time. FALLCR enables banks to utilise an eligible portion of their SLR securities for meeting liquidity requirements while computing their stock of HQLA.

The RBI has, from time to time, provided specific liquidity dispensations relating to FALLCR, including measures intended to facilitate additional lending to NBFCs and housing finance companies. Such measures were introduced as specific liquidity-support measures and are distinct from the generally applicable FALLCR framework.

Banks are expected to maintain adequate liquidity buffers and may maintain an LCR above the regulatory minimum as part of prudent liquidity risk management. During periods of financial stress, a bank may utilise its stock of HQLA, which may result in its LCR falling below the prescribed minimum, subject to applicable reporting, supervisory and corrective-action requirements prescribed by the RBI.

The NSFR complements the LCR by promoting resilience over a longer time horizon and requires banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. Commercial banks are required to maintain a minimum NSFR of 100% on an ongoing basis, in accordance with the applicable RBI requirements.

Disclosure Requirement under Basel III Regulations

As per the Capital Adequacy Directions issued by the RBI, the disclosure – related provisions stipulated in the aforesaid directions include the following:

- Banks must ensure and indicate in the offer document that they have full discretion at all times to cancel distributions/payments of coupons in order to meet the eligibility criteria for inclusion of perpetual debt instruments ("**PDIs**") in AT1 capital.

- Further, if a bank goes into liquidation before the AT1 instruments have been written-down, or converted, these instruments will absorb losses in accordance with the order of seniority indicated in the offer document and as per usual legal provisions governing priority of charges. If a bank goes into liquidation after the AT1 instruments have been written down, the holders of these instruments shall have no claim on the proceeds of liquidation.
- Banks should clearly indicate in the offer document, the order of conversion/write-down of the instrument in question vis-à-vis other capital instruments which the bank has already issued or may issue in future, based on the advice of its legal counsels.
- Banks issuing PDIs shall submit a report to the Chief General Manager-in-Charge, Department of Regulation, RBI, Mumbai, giving details of the instrument as per the format prescribed in Annex II of the Capital Adequacy Directions which shall be duly certified by the compliance officer of the bank, soon after the issue is completed.

Non-Performing Assets ("NPA")

As per the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated 28 November 2025 ("**Asset Classification Directions**") which consolidated the existing RBI directions in relation to prudential norms, including the Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated 1 April 2025, an asset, including a leased asset, becomes non-performing when it ceases to generate income for the bank.

The Asset Classification Directions stipulate the criteria for determining and classifying an NPA by the Bank. An NPA is a loan or an advance where:

- interest and/or an instalment of principal remains overdue for a period of more than 90 days in respect of a term loan;
- the account remains 'out-of-order' (*as defined below*) in respect of an overdraft or cash credit;
- a working capital borrowal account where irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory;
- a bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
- an account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction;
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops;
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops;
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025;
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, remain unpaid for a period of 90 days from the specified due date for payment;

- a credit card account where the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

"Out-of-Order" Status

A cash credit/ overdraft account shall be treated as 'out of order' if any of the following conditions are satisfied:

(i) the outstanding balance remains continuously in excess of the sanctioned limit/ drawing power for 90 days;

(ii) the outstanding balance is less than the sanctioned limit/ drawing power but there are no credits continuously for 90 days;

(iii) the outstanding balance is less than the sanctioned limit/ drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

'Previous 90 days period' referred to in (iii) above shall be inclusive of the day for which the day-end process is being run. Further, the definition of 'out of order' shall be applicable to all credit products being offered as an overdraft facility, including those not meant for business purpose and/ or which entail interest repayments as the only credits.

Asset Classification

Under the Asset Classification Directions, NPA's are classified as described below:

- ***Sub-Standard Assets***: a sub-standard asset would be one, which has remained an NPA for a period less than or equal to 12 months. Such an asset will have well defined credit weaknesses that jeopardise the liquidation of the debt and are characterised by the distinct possibility that the banks will sustain some loss, if deficiencies are not corrected.

- ***Doubtful Assets***: an asset would be classified as doubtful if it has remained in the sub-standard category for a period of 12 months. A NPA classified as doubtful asset has all the weaknesses inherent in assets that were classified as sub-standard, with the added characteristic that the weaknesses make collection or liquidation in full – on the basis of currently known facts, conditions and values – highly questionable and improbable.

- ***Loss Assets***: a loss asset is one where a loss has been identified by the bank or by the internal or external auditors or upon an RBI inspection but the amount has not been written off wholly by the bank. A NPA classified as loss asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

See "Description of the Bank's Assets and Liabilities – Classification of Assets and Provisioning Requirements" for further details on the different asset types and classification.

There are separate guidelines for projects under implementation which are based on the achievement of financial closure and the date of approval of project financing in terms of the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 dated 28 November 2025 ("**Credit Facilities Directions**").

As per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28 November 2025, a bank must make suitable disclosures if either or both of the following conditions are satisfied: (i) the additional provisioning for NPAs assessed by RBI as part of its supervisory process, exceeds 5 per cent. of the reported profit before provisions and contingencies for the

reference period, and (ii) the additional gross NPAs identified by the RBI as part of its supervisory process exceed 5 per cent. of the reported incremental gross NPAs for the reference period.

In terms of the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 dated 28 November 2025 ("**Stressed Assets Directions**"), the Bank must report credit information, including classification of an account as special mention account, to Central Repository of Information on Large Credits (CRILC), on all borrowers having aggregate exposure of Rs.5 crores and above with them, on a monthly basis. Further, the Bank must submit a weekly report of instances of default by all borrowers (with aggregate exposure of Rs.5 crores and above) by close of business on every Friday, or the preceding working day if Friday happens to be a holiday.

Pursuant to the Asset Classification Directions, the Bank must put in place a robust Management Information System ("**MIS**") mechanism for early detection of signs of distress at individual account level as well as at segment level (asset class, industry, geographic, size, etc.). Such early warning signals should be used for putting in place an effective preventive asset quality management framework, including a transparent restructuring mechanism for viable accounts under distress within the prevailing regulatory framework, for preserving the economic value of those entities in all segments. The Information Technology (IT) and MIS system of the Bank must be robust and able to generate reliable and quality information with regard to its asset quality for effective decision making.

On 28 September 2021, the RBI released the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 for providing guidelines relating to the sale of NPAs to securitisation companies, reconstruction companies, banks, non-financial banking companies and financial institutions. The same was repealed and consolidated under the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated 28 November 2025 for providing guidelines relating to *inter alia* the sale of NPAs to securitisation companies, reconstruction companies, banks, non-financial banking companies and financial institutions.

To put in place an institutional mechanism for the restructuring of corporate debt, the RBI has devised a corporate debt restructuring system. See "*Structure of India's Banking Industry*".

Resolution of Stressed Assets Directions

On 28 November 2025, the RBI released the Stressed Assets Directions, with a view to provide a framework for early recognition, reporting and time bound resolution of stressed assets. As compromise settlements are a valid resolution plan, the aforementioned directions also rationalised and harmonised the instructions on compromise settlements and technical write-offs, in order to provide impetus to resolution of stressed assets in the system.

Provisioning and Write-Offs

As per the Asset Classification Directions, the following guidelines apply to the various asset classifications:

- ***Standard Assets***. With regard to standard assets, banks should make general provision for standard assets at the following rates for the funds outstanding on the global loan portfolio basis:

    (i) farm credit to agricultural activities, individual housing loans and Small and Micro Enterprises (SMEs) sectors and SME sectors at 0.25 per cent.;

    (ii) advances to Commercial Real Estate ("**CRE**") Sector at 1.00 per cent.;

(iii) advances to Commercial Real Estate – Residential Housing Sector ("**CRE – RH**") at 0.75 per cent.;

(iv) housing loans extended at teaser rates as specified in the Asset Classification Directions;

(v) restructured advances – as stipulated in the Stressed Assets Directions; and

(vi) all other loans and advances not included in (i), (ii), (iii), (iv), (v) above at 0.40 per cent.

Loans to medium enterprises shall attract 0.40 per cent standard asset provisioning. Further, the provisions on standard assets shall not be reckoned for arriving at net NPAs.

- ***Sub-Standard Assets.*** A general provision of 15.00 per cent. on the total outstanding should be made without making any allowance for Export Credit Guarantee Corporation (ECGC) guarantee cover and securities available. The unsecured exposures which are identified as sub-standard would attract additional provision of 10.00 per cent., i.e. a total of 25.00 per cent. on the outstanding balance. However, infrastructure loan accounts which are classified as sub-standard shall attract a provisioning of 20 per cent, in view of certain safeguards such as escrow accounts available in respect of infrastructure lending. To avail of this benefit of lower provisioning, a bank shall have in place an appropriate mechanism to escrow the cash flows and also have a clear and legal first claim on these cash flows.

  'Unsecured exposure' is defined as an exposure where the realisable value of security, as assessed by the bank/approved valuers/ the RBI's inspecting officers, is not more than 10.00 per cent., *ab initio*, of the outstanding exposure. 'Exposure' includes all funded and non-funded exposures (including underwriting and similar commitments). Further, 'security' means tangible security properly discharged to the bank and will not include intangible securities such as guarantees (including state government guarantees), comfort letters, etc.

- ***Doubtful Assets***. A 100.00 per cent. of the extent to which the advance is not covered by the realisable value of the security to which the bank has valid recourse and the realisable value is estimated on a realistic basis. With regard to the secured portion, provision must be made on the following basis, at the rates ranging from 25.00 per cent. to 100.00 per cent. of the secured portion depending on the period for which the asset has remained doubtful:

  (i) up to one year: 25.00 per cent. provision;

  (ii) one to three years: 40.00 per cent. provision; and

  (iii) more than three years: 100.00 per cent. provision.

With a view to bringing down divergence arising out of differences in assessment of the value of security, in cases of NPAs with a balance of Rs. 50.00 million and above, a stock audit at annual intervals by external agencies appointed as per the guidelines approved by the board of directors would be mandatory in order to enhance the reliability on stock valuation. Collateral such as immovable properties charged in favour of the bank should be subjected to value evaluation once in three years by valuers appointed as per the guidelines approved by the board of directors.

- ***Loss Assets***. Loss assets should be written off. If, for any reason, loss assets are allowed to remain in the books, 100.00 per cent. of the outstanding must be provided for.

- ***Floating Provisions***. The RBI has issued prudential guidelines on the creation and utilisation of floating provisions. The floating provisions must not be used for making specific provisions as per the extant prudential guidelines in respect of NPAs or for making regulatory provisions for standard assets. The guidelines state that floating provisions can be used only for contingencies under extraordinary

circumstances for making specific provisions in impaired accounts after obtaining approval from the bank's board of directors and with prior permission from the RBI. Floating provisions for advances and investments must be held separately and cannot be reversed by credit to the profit and loss account. Until the utilisation of such provisions, they can be netted off from gross NPAs to arrive at disclosure of net NPAs, or, alternatively, can be treated as part of tier 2 capital within the overall ceiling of 1.25 per cent. of total RWAs. Floating provisions do not include specific voluntary provisions made by banks for advances that are higher than the minimum provision stipulated by the RBI guidelines. The banks have a choice between deducting their existing floating provisions from gross NPAs to arrive at net NPAs or reckon it as part of tier 2 capital subject to the overall ceiling of 1.25 per cent. of total RWAs.

Whilst the provisions indicated above are mandatory, a higher provision in a loan amount would be required if considered necessary.

Regulations Relating to Making Loans

The provisions of the Banking Regulation Act govern the making of loans by banks in India. The RBI issues directions covering the loan activities of banks. Some of the major guidelines of the RBI, which are now in effect, are as follows:

- The RBI has prescribed standards for the financing of non-banking finance companies and the financing of public sector disinvestment.
- Banks are free to determine their own lending rates but each bank must declare its base rate as approved by its board of directors. Each bank should also indicate the maximum spread over the prime lending rate for all credit exposures other than retail loans. Interest rates for certain categories of advances are regulated by the RBI.
- In terms of Section 20(1) of the Banking Regulation Act, a bank cannot grant any loans and advances against the security of its own shares, and a banking company is prohibited from entering into any commitment for granting any loans or advances to or on behalf of any of its directors, or any firm in which any of its directors is interested as partner, manager, employee or guarantor, or any company (not being a subsidiary of the banking company or a company registered under Section 8 of the Companies Act or a Government company) of which, or the subsidiary or the holding company of which, any of the directors of the Bank is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, or any individual in respect of whom any of its directors is a partner or guarantor. There are certain exemptions in this regard which exclude any transaction which the RBI may specify by general or special order as not being a loan or advance for the purpose of such section. The Bank is in compliance with these requirements.
- Under Section 19(2) of the Banking Regulation Act, banks must not hold shares in any company, except as provided in Section 19(1) of the Banking Regulation Act, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30.00 per cent. of the paid-up share capital of that company or 30.00 per cent. of its own paid-up share capital and reserves, whichever is less. Further, in terms of Section 19(3) of the Banking Regulation Act, banks must not hold shares whether as pledgee, mortgagee or absolute owner, in any company in the management of which any managing director or manager of the Bank is in any manner concerned or interested.
- The RBI may, subject to conditions as it may deem fit to impose, exempt any banking company from the restriction on lending to the subsidiary, holding company or any other company in which any of the directors of the banking company is a director, managing agent, manager, employee or guarantor or in which such person holds a substantial interest.

Under the RBI's Master Circular on Loans and Advances – Statutory and Other Restrictions dated 1 July 2015, banks must, while appraising loan proposals involving real estate, ensure that the borrowers have obtained prior permission from government or local governments or other statutory authorities for the project, wherever required. In order that the loan approval process is not hampered on account of this, while the proposals could be sanctioned in normal course, the disbursements should be made only after the borrower has obtained requisite clearances from the government authorities.

The RBI's Master Circular on Loans and Advances – Statutory and Other Restrictions was withdrawn and subsequently consolidated as part of the Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025 dated 28 November 2025. All banks, whether lending banks or otherwise, shall monitor all accounts regularly, at least on a half-yearly basis, specifically with respect to the aggregate exposure of the banking system to the borrower, and the bank's share in that exposure, to ensure compliance with these instructions. If there is a change in exposure of a particular bank or aggregate exposure of the banking system to the borrower which warrants implementation of new banking arrangements, such changes shall be implemented within a period of three months from the date of such monitoring.

The banks may extend financial assistance to Indian companies for acquisition of equity in overseas joint ventures or wholly-owned subsidiaries or in other overseas companies, new or existing, as strategic investment, in terms of a board approved policy, duly incorporated in the loan policy of the banks. The finance would be subject to compliance with the statutory requirements under Section 19(2) of the Banking Regulation Act.

The RBI, on 13 February 2026, notified amendments to the Credit Facilities Directions and the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025 and implemented the proposal for permitting banks to fund acquisitions (the "**Acquisition Financing Amendments**"). Banks in India were largely restricted from lending to finance the acquisition of shares, with limited exceptions, notably in the context of acquisitions in the infrastructure sector, and overseas acquisitions.

In terms of the Acquisition Financing Amendments, the banks have now been permitted to extend finance for the acquisition of shares or compulsorily convertible debentures of a target entity or the holding company of the target where the objective is to secure long-term strategic 'control'. Banks can therefore finance up to 75% of the acquisition value. The valuation must be independently determined in line with RBI prescribed parameters. The balance 25% must come from the acquirer's own funds either through internal accruals, fresh equity, or other non-debt sources. It may be noted that the banks can only extend acquisition finance to non-financial entities.

Notwithstanding the above, a bank shall not be permitted to give loans against its own securities.

Reserve Bank of India (Commercial Banks – Responsible Business Conduct) Directions, 2025 dated 28 November 2025 ("Business Conduct Directions")

Some of the key instructions prescribed under the Business Conduct Directions are as follows:

- the bank must provide a key facts statement ("**KFS**") in the prescribed standardised format to all prospective borrowers to help them take an informed view before executing the loan contract;
- the KFS will have a validity period of at least 3 working days for loans having tenor of 7 days or more, and a validity period of 1 working day for loans having tenor of less than 7 days;
- the KFS must form a part of the loan documentation as part of a summary box; and
- the KFS must include a computation sheet of annual percentage rate ("**APR**") and the amortisation schedule of the loan over the loan tenor. APR must include all charges which are levied by the bank.

Guidelines Relating to use of Recovery Agents by Banks

Pursuant to the Business Conduct Directions, the RBI has directed the banks to put in place a due diligence process for the engagement of recovery agents, structured to cover individuals involved in the recovery process. Banks are expected to communicate details of recovery agents to borrowers while initiating the process of recovery and have in place a grievance redressal mechanism pertaining to the recovery process. The RBI has advised banks to initiate a training course for all its recovery agents to ensure prudent recovery practices. Recovery agents are required to comply with the applicable fair practices and code of conduct requirements and must not resort to intimidation, harassment, threatening or abusive conduct, intrusion into the privacy of borrowers or their family members, or other inappropriate practices in connection with recovery of loans.

Regulations Relating to Sale of Assets to Asset Reconstruction Companies

The SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor can recover dues from its borrowers by taking any of the measures as provided therein. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as an NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority.

The secured creditors must serve a 60-day notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, the secured creditors, on expiry of the 60-day notice period, can: (i) take possession of the secured assets; (ii) take over the management of the secured assets along with the right to transfer by way of lease, assignment or sale of the secured assets; (iii) appoint any person to manage the secured assets; and (iv) require any person who has acquired any of the secured assets from the borrower to pay amounts necessary to satisfy the debt. The security interests covered by the SARFAESI Act are security interests over immovable and movable property, existing or future receivables, certain intangible assets (such as know-how, patents, copyrights, trademarks, licenses, franchises) and any debt or any right to receive payment of money, or any receivable, present or future, and in which security interest has been created.

The SARFAESI Act focuses on improving the rights and simplifying the procedures for enforcement of security interest of banks and financial institutions and other specified secured creditors as well as asset reconstruction companies ("**ARCs**") as such secured creditors can take over management control of a borrower company upon default and/or sell assets without the intervention of courts, in accordance with the provisions of the SARFAESI Act. Secured creditors may take possession of the security for the loan after specified prior notice. Furthermore, they also have rights to sell or dispose of the underlying securities.

The SARFAESI Act also provides for the establishment of ARCs and the sale of financial assets by banks and financial institutions to ARCs. Such sales are governed by the Reserve Bank of India (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025 dated 28 November 2025 read with the Stressed Assets Directions, on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank may sell financial assets to an ARC provided the asset is a stressed loan. These assets are to be sold on a "recourse" basis with the entire credit risk associated with the financial assets being transferred to the securitisation company/reconstruction company, as well as on a "without recourse" basis, i.e. subject to the unrealised part of the asset reverting to the seller bank/financial institution. Banks/financial institutions are, however, directed to ensure that the effect of the sale of the financial assets should be such that the asset is taken off the books of the bank/financial institution and after the sale there should not be any known liability devolving on the bank/financial institution. The banks selling financial assets

should seek to ensure that there is no known liability devolving on them and that they do not assume any operational, legal or any other type of risks relating to the financial assets sold.

Under the Reserve Bank of India (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025, banks may transfer loan exposures that are not in default only to specified categories of permitted transferees, through assignment, novation or loan participation, and may transfer stressed loans (being loans classified as non-performing or as special mention accounts) to permitted transferees and ARCs, subject to prescribed conditions including board-approved policies, price discovery requirements (including auction through the Swiss challenge method for larger exposures) and, in the case of transfers undertaken as part of a resolution plan, approval by the prescribed majorities of lenders under the intercreditor agreement. A transfer must result in the transfer of economic interest in the loan exposure without any credit enhancement or recourse to the transferor, such that no known liability devolves on the transferor following the transfer.

Banks may not transfer stressed loans at a contingent price whereby, in the event of a shortfall in realisation of the agreed price, the transferor bears a part of the shortfall. Banks may, however, in respect of specific stressed loans, enter into an agreement with the ARC to share, in an agreed proportion, any surplus realised by the ARC from such loans. Where a transfer of stressed loans is undertaken as a resolution plan under the Stressed Assets Directions with the approval of signatories to the inter-creditor agreement representing 75.0% by value of total outstanding credit facilities and 60.0% of signatories by number, all signatories to the intercreditor agreement exit the stressed loan exposure. Transfers of stressed loans to transferees other than ARCs must be on a cash basis, with the entire consideration received not later than at the time of transfer; consideration for transfers to ARCs may include security receipts, pass-through certificates or other securities issued by the ARC or trusts set up by it, subject to prescribed valuation and provisioning norms.

The SARFAESI Act also provides for sale of financial assets by banks and financial institutions to ARCs. The financial assets can be sold to ARCs in accordance with the extant guidelines and prudential norms issues by the RBI. In accordance with the extant guidelines, a bank may sell only those assets classified as an SMA-2 or an NPA to ARCs. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realisation. However, banks may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. If the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as the debt recovery tribunal.

The Recovery of Debts Due to Banks and Financial Institutions Act, 1993 ("**RDDBFI Act**"), as amended by Chapter III of the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding Rs. 1 million. The RDDBFI Act provides for the constitution of debt recovery tribunals before which banks and financial institutions may file applications for recovery of debts. Further, no court or other authority, except the Supreme Court or a High Court exercising jurisdiction under Articles 226 and 227 of the Constitution of India, shall have, or is entitled to exercise, any jurisdiction, powers or authority in relation to the aforementioned matter.

The tribunals may pass orders for directions including inter-alia recovery of such dues by the bank as may be deemed fit along with a recovery certificate to such effect from the presiding officer of the respective tribunal; attachment of the secured properties towards the dues to the bank; injunctive orders restraining the debtors from alienating, transferring or disposing of such secured properties; appointment of receivers and/or local commissioners with respect to such secured properties and distribution of proceeds from sale of such secured properties towards dues. Pursuant to the recovery certificate being issued, the recovery officer of the respective debt recovery tribunal shall effectuate the final orders of the debt recovery tribunal in the application. Unless

such final orders of the debt recovery tribunal have been passed with the consent of the parties to an application, an appeal may be filed against such final orders of the debt recovery tribunal before the debt recovery appellate tribunal, which is the appellate authority constituted under the RDDBFI Act.

The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 ("**ESIRDA Amendment Act**") received Presidential Assent on 12 August 2016. It seeks to amend certain provisions of the SARFAESI, RDDBFI Act, the Indian Stamp Act, 1899 and the Depositories Act, 1996.

The key amendments to the SARFAESI include: (a) debenture trustees registered with SEBI have now been included in the definition of 'secured creditor' and can take enforcement action under Section 13 of the SARFAESI, as the remedies under SARFAESI have been extended to apply to listed debt securities. The scope of SARFAESI has been widened to include hire purchase, financial leasing and conditional sale transactions; (b) the process of taking possession over collateral against which a loan has been provided by a secured creditor, with the assistance of the Chief Metropolitan Magistrate or District Magistrate, has been made time-bound, requiring an order to be passed within 30 days from the date of the application by the secured creditor; and (c) amendments in relation to registration of security interest have been introduced, including inter alia setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDDBFI Act include: (a) debenture trustees registered with SEBI can initiate proceedings under the RDDBFI Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDDBFI Act before a tribunal in whose jurisdiction where the defaulted account is maintained/located; (c) a defendant, upon service of summons under the RDDBFI act, is restricted from transferring the secured assets or other assets disclosed in the application made by the bank of financial institution without the approval of the tribunal, except in the ordinary course of business; and (d) electronic filing of recovery application, documents and written statements has been introduced.

The Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025 dated 28 November 2025, the Reserve Bank of India (Asset Reconstruction Companies – Know Your Customer) Directions, 2025 dated 28 November 2025 and the Reserve Bank of India (Asset Reconstruction Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025 dated 28 November 2025 (collectively, the "ARC Directions").

To ensure prudent and efficient functioning of ARCs and to protect the interest of investors, the RBI has issued the ARC Directions. The key provisions are as follows:

- before commencement of the business of securitisation or asset reconstruction, an ARC must apply for registration and obtain a Certificate of Registration ("**CoR**") from the RBI;
- an ARC, which has obtained a CoR from the RBI, can undertake both securitisation and asset reconstruction activities;
- to commence the business of securitisation or asset reconstruction, an ARC is required to have a minimum net owned fund ("**NOF**") of Rs.300.00 crores and thereafter, on an ongoing basis;
- ARCs existing as on 11 October 2022 must achieve the minimum required NOF of INR 300 crore by March 31, 2026; and
- an ARC must not raise monies by way of deposit.

Guidelines on Sale and Purchase of NPAs

The ARC Directions require that the board of directors of the Bank must establish a policy for purchases and sales of NPAs. The estimated cash flows are normally expected to be realised within a period of three years and

at least 10.00 per cent. of the estimated cash flows should be realised in the first year and at least 5.00 per cent. in each half year thereafter, subject to full recovery within three years. Banks should ensure that subsequent to the sale of non-performing financial assets to other banks, they do not have any involvement with reference to assets sold and do not assume operational, legal or any other type of risks relating to the financial assets sold.

An ARC can sell financial asset to another ARC subject to the following conditions: (i) The transaction is settled on cash basis; (ii) Price discovery for such transaction shall not be prejudicial to the interest of security receipt holders; (iii) The selling ARC shall utilize the proceeds so received for the redemption of underlying security receipts (SRs); and (iv) The date of redemption of underlying SRs and total period of realisation shall not extend beyond eight years from the date of acquisition of the financial asset by the first ARC.

Consequently, the specific financial asset should not enjoy the support of credit enhancements or liquidity facilities in any form or manner. Each bank will make its own assessment of the value offered by the purchasing bank for the financial asset and decide whether to accept or reject the offer.

Furthermore, the ARC Directions read with the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025, mandate that under no circumstances can a sale to other banks be made at a contingent price whereby, in the event of shortfall in the realisation by the purchasing banks, the selling banks would have to bear a part of the shortfall. Banks may only sell non-performing financial assets to other banks on a cash basis. The entire sale consideration should be received upfront and the asset can be taken out of the books of the selling bank only on receipt of the entire sale consideration. Banks are also permitted to sell/buy from a homogeneous pool within retail non-performing financial assets on a portfolio basis provided each of the non-performing financial assets of the pool has remained as non-performing financial asset for at least two years in the books of the selling bank. The pool of assets would be treated as a single asset in the books of the purchasing bank. The selling bank shall pursue the staff accountability aspects as per the existing instructions in respect of the non-performing assets sold to other banks. Purchases and sales of NPAs must be without recourse to the seller and on a cash basis, with the entire consideration being paid upfront. An asset must have been classified as non-performing for at least two years by the seller to be eligible for sale. The purchasing bank must hold the NPA on its books for at least 6 (six) months before it can sell the asset to another bank. The asset cannot be sold back to the original seller.

Directed Lending

Priority Sector Lending

The Master Directions – Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 dated 24 March 2025 ("**PSL Directions**"), set out the broad policy in relation to priority sector lending. Under the PSL Directions, priority sectors for all scheduled banks comprise: (i) agriculture; (ii) micro, small and medium enterprises; (iii) export credit; (iv) education; (v) housing; (vi) social infrastructure; (vii) renewable energy; and (viii) others (being loans up to limits prescribed in the PSL Directions). Priority sector lending targets are linked to adjusted net bank credit ("**ANBC**") or credit equivalent amount of off-balance sheet exposure ("**CEOBSE**"), whichever is higher, as on the corresponding date of the preceding year. At present, the total priority sector lending target for domestic banks is 40 per cent. of ANBC or CEOBSE, whichever is higher. According to the PSL Directions, export credit (other than that under agriculture and micro, small and medium enterprises) extended by domestic banks qualifies as priority sector lending where incremental export credit over the corresponding date of the preceding year is up to 2 per cent of ANBC or CEOBSE (whichever is higher), subject to a sanctioned limit of INR 500 million per borrower. The PSL Directions also prescribe the methodology for computation of ANBC and CEOBSE and the treatment of, *inter alia*, priority sector lending certificates, on-lending arrangements, securitisation, direct assignments and other eligible exposures. The Bank is required to comply with the applicable priority sector lending targets and sub-

targets and related classification, reporting, monitoring and shortfall requirements prescribed by the RBI, as amended from time to time.

Credit Exposure Limits

As a prudential measure aimed at better risk management and the avoidance of concentration of credit risks, the RBI has advised banks by way of the consolidated Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025 dated 28 November 2025 ("**CRM Directions**"), to fix limits on their exposure to specific industries or sectors and has prescribed regulatory limits on banks' exposure to individual and group borrowers in India. In addition, banks are also required to observe certain statutory and regulatory exposure limits in respect of advances against or investments in shares, convertible debentures or bonds, units of equity-oriented mutual funds and all exposures to Alternative Investment Funds.

The aggregate exposure of a bank to the capital markets in all forms (both fund-based and non-fund based) must not exceed 40 per cent of its eligible capital base (i.e., effective amount of Tier 1 capital as per the last audited balance sheet), to be maintained on an ongoing basis, on both solo and consolidated basis. Within this overall ceiling, the bank's direct capital market exposure, consisting of direct investment exposure, as prescribed under the CRM Directions, must not exceed 20 per cent of the eligible capital base on both solo and consolidated basis. Investment exposures comprise direct investment in equity and preference shares, convertible bonds, convertible debentures, units of non-debt mutual fund schemes, units of Real Estate Investment Trusts and Infrastructure Investment Trusts and units of Alternative Investment Funds.

As per the CRM Directions, the RBI has mandated that a bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 per cent. of such bank's eligible capital base. However, based on the risk perception, more stringent exposure limits in respect of certain categories of NBFCs may be considered. Further, a bank's exposure to a single NBFC which is predominantly engaged in lending against collateral gold jewellery (hereafter referred to as 'gold loans') i.e. such loans comprising 50 percent or more of its financial assets, shall not exceed 7.5 percent of the bank's capital funds (Tier I plus Tier II Capital). However, this exposure ceiling may go up by 5 percent, i.e., up to 12.5 percent of a bank's capital funds if the additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector.

As on 31 March 2026, the Bank was in compliance with these limits.

Regulations Relating to Investments and Capital Market Exposure Limits as per the CRM Directions

Regulatory Limit

Pursuant to the CRM Directions, the aggregate exposure of a bank to the capital markets in all forms (both fund-based and non-fund based) must not exceed 40 per cent of its eligible capital base (i.e., effective amount of Tier 1 capital as per the last audited balance sheet), to be maintained on an ongoing basis, on both solo and consolidated basis. Within this overall ceiling, the bank's direct capital market exposure, consisting of direct investment exposure, as prescribed under the CRM Directions, must not exceed 20 per cent of the eligible capital base on both solo and consolidated basis. Investment exposures comprise direct investment in equity and preference shares, convertible bonds, convertible debentures, units of non-debt mutual fund schemes, units of Real Estate Investment Trusts and Infrastructure Investment Trusts and units of Alternative Investment Funds.

The following exposures of a bank must be excluded from the capital market exposure computation of a bank:

(i) investment in own subsidiaries, joint ventures, and sponsored Regional Rural Banks (RRBs);

(ii) investments in shares, convertible debentures and convertible bonds issued by institutions forming critical financial infrastructure as enumerated in Annex II of the CRM Directions. Provided that after listing, any additional exposures taken in the entities covered in (i) and (ii) must form part of the capital market exposure.

(iii) portion of acquisition finance which is used for refinancing the debt of the target company as a part of acquisition;

(iv) investment in Additional Tier I and Tier II debt instruments issued by other banks and All India Financial Institutions regulated by RBI;

(v) investment in certificate of deposits of other banks;

(vi) investment in, and loan against, preference shares without voting rights;

(vii) a bank's own and their subsidiaries' underwriting commitments in respect of issuance of shares or convertible bonds or convertible debentures or units of non-debt mutual fund schemes, through the book running process up to 70 per cent. of the credit equivalent amount;

(viii) promoters shares in the special purpose vehicle of an infrastructure project on which security charge is created in favour of the lending bank for infrastructure project lending;

(ix) exposure to brokers other than in the commodity and equity segments;

(x) exposure to capital market intermediaries for market making predominantly in debt instruments.

Under Section 19(2) of the Banking Regulation Act, no banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30.00 per cent. of the paid-up share capital of that company or 30.00 per cent. of its own paid-up share capital and reserves, whichever is lower, except as provided in sub-section (1) of Section 19 of the Banking Regulation Act. Shares held in dematerialised form should also be included for the purpose of determining the exposure limit. This is an aggregate holding limit for each company. While granting any advance against shares, underwriting an issue of shares, or acquiring any shares on investment account or even in lieu of debt of any company, these statutory provisions must be strictly observed by the bank.

The Stressed Assets Directions prescribe that, without prejudice to the requirements of Section 19(2) of the Banking Regulation Act, the acquisition of shares due to conversion of debt to equity during a restructuring process will be exempted from regulatory ceilings/restrictions on capital market exposures, investment in para-banking activities and intra-group exposure. However, such acquisition will require reporting to RBI and disclosure by banks. Nonetheless, banks shall comply with the provisions of Section 19(2) of the Banking Regulation Act.

Consolidated Supervision Guidelines

The RBI is empowered under the Banking Regulation Act and other applicable laws to undertake supervision and inspection of banks and to require banks to furnish such information, statements and returns as may be prescribed. Banks are required to submit periodic supervisory returns and other information to the RBI to facilitate off-site surveillance and supervisory assessment.

The RBI follows a risk-based and forward-looking approach to supervision, which combines off-site surveillance and continuous monitoring with on-site examinations, supervisory interactions, thematic reviews and other supervisory tools. Under its risk-based supervisory framework, including the Supervisory Program for Assessment of Risk and Capital ("**SPARC**"), the nature, scope and intensity of supervision are determined

having regard to, *inter alia*, the risk profile of the bank, the effectiveness of its governance, risk management systems and internal controls, its capital position and the potential impact of the bank on the financial system.

The supervisory process may include assessment of, *inter alia*, capital adequacy, asset quality, liquidity, earnings, governance and management, business and operational risks, risk management practices, internal controls, regulatory compliance and other areas considered relevant by the RBI. The RBI may also undertake targeted examinations, thematic reviews and other supervisory interventions and require banks to take corrective or remedial measures in relation to identified supervisory concerns.

Banks' Investment Classification and Valuation Standards

Based on the comments to the Report of the Informal Group on Banks' Investment Portfolio, effective 3 September 2000, the Master Circular on 'Prudential Norms for Classification, Valuation and Operating of Investment Portfolios by banks' dated 1 July 2015, as amended from time to time, most recently consolidated by way of the Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025 dated 28 November 2025 ("**Investment Portfolio Directions**") sets out guidelines on classification and valuation of banks' investment portfolio.

The valuation, classification and other norms applicable to investment in non-statutory liquidity ratio instruments prescribed by the RBI from time to time are applicable to lenders' investment in debentures/bonds/security receipts/pass-through certificates issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank must reckon the net asset value obtained from ARC from time to time, for valuation of such investments.

Quoted equity shares, bonds, units of Alternative Investment Funds in the bank's portfolio must be valued *mutatis mutandis* as per instructions given in the Investment Portfolio Directions for quoted securities.

Investments by lenders in security receipts/ pass-through certificates/ other securities issued by ARCs must be valued periodically by reckoning the net asset value declared by the ARC based on the recovery ratings received for such instruments. However, when transferors invest in the security receipts/ pass-through certificates issued by ARCs in respect of the stressed loans transferred by them to the ARC, the transferors must carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of security receipts arrived based on the net asset value as above, and the net asset value of the transferred stressed loan at the time of transfer.

Restrictions on Investments in a Single Company

Under Section 19(2) of the Banking Regulation Act, banks must not hold shares in any company, except as provided in Section 19(1) of the Banking Regulation Act, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30.00 per cent. of the paid-up share capital of that company or 30.00 per cent. of its own paid-up share capital and reserves, whichever is less. Further, in terms of Section 19(3) of the Banking Regulation Act, banks must not hold shares whether as pledgee, mortgagee or absolute owner, in any company in the management of which any managing director or manager of the Bank is in any manner concerned or interested.

As per Section 19(1) of the Banking Regulation Act, no banks must form any subsidiary company except a subsidiary company formed for one or more of the following purposes, namely (a) the undertaking of any business which is permissible under relevant provisions of the Banking Regulation Act for a bank to undertake, or (b) with the previous permission in writing of the RBI, the carrying on of the business of banking exclusively outside India, or (c) the undertaking of such other business, which the RBI may, with the prior approval of the

Central Government, consider to be conducive to the spread of banking in India or to be otherwise useful or necessary in the public interest.

Further, pursuant to the Reserve Bank of India (Commercial Banks - Undertaking of Financial Services) Directions, 2025 dated 28 November 2025, the Bank is required to maintain an arm's length relationship in respect of the subsidiaries sponsored by it. The subsidiary must not set up another subsidiary, or promote a new company which is not a subsidiary thereof or undertake any new business without prior approval of the RBI. The bank cannot grant any unsecured advances to the subsidiary without prior approval of the RBI. Transactions between a bank and its subsidiary must be at arm's length and no preferential treatment must be given to the subsidiary vis-à-vis a counterparty with similar risk characteristics.

Limit on Transactions Through Individual Brokers

Guidelines have been issued by the RBI which require banks to empanel brokers for transactions in securities. These guidelines also require that a disproportionate part of the bank's business should not be transacted only through one broker or a few brokers. The RBI specifies that not more than 5.00 per cent. of the total transactions through empanelled brokers may be transacted through one broker. If, for any reason, it becomes necessary to exceed the aggregate limit for any broker, the specific reasons for the same should be recorded, in writing, by the authority empowered to put through the deals. Furthermore, the board should be informed of this, post facto. However, the norm of 5.00 per cent. would not be applicable to banks' dealings through PDs. Provided further that if for any reason it becomes necessary to exceed the aggregate limit for any broker, the bank shall record in writing the specific reasons for such breach and the Board shall be informed, post-facto.

Prohibition on Short-Selling

The RBI permits short-selling of securities by banks for a maximum period of five trading days including the day of trading. The RBI has permitted banks to sell Government securities already contracted for purchase provided the purchase contract is confirmed and the contract is guaranteed by Clearing Corporation of India Limited or the security is contracted for purchase from the RBI. Each security is deliverable or receivable on a net basis for a particular settlement cycle.

Credit Default Swaps for Corporate Bonds

On 25 June 2026, the RBI issued the Master Direction - Reserve Bank of India (Credit Derivatives) Directions, 2026 ("**Credit Derivatives Directions**"), superseding the 2022 framework which was limited to single-name credit default swaps ("**CDS**") on corporate bonds. The Credit Derivatives Directions expand the permitted product suite to include CDS and total return swaps on corporate bonds in the over-the-counter market, and standardised single-name CDS, CDS on credit indices and futures on credit indices on recognised stock exchanges with guaranteed settlement, subject to prior RBI approval of product design and eligible participants. At least one party to a credit derivative transaction must be a market-maker or a central counterparty authorised by the RBI, with eligible market-makers including scheduled commercial banks (excluding small finance banks, payments banks, local area banks and regional rural banks), standalone primary dealers, specified NBFCs and development finance institutions.

Users are classified as retail or non-retail, with non-retail status available to regulated institutional investors (including NBFCs, insurance companies, pension funds, mutual funds and alternative investment funds), resident companies meeting prescribed net worth or turnover thresholds and foreign portfolio investors. Resident non-retail users may transact without restriction as to purpose, while retail users (other than individuals) and non-resident users may participate for hedging purposes only, and market-makers may not offer over-the-counter credit derivative contracts to individuals. Eligible reference obligations comprise money

market instruments and rupee-denominated corporate bonds and debentures (including unrated bonds issued by infrastructure special purpose vehicles) in dematerialised form, with asset-backed securities, mortgage-backed securities and structured obligations expressly excluded; indices of eligible debt instruments may also serve as the underlying. The Credit Derivatives Directions also provide for a Credit Derivatives Determinations Committee, constituted by Fixed Income Money Market and Derivatives Association of India, whose determinations on credit events and settlement procedures are binding on market participants, and prescribe trade reporting, valuation and enforcement requirements.

Holding Companies

In May 2011, the RBI released its report on the "Introduction of Financial Holding Structure in India". In its report the working group recommended that the financial holding structure ("**FHC**") model should be the preferred model for all financial groups, irrespective of whether they have a banking company or not. The introduction of the FHC model would allow commercial banking, insurance, investment banking and other financial activities to be conducted under the same corporate umbrella. The report recommends two options to warehouse the Government of India's holding in public sector banks, in view of the constraint of minimum Government of India shareholding of 51.00 per cent. in these banks. Under the first option, the Government holding in public sector banks will be transferred to a holding company, which also holds shares in demerged bank subsidiaries. Under the second option, the government would continue to have a direct holding in the Bank while the shareholding of all private shareholders will be transferred to a holding company. The report also recommends a separate regulatory framework for banks with the FHC model.

As per the Reserve Bank of India (Universal Banks – Licensing) Guidelines, 2025, the corporate structure of a bank can be as follows:

Structure without NOFHC

- In the case of promoters being individuals or standalone promoting/converting entities who/which do not have other group entities, the requirement of Non-Operative Financial Holding Company (NOFHC) is not mandatory and such promoters would have the option of setting up/converting into a banking company under the Companies Act. However, in case other group entities are proposed to be established after the bank is incorporated, the bank should move to the NOFHC structure.

- In case the proposal is for setting up/conversion into a bank, any change in shareholding within the promoting/converting entity from the date of application to the RBI as a result of which a shareholder acquires or transfers five per cent or more of the voting equity capital of the promoting/converting entity, shall be reported to the RBI.

Structure with NOFHC

- In case the individual promoters/promoting entities/converting entities have other group entities, the bank shall be set up only through a NOFHC. The bank shall be guided by the instructions contained in Reserve Bank of India (Non-Operative Financial Holding Company) Directions, 2025. The NOFHC shall be registered with RBI as a non-banking financial company (NBFC) and less than 51 per cent. of the total paid-up equity capital of the NOFHC shall be owned by the promoter/promoter group.

Regulations Relating to Deposits

The regulatory framework governing interest rates on deposits is presently set out in the Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Directions, 2025, as amended from time to time. The RBI issued further amendment directions on 30 July 2026, which are effective from 1 October 2026 and revise, *inter alia*, the framework for pricing and disclosure of bulk deposit interest rates.

Under the applicable directions, banks are required to pay interest on deposits of money, other than current account deposits, accepted or renewed in domestic accounts, Ordinary Non-Resident ("**NRO**") accounts, Non-Resident (External) ("**NRE**") accounts and Foreign Currency (Non-Resident) Accounts (Banks) Scheme ("**FCNR(B)**") deposit accounts, in accordance with the conditions prescribed by the RBI. Banks are required to have a comprehensive policy on interest rates on deposits duly approved by their board of directors or a committee thereof, and deposit interest rates are required to be reasonable, consistent, transparent and disclosed in accordance with the applicable directions.

Banks have flexibility to determine interest rates on deposits within the regulatory framework. In relation to domestic term deposits, the minimum tenor is seven days. Banks may offer term deposits without a premature withdrawal option; however, all term deposits accepted from individuals, held singly or jointly, for an amount of Rs.1 crore and below are required to have a premature withdrawal facility. For SCBs other than RRBs, a "bulk deposit" is a single rupee term deposit of Rs.3.00 crores and above.

With effect from 1 October 2026, commercial banks are permitted greater flexibility in pricing bulk deposits by taking into account differences in the liquidity risk of such deposits, including the applicable run-off rates under the LCR framework. The revised framework continues to require non-discriminatory treatment of similarly placed depositors and enhanced transparency in the disclosure of applicable bulk deposit rates, in accordance with the Amendment Directions.

In relation to NRE and NRO deposits, the minimum tenor of an NRE term deposit is one year and the minimum tenor of an NRO term deposit is seven days. Interest rates offered on NRE and NRO deposits cannot be higher than those offered on comparable domestic rupee term deposits, subject to the applicable RBI requirements. Banks are prohibited from marking any lien, whether direct or indirect, against NRE savings deposits. The Bank is required to comply with the applicable requirements relating to savings and term deposits, premature withdrawal, penalties, non-resident deposits and disclosure of deposit rates, as amended from time to time.

Deposit Insurance

Demand and time deposits accepted by Indian banks have to be mandatorily insured with the Deposit and Insurance Credit Guarantee Corporation ("**DICGC**"), a wholly-owned subsidiary of the RBI. The DICGC insures all bank deposits, such as saving, fixed, current, recurring deposit for up to the limit of INR 5 lakh of each depositor in a bank. Banks are required to pay the insurance premium for the eligible amount to the DICGC on a semi-annual basis. The cost of the insurance premium cannot be passed on to the customer.

Regulations Relating to Know Your Customer ("KYC"), Anti-Money Laundering ("AML") and Combating Financing Terrorism ("CFT")

The RBI has issued several guidelines relating to the identification of depositors and has advised banks to put in place systems and procedures to control financial frauds, identify money laundering and suspicious activities, and monitor high value cash transactions. The RBI has also issued guidelines from time to time advising banks to be vigilant whilst opening accounts for new customers to prevent misuse of the banking system for perpetration of fraud.

India became a member of the Financial Action Task Force ("**FATF**") in 2010. The FATF is an international body which sets international standards enabling national authorities to effectively track and act against illicit funds linked to serious crimes. The Government of India had constituted a National Money Laundering/Financing of Terror Risk Assessment Committee to assess money laundering and terror financing risks as a national AML/CFT strategy and an institutional framework for AML/CFT in India.

The RBI has issued a number of guidelines on KYC and AML that lay down rules on: (i) customer identification and acceptance; (ii) monitoring of transactions; and (iii) vigilance when opening accounts for new customers, so as to prevent misuse of the banking system. Banks have been directed to maintain systems and procedures to control financial fraud and to detect money laundering and suspicious activity, and to monitor high-value cash transactions, including cross-border transactions. Banks have further been directed to formulate and adopt adequate KYC and AML policies.

All instructions and guidelines issued by the RBI on KYC norms, AML standards and obligations under the Prevention of Money Laundering Act, 2002 to be followed by banks have been consolidated under the latest Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025 notified by the RBI on 28 November 2025 ("**KYC Directions**"). KYC Directions require banks and financial institutions regulated by the RBI to periodically carry out money laundering and terrorist financing risk assessments to identify, assess and take effective measures to mitigate their money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels. Banks and financial institutions must apply a risk-based approach for mitigation and management of identified risk and should have board approved policies, controls and procedures which take into consideration sector specific vulnerabilities shared by regulators. Further, regulated entities are required to inform customers in advance to update their KYC, giving at least three advance intimations including at least one intimation by letter, at appropriate intervals through available communication options.

Bank Finance to Non-Banking Financial Companies (NBFCs)

The credit related matters of banks have been progressively deregulated by RBI. Consistent with the policy of bestowing greater operational freedom to banks in the matter of credit dispensation and in the context of mandatory registration of NBFCs with the RBI, most of the aspects relating to financing of NBFCs by banks have also been deregulated. However, in view of the sensitivities attached to financing of certain types of activities undertaken by NBFCs, restrictions on financing of such activities continue to be in force. RBI's guidance on bank finance to NBFCs has been consolidated into Credit Facilities Directions, while prudential limits on banks' exposures, including to NBFCs, are set out in the CRM Directions.

Under the large exposures framework contained in the CRM Directions, the sum of all exposure values of a bank to a single counterparty shall not be higher than 20 per cent. of the bank's available eligible capital base at all times, which may be increased by a further 5 per cent. in exceptional cases with approval of the bank's board, and a bank's exposure to a group of connected counterparties shall not be higher than 25 per cent. of its available eligible capital base at all times. A bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20 per cent. of its eligible capital base. A bank's exposure to a single NBFC predominantly engaged in lending against collateral of gold jewellery (such loans comprising 50 per cent. or more of its financial assets), shall not exceed 7.5 per cent. of the bank's capital funds (Tier 1 plus Tier 2 Capital), which may go up by 5 per cent. (i.e., up to 12.5 per cent.) if additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector. A bank's exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25 per cent. of its Tier 1 capital.

Legal Reserve Requirements

The RBI issued the Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 on 28 November 2025 ("**CRR and SLR Directions**").

Cash Reserve Ratio ("CRR")

Every bank in India is required to maintain by way of a cash reserve, a sum equivalent to such percentage of the total of its net demand and time liabilities ("**NDTL**"), in such manner and for such dates, as the RBI may notify from time to time having regard to the needs of securing the monetary stability in the country. The RBI

may also require a bank to maintain an additional average daily balance As per the CRR and SLR Directions, every bank is required to maintain in India with the RBI an average daily balance the amount of which cannot be less than 3.0% of its NDTL. Further, every scheduled bank is required to maintain a minimum CRR of not less than 90% of the required CRR on every day during the reporting fortnight, so that the average of CRR maintained daily shall not be less than the CRR prescribed by the RBI.

The CRR and SLR Directions also prescribe the method of computation of NDTL. The NDTL of a bank includes (a) liabilities towards the banking system net of assets with the banking system as defined in Section 42 of the RBI Act (for scheduled commercial banks) and (b) liabilities towards others in the form of demand and time deposits or borrowings or other miscellaneous items of liabilities.

The RBI does not pay any interest on cash reserve ratio balances held by scheduled commercial banks.

Statutory Liquidity Ratio ("SLR")

In addition to the CRR, a bank is required to maintain a specified percentage of its total demand and time liabilities ("**DTL**") by way of liquid assets like cash, gold or approved securities. The percentage of this liquidity ratio is fixed by the RBI from time to time. The RBI fixes the percentage of this liquidity ratio from time to time under section 24 of the Banking Regulation Act.

As per the CRR and SLR Directions, the value of SLR cannot be less than such percentage not exceeding 40% of the total DTL in India as on the last day of the second preceding fortnight as the RBI may notify in the Official Gazette from time to time. The SLR assets to be maintained by every bank in India cannot be less than 18% of its total NDTL on such day, as at the close of business on any day, in accordance with the method of valuation specified by RBI from time to time.

The CRR and SLR Directions also provide the procedure for computation of NDTL for SLR. Total NDTL for the purpose of SLR under Section 24 (2A) of Banking Regulation Act shall be computed on the similar procedure as followed for CRR. Additionally, the CRR and SLR Directions provide that certain liabilities will not form part of the liabilities computed for CRR and SLR. These directions also contain the reporting requirements for CRR and SLR and specify the applicable penalties in case of default in maintenance of the CRR and SLR.

Foreign Currency Dealership

The foreign exchange and cross border transactions undertaken by banks, both on their own account and also on behalf of customers, are subject to the provisions of the FEMA and rules, regulations, directions and notifications issued thereunder.

The 'Master Direction on Risk Management and Interbank Dealings', dated 5 July 2016 and as updated from time to time, states that all categories of overseas foreign currency borrowings of authorised dealer banks, including existing external commercial borrowings ("**ECBs**") and loans or overdrafts from their head office, overseas branches and correspondents outside India, international/multilateral financial institutions or any other entity as permitted by the RBI and overdrafts in nostro accounts (not adjusted within five days), shall not exceed 100 per cent. of their unimpaired Tier I Capital or U.S.$10 million (or its equivalent), whichever is higher. However, the following borrowings are outside the aforementioned limit: (a) overseas borrowings by authorised dealer banks for the purpose of financing export credit, (b) subordinated debt placed by head offices of foreign banks with their branches in India as Tier II capital, (c) capital funds raised/augmented by the issue of Innovative Perpetual Debt Instruments and Debt Capital Instruments in foreign currency, and (d) any other overseas borrowing with the specific approval of the RBI.

Pursuant to the FEMA, the RBI has granted the Bank a full-fledged authorised dealers' licence to deal in foreign exchange through its designated branches. Under this licence, the Bank has been granted permission to: (i) engage in foreign exchange transactions in all currencies; (ii) open and maintain foreign currency accounts abroad; (iii) raise foreign currency and Rupee denominated deposits from NRIs; (iv) grant foreign currency loans to on-shore and off-shore corporations; (v) open documentary credits; (vi) grant import and export loans; (vii) handle collection of bills, funds transfer services; (viii) issue guarantees; and (ix) enter into derivative transactions and risk management activities that are incidental to its (x) normal functions authorised under its organisational documents.

The Bank's foreign exchange operations are subject to the guidelines specified by the RBI in the exchange control manual. As an authorised dealer, the Bank is required to enroll as a member of the Foreign Exchange Dealers' Association of India, which prescribes the rules relating to foreign exchange business in India.

On 6 June 2023, the RBI amended the Master Direction on Risk Management and Inter-Bank Dealings, 2016, pursuant to which banks having an authorised dealer category-I license as well as operating IFSC Banking Units shall be eligible to offer non-deliverable foreign exchange derivative contracts involving INR to resident non-retail users from their branches in India.

In June 2026, the RBI issued amendment directions on 'Net Open Position – Revised Instructions', revising the regulatory framework for computation and treatment of net open positions in foreign exchange and gold. The Bank is required to comply with the revised requirements, including the applicable prudential and capital treatment, in accordance with the timelines prescribed by the RBI.

Statutes Governing Foreign Exchange and Cross-Border Business Transactions

The foreign exchange and cross-border transactions undertaken by banks are subject to the provisions of FEMA. All branches should monitor all non-resident accounts to prevent money laundering.

Borrowing and lending transactions are regulated by the RBI pursuant to FEMA and the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 ("**Borrowing and Lending Regulations**"). Under the Borrowing and Lending Regulations, an authorised dealer bank can borrow from any entity outside India up to the limit specified by and subject the terms and conditions specified by the RBI in consultation with the Government of India. Additionally, eligible borrowers in India may raise ECBs from outside India in accordance with the provisions of the Borrowing and Lending Regulations.

Special Provisions of the Banking Regulation Act

Under Sections 35A and 36 of the Banking Regulation Act (which apply to the Bank), the RBI is empowered to give directions to the Bank, prohibit the Bank from entering into any transactions, and generally advise the Bank. Consequently, the performance of obligations by the Bank under the Programme Agreement, the Trust Deed, the Agency Agreement and the Notes may be restricted by the directions or advice given by the RBI under the aforesaid provision. Further, the Banking Regulation (Amendment) Act, 2017, has inserted Section 35AA and Section 35AB. Under Section 35AA, the RBI can issue directions to banking companies to initiate processes under the IBC in respect of a default. Under Section 35AB, the RBI may issue directions to any banking company for the resolution of stressed assets and it may further specify an authority or committee to advise any banking company on the resolution of stressed assets. The banking companies are bound to comply with all such directions from the RBI.

Under Section 50 of the Banking Regulation Act (which also applies to the Bank), no person shall have a right, whether in contract or otherwise, to any compensation for any loss incurred by reason of the operation of certain provisions of the Banking Regulation Act, including Sections 35A and 36. Therefore, a party may not be able

to claim any compensation for a failure by the Bank to perform its obligations under the Programme Agreement, the Trust Deed, the Agency Agreement and the Notes, due to the operation of the aforesaid provisions.

As per Section 51 of the Banking Regulation Act, only some of the sections in the said Act are applicable to nationalised banks.

Prohibited Business

Section 6(1) of the Banking Regulation Act specifies the business activities in which a bank may engage. Pursuant to Section 6(2) of the Banking Regulation Act, banks are prohibited from engaging in business activities other than the activities specified in Section 6(1) of the Banking Regulation Act. In particular, banks are not permitted to offer portfolio management services or other schemes to their customers, except with the prior approval of the RBI and subject to the guidelines prescribed by the RBI and the SEBI in that regard.

In addition, the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) (Amendment) Directions, 2025 dated 28 November 2025 contains the relevant provisions in relation to the forms of business which a bank may undertake. As a principle, any form of business shall be undertaken by one entity in a bank group. However, if a bank undertakes a form of business through more than one entity in a bank group, the same shall be done with proper rationale such as business segmentation/specialization, duly recorded and approved by the board of directors of the bank. These directions clarify that mutual fund business, insurance business, pension fund management, investment advisory and management services, portfolio management services and broking services cannot be carried out departmentally, but only through a group entity. A bank requires prior approval of the RBI to undertake any new form of business through the bank or a group entity, other than those permitted in the aforesaid directions.

Reserve Fund

Pursuant to Section 17 of the Banking Regulation Act, and guidelines prescribed by the RBI effective from 31 March 2001, every bank incorporated in India is required to create a reserve fund to which it must transfer not less than 20.0 per cent. of the balance of profits as disclosed in the profit and loss account of each year before declaring any dividends. If there is an appropriation from the reserve, the bank is required to report the fact to the RBI within 21 days, explaining the circumstances leading to such appropriation. The Government may, on the recommendation of the RBI, exempt a bank from requirements relating to its reserve fund.

Declaration of Dividends and Remittance of Profit

Pursuant to the provisions of the Banking Regulation Act, read with the Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profits) Directions, 2026, dated 10 March 2026 ("**Dividend Directions**"), the dividend has to be paid as a percentage of adjusted profit after tax ("**PAT**"). Adjusted PAT is the PAT of the financial year for which the dividend is proposed to be paid minus 50% of Net NPA as on 31 March of the financial year for which the dividend is to be paid.

Under the earlier directions *i.e.* the Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profits) Directions, 2025, whether a bank could declare dividend or not depended, *inter-alia*, on a matrix combining CRAR and NNPA ratios and the maximum dividend payout ratio was capped at 40% of net profit, depending on capital adequacy and asset quality. The Dividend Directions replace the earlier CRAR-NNPA based matrix with a CET1 capital ratio bucket framework. Under the new system, banks fall within the various ranges of CET1 capital buckets (10 in total), each prescribing the maximum percentage of dividend that may be declared out of Adjusted PAT. At the same time, the overall dividend distribution is capped at 75% of PAT.

Dividend has been clarified to mean to include interim dividend as well. Further, it shall consider dividend payable on equity shares and excludes dividend on Perpetual Non-Cumulative Preference Shares (PNCPS). Dividend payable on compulsorily convertible preference shares will, however, be included.

The Dividend Directions identify 4 (four) kinds of profits that cannot be used for payment of dividends or remittance of profits:

(a) Extra-ordinary or exceptional profits: banks cannot distribute one-time or abnormal profits. The definition of exceptional profits has to be taken from the applicable accounting standards. Banks will therefore have to ascertain the items which lead to extraordinary profits and exclude them while declaring dividends. Any profits from activities or transactions that are not in the ordinary course of business will therefore have to be excluded.

(b) Overstatement of PAT flagged by auditor: If the audit report contains a modified opinion indicating overstatement of PAT, the overstated portion cannot be used for dividend payments.

(c) Unrealised gains on level 3 financial instruments: RBI (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025 provides that dividends cannot be paid out of net unrealised gains recognised in the Profit and Loss Account arising on fair valuation of Level 3 investments on its Balance Sheet. The same has now been specified under the Dividend Directions as well.

(d) Reversal of excess provisions or unrealised gains from transfer of loans/SRs guaranteed by GoI: In terms of the RBI (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025, the non cash component of the excess provision remaining with the bank at the time of transfer (Excess provision minus cash received as consideration for transfer) cannot be used for the payment of dividend. Further, with respect to the SRs guaranteed by the GOI, it has been provided that any unrealised gain recognised in the Profit and Loss Account on account of fair valuation of such SR investments shall be deducted from CET 1 capital, and no dividends can be paid out of such unrealised gains.

Restriction on Share Capital and Voting Rights

The share capital of the Bank is governed principally by the Banks Nationalisation Act, the schemes and regulations framed thereunder and other applicable laws. The Banks Nationalisation Act permits the Bank to raise its paid-up capital through the issuance of equity shares or preference shares in accordance with the applicable statutory and regulatory requirements.

The Central Government is required at all times to hold not less than 51 per cent. of the paid-up capital consisting of equity shares of the Bank. Accordingly, any issuance or transfer of shares by the Bank is subject to the requirement that the minimum shareholding of the Central Government prescribed under the Banks Nationalisation Act continues to be maintained.

The Banking Regulation Act contains provisions relating to the acquisition and holding of shares and voting rights in banking companies. The RBI has also prescribed a regulatory framework governing the acquisition and holding of shares or voting rights in banking companies. Such framework prescribes, *inter alia*, requirements relating to prior approval of the RBI for acquisitions resulting in major shareholding, eligibility and suitability of shareholders, permissible shareholding limits and continuing requirements applicable to shareholders, to the extent applicable to the Bank having regard to its status as a corresponding new bank constituted under the Banks Nationalisation Act. RBI's framework for major shareholdings has historically included regulatory assessment of the "fit and proper" status of major shareholders and continuing monitoring requirements.

In July 2026, the RBI released for public consultation the draft Reserve Bank of India (Acquisition and Holding of Shares or Voting Rights) Amendment Directions, 2026, proposing amendments to the regulatory framework governing acquisition and holding of shares or voting rights in banking companies. As of the date of this Offering Circular, such amendments remain in draft form and would become applicable only upon issuance and effectiveness of final directions by the RBI.

The voting rights of shareholders of the Bank are governed by the Banks Nationalisation Act and the applicable regulations made thereunder. Under Section 3(2E) of the Banks Nationalisation Act, no shareholder of a public sector bank, other than the Central Government, is entitled to exercise voting rights in excess of 10 per cent. of the total voting rights of all shareholders of the Bank.

Regulatory Reporting and Examination Procedures

The RBI is empowered under the Banking Regulation Act to inspect a bank. The RBI monitors prudential operating parameters at quarterly intervals.

The RBI also conducts periodical on-site inspections of branches, regional offices and zones on regulatory matters relating to the bank's portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals ranging from one to three years. The RBI, which is the central bank and regulator of the banking operations in the country, carries out regulatory on-site inspections of the Bank as a whole on an annual basis. The inspection report, along with the report on actions taken by the Bank, has to be placed before the board of directors. On approval by the board of directors, the Bank is required to submit the report on actions taken by it to the RBI. The RBI also discusses the report with the management team, including the MD & CEO and the executive directors.

The RBI also conducts on-site supervision of selected branches of the Bank with respect to their general operations and foreign exchange related transactions.

Appointment and Remuneration of the MD & CEO and other Directors

Directors on the board of directors of the Bank are appointed by the Government in terms of Section 9 of the Banks Nationalisation Act. The MD & CEO and executive director (whole-time directors) are appointed by the Government in consultation with the RBI. The other directors nominated/appointed include one official each from the Government and the RBI and one director representing the officer employees of the Bank. Furthermore, a specified number of directors are elected by the shareholders. The whole-time directors appointed by the Government and the officials of the Government and the RBI who serve as the nominee directors of the Government and the RBI cannot be a director of any other "corresponding new bank" as defined under the Banks Nationalisation Act. Remuneration paid to directors is determined by the Government in consultation with the RBI. In July 2026, the RBI issued amendment directions on 'Matters to be placed before the Boards of the Banks'. The revised framework rationalises matters required to be placed before the board of directors and provides for an appropriate framework for board-level oversight and delegation, with a view to enabling greater focus on strategy, risk management, governance and other material matters. The Bank is required to comply with the revised framework to the extent applicable and in accordance with the effective date and other requirements prescribed by the RBI.

Penalties

The RBI may impose penalties on banks and its employees in the case of infringement of regulations under the Banking Regulation Act. The penalty may be a fixed amount or may be related to the amount involved in any contravention of the regulations. The penalty may also include imprisonment.

Assets to be Maintained in India

Every bank is required to ensure that its assets in India (including import-export bills drawn in India and RBI approved securities, even if the bills and the securities are held outside India) are not less than 75.00 per cent. of its demand and time liabilities in India. The RBI is empowered under the Banking Regulation Act, to impose penalties on banks and their employees in case of infringement of any provision of the Act. The penalty may be a fixed amount or may be related to the amount involved in any contravention of the regulations. The penalty may also include imprisonment.

During 2026, the RBI issued prudential norms governing specified non-financial assets acquired by regulated entities, including assets acquired in connection with recovery or resolution of stressed exposures. The framework prescribes requirements relating to the acquisition, holding and disposal of such assets and their prudential treatment. The Bank is required to comply with such requirements in respect of specified non-financial assets held or acquired by it, to the extent applicable.

Subsidiaries and Other Investments

As per section 19(1) of the Banking Regulation Act, no banking company can form any subsidiary company except a subsidiary company formed for one or more of the following purposes, namely (a) the undertaking of any business which is permissible under specified sections of the Banking Regulation Act for a banking company to undertake, or (b) with the previous permission in writing of the RBI, the carrying on of the business of banking exclusively outside India, or (c) the undertaking of such other business, which the RBI may, with the prior approval of the Central Government, consider to be conducive to the spread of banking in India or to be otherwise useful or necessary in the public interest.

As per the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025 dated 28 November 2025, the Bank is required to maintain an arm's length relationship in respect of the subsidiaries sponsored by it. The subsidiary cannot set up another subsidiary or promote a new company which is not a subsidiary thereof or undertake any new business without prior approval of the RBI. The bank cannot grant any unsecured advances to the subsidiary without prior approval of the RBI. Transactions between a bank and its subsidiary shall be at arm's length. No preferential treatment shall be given to the subsidiary vis-à-vis a counterparty with similar risk characteristics.

Restriction on Creation of Floating Charge

Prior approval of the RBI is required for creating a floating charge on the Bank's undertaking or its property and for the RBI to verify the details of the floating charge under Section 14A of the Banking Regulation Act. Banks are permitted to invest in tri-party repo products. As per the Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025, borrowings by a bank through repo in corporate bonds and debentures shall be reckoned as liabilities for cash reserve ratio/statutory liquidity ratio CRR/SLR requirement and, to the extent these liabilities are to the banking system, they shall be netted as per Section 42(1) of the RBI Act, 1934. Repo transactions traded on a multilateral trading platform shall be governed by the rules and regulations of the platform where it is traded. In terms of the aforesaid directions, the scope of securities eligible for repo has been expanded to include, (i) municipal debt securities; and (ii) any other security of a local authority as may be specified in this behalf by the Central Government.

Maintenance of Records

The Banking Companies (Period of Preservation of Records) Rules, 1985 require a bank to retain records of books, accounts and other documents relating to stock and share registers for a period of eight years.

The KYC guidelines framed by the RBI also provide for certain records to be maintained for a minimum period of ten years.

Issue of Bonus Shares

The issue of bonus shares by the Bank is regulated by the Banks Nationalisation Act. Section 3(2-B) of the Banks Nationalisation Act provides that the paid-up capital of every public sector bank may from time to time be increased by the board of directors of that public sector bank, after consultation with the RBI and after obtaining the previous sanction of the Government. However, the Government shall, at all times, hold no less than 51.00 per cent. of the paid-up capital consisting of equity shares. After complying with the stipulated requirements, the Bank may transfer from the reserve fund established by such bank to such paid-up capital.

Secrecy Obligations

The Bank's obligations relating to maintaining secrecy arise under Section 13 of the Banks Nationalisation Act and common law principles governing its relationship with its customers. The Bank cannot disclose any information to third parties except under clearly defined circumstances. The following are the exceptions to this general rule:

(i) where there is an obligation to disclose to the public;

(ii) where the Bank needs to disclose information in its own interest;

(iii) where disclosure is made with the express or implied consent of the customer; and

(iv) where disclosure is required to be made under any law or practice or usage customary among bankers.

The Bank is required to comply with the above in furnishing any information to any parties. The Bank is also required to disclose information if ordered to do so by a court. The RBI may, in the public interest, publish the information obtained from the Bank. Under the provisions of the Bankers' Books Evidence Act, a copy of any entry in a banker's book, such as ledgers, day books, cash books and account books, certified by an officer of the Bank may be treated as *prima facie* evidence of the transaction in any legal proceedings. Under the Right to Information Act, 2005, the Bank may also be required to disclose certain matters to the applicant(s) if the same are not specifically exempted under Section 8 of the said Act.

RBI Restriction on Offshore Payments

Any offshore payments to be made under the Notes by the head office of the Bank or any branch in India may require prior approval of the RBI.

Regulations Governing Offshore Banking Units

The Government and the RBI have permitted banks to set up offshore banking units in Special Economic Zones, which are specially delineated duty-free enclaves deemed to be foreign territory for the purpose of trade operations, duties and tariffs. The Bank has an offshore banking unit located in the GIFT City in Gandhinagar.

Further to this, banks in India have been allowed to open an IFSC Banking Unit at GIFT City SEZ in Gandhinagar, Gujarat with the following requirements: (i) a minimum alternate tax of 9 per cent.; (ii) 100 per cent. income tax rebate for consecutive 20 years out of the first 25 years for the IBU. The Bank has started operations at its GIFT City IBU since June 2023. The Government of India established the IFSCA under the International Financial Services Centres Authority Act, 2019 (the "**IFSCA Act**").

As per the IFSCA Act, the IFSCA has the mandate to develop and regulate IFSC's in India, and for this the IFSCA has been vested with powers of four sectoral regulators namely the RBI, Securities and Exchange Board of India, Insurance Regulatory and Development Authority and Pension Fund Regulatory and Development Authority i.e. a unified authority for the development and regulation of financial products, financial services and financial institutions in the IFSC in India.

IBUs are governed under the International Financial Services Centres Authority (Banking) Regulations, 2020 dated 18 November 2020 issued by the IFSCA under the Government of India's Ministry of Finance.

Chapter IV of the International Financial Services Centres Authority (Banking) Regulations, 2020 lists out permissible activities that can be undertaken by IBUs, this includes to undertake investments, including subscribing, acquiring, holding, underwriting or transferring securities or such other instruments, as may be specified by the IFSCA. IBUs shall conduct the business in freely convertible foreign currencies.

Regulations and Guidelines of the Securities and Exchange Board of India

The SEBI was established to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market. The Bank is subject to regulations of the SEBI for its capital issuances, as well as its underwriting, custodial, depositary participant, investment banking, registrar and transfer agents, brokering and debenture trusteeship activities and since its equity shares are listed on Indian stock exchanges. These regulations provide for its registration with the SEBI for each of these activities, functions and responsibilities. The Bank has been adhering to the extant regulations and guidelines issued by the SEBI for various activities, in view of its equity shares being listed on the Indian national stock exchanges, through National Stock Exchange of India Limited as well as BSE Limited.

Foreign Ownership Restriction

According to Section 3(2D) of the Banks Nationalisation Act, no individual or company resident outside India or any company incorporated under any law not in force in India or any branch of such company, whether resident outside India or not, shall at any time hold or acquire by transfer or otherwise shares of the Bank so that such investment in aggregate exceed the percentage, not being more than 20 per cent. of the paid-up capital, as may be specified by the Central Government by notification in the official gazette. Further, pursuant to Section 3(2E) of the Banks Nationalisation Act, no shareholder of the Bank, other than the Central Government, is entitled to exercise voting rights in respect of any shares held by him in excess of 10 per cent. of the total voting rights of all the shareholders of the Bank. As of 31 March 2026, foreign investment in the Bank, constituted 7.26 per cent. of the paid-up capital of the Bank.

Moratorium, Reconstruction and Amalgamation of Banks

The RBI can apply to the Government of India for the suspension of business by a banking company. The Government, after considering the application of the RBI, may order a moratorium staying commencement of action or proceedings against the relevant banking company for a maximum period of six months. During such period of moratorium, if the RBI is satisfied that: (a) in the public interest; or (b) in the interest of the depositors; or (c) in order to secure the proper management of the Bank; or (d) in the interests of the banking system of the country as a whole, it may prepare a scheme for the reconstruction of the Bank or amalgamation of the Bank with any other bank. In circumstances entailing reconstruction of the Bank or amalgamation of the Bank with another bank, the RBI would invite suggestions and objections on the draft scheme prior to placing the scheme before the Government for its sanction. The Government may sanction the scheme with or without modifications. The law does not require consent of the shareholders or creditors of such banks. As per Section 44A of the Banking Regulation Act, the scheme of amalgamation should be approved by the requisite majority

of shareholders and submitted to the RBI for sanction, and if sanctioned by the RBI, the same shall be binding on the banking company and also on all the shareholders. The Government also has powers to provide for amalgamation of two or more banking companies under Section 237 of the Companies Act but only after consultation with the RBI.

The RBI issued the Commercial Banks – Acquisition Directions on 28 November 2025, which prescribe the requirements (including restrictions, limits, eligible criteria and arrangements) for acquiring the shareholding in a commercial bank.

Special Status of Banks in India

The special status of banks is recognised under various statutes including Recovery of Debts Due to Banks and Financial Institutions Act, 1993, and the SARFAESI Act. As a bank, the Bank is entitled to certain benefits under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 which provides for establishment of DRTs for expeditious adjudication and recovery of debts due to any bank or Public Financial Institution or to a consortium of banks and Public Financial Institutions. Under this Act, the procedures for recovery of debt have been simplified and indicative time frames have been fixed for speedy disposal of cases. Upon establishment of the DRT, no court or other authority can exercise jurisdiction in relation to matters covered by this Act, except the higher courts in India in certain circumstances.

The SARFAESI Act focuses on improving the rights and simplifying the procedures for enforcement of security interest of banks and financial institutions and other specified secured creditors as well as asset reconstruction companies by providing that such secured creditors can take over management control of a borrower company upon default and/or sell assets without the intervention of courts, in accordance with the provisions of the SARFAESI Act. It also provides the legal framework for the securitisation and reconstruction of financial assets.

The IBC was passed by the Parliament on 11 May 2016, with a view to creating a unified framework for resolving insolvency and bankruptcy in India. The IBC seeks to repeal the Presidency Towns Insolvency Act, 1909 and Provincial Insolvency Act, 1920. The IBC also amends eleven laws, including, inter alia, the Companies Act; the Recovery of Debts and Bankruptcy Insolvency Resolution and Bankruptcy of Individuals and Partnership Firms Act, 1993; and the Sick Industrial Companies (Special Provisions) Repeal Act, 2003. The IBC consolidated the laws relating to insolvency of companies and limited liability entities (including limited liability partnerships and other entities with limited liability), unlimited liability partnerships and individuals into a single legislation. The IBC classifies creditors into financial creditors and operational creditors which includes the financial loans for interest and loans arising from the operational nature of the debtor, respectively. According to the IBC, the insolvency resolution process may be initiated by either the debtor or the creditors. Some of the new concepts introduced by this IBC include, inter alia, the Insolvency and Bankruptcy Board of India, the Insolvency and Bankruptcy Fund and two separate tribunals, namely the National Company Law Tribunal (which shall have jurisdiction over companies and limited liability partnerships) and the DRT (which shall have jurisdiction over individuals and partnership firms). The IBC provides a 180-day timeline, which may be extended by 90 days, for dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the resolution professional has to, subsequent to the amendment detailed below, be approved by 66.00 per cent. of the creditors and, if rejected, the adjudicating authority will order liquidation. In a bid to boost the sentiment among lenders, even repayment of dues to unsecured creditors has been given a higher priority as against payment of taxes to the Government.

Credit Information Bureaus

The Parliament of India has enacted the Credit Information Companies (Regulation) Act, 2005 pursuant to which every credit institution, including a bank, has to become a member of a credit information bureau and

furnish to it such credit information as may be required of the credit institution by the credit information bureau about persons who enjoy a credit relationship with it. Other credit institutions, credit information bureaus and such other persons as the RBI specifies may access such disclosed credit information.

Furthermore, the RBI had released the Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025 dated 06 January 2025. The aforementioned directions ensure standardization and transparency in credit reporting, safeguarding borrower information while fostering accountability and robust data management practices.

The Regional Rural Banks Act, 1976

Regional Rural Banks are established under the Regional Rural Banks Act, 1976 by the Government at the instance of a sponsor bank. The Government may also issue notifications specifying the local limits within which a given regional rural bank shall operate. The sponsor bank shall subscribe to the share capital of the regional rural bank, train personnel and provide managerial and financial assistance to the regional rural bank during the first five years of its operations.

The Regional Rural Banks Act, 1976 stipulates the limit of the paid-up capital of a regional rural bank and further stipulates that the shares shall always be fully paid-up shares of Rs. 100 each. Of this, 50.00 per cent. shall be subscribed to by the Government, 15.00 per cent. by the concerned state government and 35.00 per cent. by the sponsor bank. The issued capital can be changed by the board of directors of the regional rural bank (with the prior approval of the Government) after consultation with NABARD, the concerned state government and the sponsor bank.

Every regional rural bank shall carry on the business of banking as defined in Section 5(b) of the Banking Regulation Act and may engage in one or more forms of business specified in Section 6(1) of the Banking Regulation Act.

Every regional rural bank shall prepare an annual report within three months from the date of closure of the accounting year or such further period, not exceeding three months, as may be permitted by the RBI. Such annual report shall be sent to all of its shareholders.

The Government is empowered to give directions to the regional rural bank and the regional rural banks must follow such directions.

Taxation

Goods and Services Tax and General Anti-Avoidance Rules

The Government had introduced major reforms in Indian indirect tax laws, namely the GST taking effect from 1 July 2017. Under the GST, unified structures have been introduced to expand the tax base, rationalise the input tax credit and harmonise the current multiple taxation laws in India. The GST has replaced the indirect taxes on goods and services such as central excise duty, service tax, additional customs duty under section 3 of the Customs Tariff Act, 1975, central sales tax, state VAT, surcharge and excise currently being collected by the central and state governments.

The GAAR provisions became effective from 1 April 2017 and would apply to arrangements declared as "impermissible avoidance arrangements", which is defined to mean an arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit and which satisfy at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the (Indian) Income-tax Act, 1961 and (Indian) Income-tax Act, 2025; (iii) lacks commercial substance or is deemed to lack commercial substance, in

whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. If GAAR provisions are invoked, then the tax authorities have wide powers, including denial of tax benefit or a benefit under a tax treaty.

Corporate Law

Companies in India, including banks, in addition to the sector-specific statutes and the regulations and guidelines prescribed by the sectoral regulators, are required to comply with the relevant provisions of the Companies Act.

The provisions of the Companies Act will apply in relation to "sick" companies (under the previous Sick Industrial Companies Act, 1985, which has now been repealed) and all references must be made to the National Company Law Tribunal, instead of the BIFR.

Income Tax Benefits

As a banking company, the Bank is entitled to certain tax benefits under the (Indian) Income-tax Act, 1961 and (Indian) Income-tax Act, 2025. These benefits include an entitlement to a tax deduction on the provisioning of bad and doubtful debts of an amount not exceeding 8.5 per cent. of the Bank's total income (calculated before making any deductions prescribed under Section 36(1)(viia) and Chapter VIA of the (Indian) Income-tax Act, 1961), and an amount not exceeding 10.0 per cent. of the aggregate average advances made by the Bank's rural branches calculated in the prescribed manner.

RBI Guidelines for Revitalising Stressed Assets

The RBI has, in the past, issued various guidelines which aim at revitalising stressed assets in the economy. The measures taken in this direction include issuance of notifications with respect to Strategic Debt Restructuring Mechanism (by notification dated 8 June 2015), Framework to revitalise the Distressed Assets in the Economy – Guidelines on Joint Lenders' Forum and Corrective Action Plan (by notification dated 26 February 2014), Review of Prudential Guidelines on Restructuring of Advances by Banks and Financial Institutions (by notification dated 30 May 2013), Flexible structuring of Long Term Project Loans to Infrastructure and Core Industries (by notification dated 15 December 2014) and amendments to guidelines on Sale of Financial Assets to Securitisation Companies (SC)/Reconstruction Companies ("RC") (by notification dated 28 March 2014), and a revised, consolidated, comprehensive binding framework for resolution of stressed assets on 12 February 2018 ("12 February Circular"). On 7 June 2019, the RBI issued the 'Prudential Framework for Resolution of Stressed Assets Directions, 2019'. On 1 October 2021, the RBI released Master Direction on 'Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances', consolidating past circulars and notifications ("Stressed Asset Directions").

Certain clarifications were released regarding the Stressed Asset Directions on 12 November 2021. The Stressed Asset Directions have been issued by the RBI in the wake of the judgement of the Supreme Court of India (in the matter of Dharani Sugars & Chemicals Limited v. Union of India & Ors.) holding the RBI circular dated 12 February 2018 on Resolution of Stressed Assets – Revised Framework as ultra vires. These directions are issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. These directions are issued without prejudice to the issuance of specific directions, from time to time, by the RBI to banks, in terms of the provisions of Section 35AA of the Banking Regulation Act, for initiation of insolvency proceedings against specific borrowers under the IBC. On 1 April 2023, the Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, 2023 was issued, consolidating all instructions issued up to 31 March 2023.

As per the Stressed Asset Directions, in the event of a default by a borrower, all lenders to the borrower would put in place a resolution plan ("**RP**") within 30 days of such default ("**Review Period**"). During this Review Period, the lenders would decide on a resolution strategy, which includes sale of loans, legal action for debt recovery, immediate referral to NCLT, restructuring or change in ownership. In the event a RP is implemented, the lenders would enter into an intercreditor agreement during the Review Period.

In respect of accounts where the Review Period was over, but the 180-day resolution period had not expired as on 1 March 2020, the timeline for resolution gets extended by 180 days from the date on which the 180-day period was originally set to expire. Consequently, the requirement of making additional provisions under the Stressed Assets Directions is triggered as and when the extended resolution period, as stated above, expires.

Stressed Assets Directions consolidated the extant RBI directions in relation to stressed assets. As per the directions, instructions on classification of borrower accounts into SMA categories are applicable for all loans (including retail loans), other than agricultural advances governed by crop season-based asset classification norms, irrespective of size of exposure of the bank. The aforesaid directions lay down the consolidated regulatory treatment upon change in the Date of Commencement of Commercial Operations of projects in infrastructure and non-infrastructure (including commercial real estate and commercial real estate- residential housing).

Reserve Bank of India (Investment in AIF) Directions, 2025 dated 29 July 2025 ("AIF Directions")

The RBI had issued the AIF Directions to prescribe the regulatory guidelines in respect of investment by the regulated entities in the Alternative Investment Funds (AIFs). The key aspects of the AIF Directions include, *inter alia*, the following:

Limits on Investments and Provisioning

(i) No regulated entity shall individually contribute more than 10% (ten per cent) of the corpus of an AIF scheme.

(ii) The collective contribution by all regulated entities in any AIF scheme shall not be more than 20% (twenty per cent) of the corpus of that scheme.

Exemptions to Certain AIFs

The RBI, in consultation with the Government of India, exempts certain AIFs from the scope of the AIF Directions (except for the general requirement prescribed thereunder). Presently, outstanding investments or commitments of a regulated entity, made with prior approval from the RBI under the provisions of Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, are excluded from the scope of the limits on investments and provisioning. Further, the SWAMIH (Special Window for Affordable and Mid-Income Housing) Investment Fund-I was exempted by way of an updated notification dated 24 October 2025.

Regulations Relating to Making Loans

Under Section 20(1) of the Banking Regulation Act, a bank cannot grant any loans and advances against the security of its own shares. A banking company is prohibited from entering into any commitment for granting any loans or advances to or on behalf of any of its directors, or any firm in which any of its directors is interested as partner, manager, employee or guarantor, or any company (not being a subsidiary of the banking company or a company registered under Section 8 of the Companies Act or a government company) of which, or the subsidiary or the holding company of which any of the directors of the bank is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, or any individual in respect of whom any of its directors is a partner or guarantor.

The RBI issued a notification dated 24 June 2020 titled 'Loans Sourced by Banks and NBFCs over Digital Lending Platforms: Adherence to Fair Practices Code and Outsourcing Guidelines', which stipulates that any bank or NBFC engaging digital lending platforms as their agents to source borrowers and/or recover dues shall disclose names of such agents on their website, direct the digital agents engaged by the bank or NBFC to disclose the name of bank or NBFC to the customer and ensure effective oversight and monitoring over digital agents. Adequate efforts shall be made towards the creation of awareness about the grievance redressal mechanism within the organisation.

Further, on 2 September 2022, the RBI issued 'Guidelines on Digital Lending' to banks and NBFCs for existing customers availing fresh loans and new customers. REs were given until 30 November 2022 to put in place adequate systems and processes to ensure that 'existing digital loans' are also in compliance with the guidelines. The digital lending guidelines were introduced to smoothen the digital lending process and protect consumers from unusually high interest rates from lenders.

On 8 June 2023, the RBI has issued the 'Guidelines on Default Loss Guarantee in Digital Lending' which allows REs to enter into contractual arrangements with other eligible entities under which the latter guarantees to compensate the RE's loss which has occurred due to a default. The percentage of the loan portfolio which is to be guaranteed shall not be more than the equivalent of 5% of the loan portfolio. The Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 dated 28 November 2025 consolidated the aforementioned directions in relation to digital lending guidelines and default loss guarantee. As per the aforementioned directions, 'Digital Lending' means a remote and automated lending process, largely by use of seamless digital technologies for customer acquisition, credit assessment, loan approval, disbursement, recovery, and associated customer service.

In June 2026, the RBI issued Reserve Bank of India (Trade Receivables Discounting System) Directions, 2026 consolidating and updating the regulatory framework governing Trade Receivables Discounting System ("**TReDS**") platforms. The revised framework facilitates financing of trade receivables of micro, small and medium enterprises through multiple financiers and prescribes requirements relating to participation, operations, settlement and other matters. The Bank's participation in TReDS is subject to the applicable RBI directions, as amended from time to time.

Regulations Relating to Sale of Assets to Asset Reconstruction Companies

The SARFAESI Act provides for sale of financial assets by banks and financial institutions to Asset Reconstruction Companies. The RBI has issued guidelines, namely the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025, to banks on the process to be followed for the sale of financial assets to ARCs. These guidelines provide that a bank may sell financial assets to an ARC provided the asset is a NPA. These assets are to be sold on a 'non-recourse' basis only.

Regulations Governing Banking Units in International Financial Services Centres in India

International Financial Services Centres Authority (Listing) Regulations, 2024 Dated 20 August 2024

The IFSCA (Listing) Regulations, 2024 ("New Listing Regulations") provide a unified regulatory framework for listing of securities and other permitted financial products. The New Listing Regulations give an impetus to listing of equity instruments (primarily by unlisted Indian companies as well as foreign companies), bonds and other permitted financial products on the stock exchanges in the IFSC. These regulations are expected to provide a fillip to the IFSC as an investment and capital raising financial centre. This is expected to bring investors and companies together to contribute to the growth of the financial centre.

The New Listing Regulations provide for eligibility and procedure for an initial public offer, rights issue, listing of debt securities, certificate of deposit listings and listing of depositary receipts in the stock exchanges in the IFSC. An issuer shall be eligible to list its securities or any other permitted financial product on a recognised stock exchange subject to the following conditions: (a) the issuer is incorporated or set up either in an IFSC or in India or in a Foreign Jurisdiction, in accordance with the relevant laws of its home jurisdiction; (b) the issuer operates in conformity with its constitution; and (c) the issuer is eligible to issue such securities or other financial products, that are proposed to be listed on the recognised stock exchange, in conformity with the relevant laws of its home jurisdiction.

The regulations prescribe disclosures to be made in offer documents. An issuer, having its specified securities listed in a jurisdiction outside IFSC, may list those specified securities on a recognised stock exchange(s), without making public offer, subject to the following conditions: (a) It shall file listing application, in the manner specified by the recognised stock exchange(s); and (b) It shall comply with the listing requirements of the recognised stock exchange(s) and such other conditions as may be specified by the Authority.

An issuer may list its debt securities on a recognised stock exchange: The debt securities proposed to be issued and listed on a recognised stock exchange may be offered on a standalone basis or through a series of issuances (including medium term note programme). The issuer desirous of listing its debt securities on a recognised stock exchange shall file the listing application along with a copy of the offer document or information memorandum, as applicable, with the recognised stock exchange in accordance with the requirements specified by the recognised stock exchange. The issuer shall file the listing application with a recognised stock exchange along with applicable regulatory fee and the same shall be remitted to the Authority in the manner specified by the Authority.

IFSCA (Payment Services) Regulations, 2024 dated 2 April 2024

The key provisions are as follows:

- any person seeking to provide payment services in or from IFSC requires a certificate of authorisation under these regulations;
- an applicant making an application for authorisation must be incorporated as a company with its registered office in an IFSC;
- a payment service provider must, inter-alia, comply with the minimum net worth requirements, as prescribed under Schedule V of these regulations, on an ongoing basis; and
- the payment service provider must commence its operations within 6 (six) months from the date of issuance of certificate of authorisation.

IFSCA (Board for Regulation and Supervision of Payment and Settlement Systems) Regulations, 2024

Pursuant to these regulations, the board, chaired by the IFSCA Chairperson and comprising whole time members and up to three nominated members, is responsible for regulating and supervising payment systems within IFSCs. Its functions include policy formulation, standards setting, authorisation of payment systems, membership criteria determination, administration of regulations and consumer protection. IFSCA will provide necessary resources, and the Board must report quarterly on its activities. Sub-committees and advisory committees may be formed to support the board, which must meet at least quarterly with a quorum of three members, including the chairperson and one nominated member.

Implementation of Indian Accounting Standards

The Ministry of Corporate Affairs ("**MCA**"), in its press release dated 18 January 2016, issued a roadmap for the implementation of Ind AS converged with the International Financial Reporting Standards issued by the International Accounting Standards Board, with certain carve-outs for Scheduled Commercial Banks, insurance companies and non-banking financial companies ("**2016 roadmap**").

The 2016 roadmap required such institutions to prepare Ind AS based financial statements for accounting periods commencing on or after 1 April 2018, and to prepare comparative financial information for accounting periods commencing on or after 1 April 2017. The MCA notified the Companies (Indian Accounting Standards) Rules, 2015 on 16 February 2015, pursuant to which banking companies were exempted from complying with Ind AS for preparation of financial statements. However, in terms of the MCA press release dated 18 January 2016, Scheduled Commercial Banks were required to prepare Ind AS based financial statements on a consolidated and standalone basis for accounting periods beginning from 1 April 2018 onwards, with comparatives for the period ending 31 March 2018 or thereafter.

The RBI, in its circular dated 11 February 2016, required all Scheduled Commercial Banks to comply with Ind AS for financial statements for the periods stated above. It also advised Scheduled Commercial Banks to set up a Steering Committee headed by an official of the rank of an Executive Director (or equivalent) comprising members from cross-functional areas of the bank to immediately initiate the Ind AS implementation process. The RBI through a notification dated 22 March 2019, has further deferred the Ind-AS implementation till further notice.

The RBI does not permit banks to voluntarily adopt Ind AS earlier. The new accounting standards are expected to change, among other things, the methodologies for estimating allowances for probable loan losses and classifying and valuing the Bank's investment portfolio, as well as its revenue recognition policy. On 13 March 2020 and 24 July 2020, the RBI issued notifications updating the implementation of Indian accounting standards guidelines. The RBI issued a notification dated 20 February 2023, clarifying the treatment of management fees, in accordance with Ind-AS for ARCs.

The Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and Disclosures) Directions, 2025, implementation of Indian Accounting Standards (Ind AS) for banks has been deferred till further notice, as the legislative amendments recommended by the RBI are under consideration of the Government of India. However, a bank shall continue to disclose the strategy for Ind AS implementation, including the progress made in this regard. These disclosures shall be made until implementation of Ind AS.

RBI Guidelines for Financial Inclusion Fund (FIF)

The Government has merged the FIF and Financial Inclusion Technology Fund (FITF) to form a single Financial Inclusion Fund. The RBI (*vide* its notification dated 15 October 2015) finalised the new scope of activities and guidelines for utilisation of the new FIF. It will be administered by the reconstituted Advisory Board constituted by the Government and will be maintained by NABARD.

Implementation of the Foreign Account Tax Compliance Act (FATCA)

The SEBI announced the implementation of the Multilateral Competent Authority Agreement and FATCA on 26 August 2015. Moreover, the Government of India published a "Guidance Note on Implementation of Reporting Requirements under Rules 114F to 114H of the Income-Tax Rules"[8], updated on 31 December 2015.

[8] Please note that draft Income-tax Rules, 2026 have been published by the Indian Government with the intention of replacing Income-tax Rules, 1962.

This note provides regulatory guidance to financial institutions, regulators and officers of the tax department for ensuring compliance with the reporting requirements under the said Rules. It intends to explain the complex reporting requirements and provide further guidance wherever required.

Among other things, it enshrines guidelines for new global standards on Automatic Exchange of Information ("**AEOI**"), enactment of FATCA and signing of the Inter-Governmental Agreement ("**IGA**") with the US, commitment to implement CRS on AEOI, etc.

RBI Guidelines on Benchmark Lending Rate

The RBI released guidelines on computing interest rates on advances based on the marginal cost of funds dated 17 December, 2015. In order to make banks pass on policy rate cut benefits to borrowers, the RBI has brought out a new methodology, namely the Marginal Cost of Funds based on Lending Rate ("**MCLR**"). Marginal Rates refer to money raised by banks in the last month or quarter before the lending rate review. The new methodology came into effect from 1 April 2016 and is also expected to ensure availability of bank credit at interest rates which are fair to the borrowers as well as the banks. Further, marginal cost pricing of loans will help the banks become more competitive and enhance their long run value and contribution to economic growth.

The circular dated 17 December 2015 on 'Interest Rates on Advances' was repealed vide the Master Direction – Reserve Bank of India (Interest Rate on Advances) Directions, 2016 dated 3 March 2016 (as updated from time to time). The aforesaid master direction now stands withdrawn, and the provisions have been consolidated in the Reserve Bank of India (Commercial Banks – Interest Rates on Advances) Directions, 2025 dated 28 November 2025. As per the new directions, all floating rate rupee loans sanctioned and renewed w.e.f. 1 April 2016 are required to be priced with reference to the MCLR which will be the internal benchmark for such purposes subject to the provisions on external benchmark contained in the said directions. The MCLR comprises of: (1) marginal cost of funds; (2) negative carry on account of CRR; (3) operating costs; (4) tenor premium. Banks are required to review and publish its MCLR of different maturities every month on a pre-announced date with the approval of their board of directors or any other committee to which such powers have been delegated.

Recent Regulatory Developments

Statement on Developmental and Regulatory Policies dated 6 August 2025 by the RBI

Standardisation of procedure for settlement of claims in respect of deposit accounts of deceased customers of banks

Under the provisions of Banking Regulation Act, 1949, nomination facility is available in respect of deposit accounts, articles kept in safe custody or safe deposit lockers. This is intended to facilitate expeditious settlement of claims or return of articles or release of contents of safe deposit locker upon death of a customer and to minimise hardship caused to family members. The extant instructions require banks to adopt a simplified procedure to facilitate expeditious and hassle-free settlement of claims made by survivors/nominees/legal heirs, the procedures vary across banks. With a view to enhance customer service standards, it has been decided to streamline the procedures and standardise the documentation to be submitted to the banks.

Introduction of Auto-bidding facilities in RBI Retail Direct for Investment and Re-investment in T-bills

The Retail Direct portal was launched in November 2021 to facilitate retail investors to open their Gilt accounts with the Reserve Bank under the Retail Direct Scheme. The scheme allows retail investors to buy Government Securities (G-Secs) in primary auctions as well as buy and sell G-Secs in the secondary market. Since the launch of the Scheme, various new features, in terms of product as well as payment options, have been introduced, including launch of a mobile app in May 2024. To enable investors to systematically plan their investments, an

auto-bidding facility for Treasury bills (T-bills), covering both investment and re-investment options, has been enabled in Retail Direct. The new functionality helps investors to mandate automatic placement of bids in primary auctions of T-bills.

Statement on Developmental and Regulatory Policies dated 9 April 2025 by the RBI

Securitisation of Stressed Assets Framework

A prudentially structured securitisation transaction can be an enabler for resolution of stressed assets as it is expected to improve risk distribution and provide an exit route from such exposures for lenders. With this objective, RBI had released a discussion paper on 'Securitisation of Stressed Assets Framework' in January 2023, to seek comments from market participants on various aspects of the framework. After factoring in the suggestions received from the stakeholders on the discussion paper, the draft framework for securitisation of stressed assets is being issued for public comments. The RBI issued the **Draft Reserve Bank of India (Securitisation of Stressed Assets) Directions, 2025** on 9 April 2025, to create a market-based mechanism for resolving non-performing assets (NPAs). The framework intends to enable securitisation of stressed assets through a market-based mechanism, in addition to the existing ARC route under SARFAESI Act, 2002.

Framework on Co-lending arrangements (CLA)

The extant guidelines on co-lending are applicable only to arrangements between banks and NBFCs for priority sector loans. In light of the evolution of such lending practices, and the potential of such lending arrangements in catering to the credit needs of a wider segment in a sustainable manner, it has been decided to expand the scope for co-lending and issue a generic regulatory framework for all forms of co-lending arrangements among REs.

Review of Guidelines for Lending against Gold Jewellery

Loans against the collateral of gold jewellery and ornaments are extended by regulated entities (REs) for both consumption and income-generation purposes. Prudential and conduct related regulations for such loans have been issued from time to time and they vary for different categories of REs. With a view to harmonizing such regulations across REs while keeping in view their risk-taking capabilities, and also to address a few concerns that have been observed, it has been decided by the RBI to issue comprehensive regulations, on prudential norms and conduct related aspects, for such loans.

Review of Non-Fund Based Facilities

Non-fund based (NFB) facilities like Guarantees, Letters of Credit, Co-Acceptances etc. play a significant role in facilitating effective credit intermediation, besides enabling seamless business transactions, including trade transactions. It has now been decided to harmonize and consolidate guidelines covering these facilities across all REs. The revised guidelines include a review of instructions on issuance of partial credit enhancement by REs, with a view to, *inter alia*, broadening funding sources for infrastructure financing.

Enhancing transaction limits in UPI

At present, the transaction amount for UPI, covering both Person to Person (P2P) and Person to Merchant payments (P2M), is capped at INR 1 lakh except for specific use cases of P2M payments which have higher limits, some at INR 2 lakh and others at INR 5 lakh.

To enable the ecosystem to respond efficiently to new use cases, it is proposed that NPCI, in consultation with banks and other stakeholders of the UPI ecosystem, may announce and revise such limits based on evolving user needs. Appropriate safeguards will be put in place to mitigate risks associated with higher limits. Banks shall continue to have the discretion to decide their own internal limits within the limits announced by NPCI. P2P transactions on UPI shall continue to be capped at INR 1 lakh, as hitherto.

Statement on Developmental and Regulatory Policies dated 7 February 2025 by the RBI

Introduction of forward contracts in Government securities

Over the past few years, the RBI has been expanding the suite of interest rate derivative products available to market participants to manage their interest rate risks. In addition to Interest Rate Swaps, products such as Interest Rate Options, Interest Rate Futures, Interest Rate Swaptions, Forward Rate Agreements, etc. are available to market participants. We have been receiving feedback about the need to allow forward contracts in Government securities to enable further market development. Such forward contracts will enable long-term investors such as insurance funds to manage their interest rate risk across interest rate cycles. They will also enable efficient pricing of derivatives that use bonds as underlying instruments. Draft directions in this regard were issued in December 2023.

Access of SEBI-registered non-bank brokers to NDS-OM

The Negotiated Dealing System – Order Matching (NDS-OM) is an electronic trading platform for secondary market transactions in government securities. Access to NDS-OM is, at present, available to regulated entities and to the clients of banks and standalone primary dealers. With a view to widening access, it has been decided by the RBI that non-bank brokers registered with SEBI can directly access NDS-OM, on behalf of their clients. These brokers may access NDS-OM subject to the regulations and conditions laid down by the Reserve Bank in this regard.

Enhancing Trust in the Financial Sector through 'bank.in' and 'fin.in' domains

Increased instances of fraud in digital payments are a significant concern. To combat the same, the RBI is introducing the 'bank.in' exclusive Internet Domain for Indian banks. This initiative aims to reduce cyber security threats and malicious activities like phishing; and streamline secure financial services, thereby enhancing trust in digital banking and payment services. The Institute for Development and Research in Banking' Technology (IDRBT) will act as the exclusive registrar. The actual registrations will commence from April 2025. Going forward, it is planned to have an exclusive domain, "fin.in" for other non-bank entities in the financial sector.

Statement on Developmental and Regulatory Policies dated 1 October 2025 by the RBI

Expected Credit Loss (ECL) framework for provisioning

With a view to strengthening the resilience of the banking sector and promoting a more forward-looking assessment of credit risk, the RBI has introduced an Expected Credit Loss ("**ECL**") based framework for provisioning, which is scheduled to become applicable to SCBs, excluding small finance banks, payments banks and regional rural banks, and specified All India Financial Institutions with effect from 1 April 2027.

Under the ECL framework, applicable credit exposures will be classified into prescribed stages having regard to changes in credit risk, and banks will be required to recognise provisions based on expected credit losses rather than solely on losses that have already been incurred. The framework provides for a prudential regulatory floor for provisioning, while broadly retaining the existing regulatory framework governing identification and classification of non-performing assets.

The ECL framework is intended to facilitate earlier recognition of deterioration in credit quality, strengthen credit risk management and provisioning practices and enhance the resilience and comparability of regulated entities. The framework also provides for appropriate governance, credit-risk modelling, validation, disclosure and regulatory oversight requirements.

The RBI has provided for a phased transition/glide path in respect of the additional provisioning impact arising upon implementation of the ECL framework, with a view to facilitating a non-disruptive transition to the revised provisioning regime.

Until 31 March 2027, the Bank will continue to comply with the existing RBI framework governing income recognition, asset classification and provisioning. With effect from 1 April 2027, the Bank will be required to comply with the ECL-based provisioning framework, including the applicable prudential floor, transitional arrangements and related governance, validation, disclosure and regulatory requirements prescribed by the RBI.

Basel III Guidelines on Capital Charge for Credit Risk – Standardised Approach

As a part of the broader objective of improving the resilience of the banking sector and aligning the regulatory framework with the best international practices, it is proposed to issue the draft guidelines on implementation of the revised Basel framework on Standardised Approach for Credit Risk for Scheduled Commercial Banks (excluding Small Finance Banks, Payments Banks, and Regional Rural Banks). The revised framework aims to improve the robustness, granularity and risk sensitivity of the standardized approach for calculating the capital charge for credit risk. The draft guidelines shall be issued shortly.

Forms of Business and Prudential Regulation for Investments

The draft guidelines on forms of business and investment for banks which was issued in October 2024 has been finalised and shall be issued shortly. The proposed bar on overlap in the businesses undertaken by a bank and its group entity is being removed. The circular envisages to streamline the activities being undertaken by banks and their group entities while providing more operational freedom to the banks and NOFHCs for equity investments and setting up group entities respectively.

Introduction of Risk Based Premium Framework for Deposit Insurance in India

Deposit Insurance and Credit Guarantee Corporation (DICGC), under the DICGC Act, 1961 has been operating the deposit insurance scheme since 1962 on a flat rate premium basis. At present, the banks are charged a premium of 12 paise per INR 100 of assessable deposits. While the existing system is simple to understand and administer, it does not differentiate between banks based on their soundness. It is, therefore, proposed to introduce a Risk Based Premium model which will help banks that are more sound to save significantly on the premium paid.

Review of Capital Market Exposures Guidelines for banks

Capital market exposures (CME) of the regulated entities (REs) which include, inter alia, lending against securities to individuals and lending to capital market intermediaries, have been subject to prudential regulations relating to sectoral exposure limits, single borrower limits, margin requirements, etc. Further, bank finance for acquisition of shares has been generally disallowed. There has been significant growth and development in the capital market structure, along with strengthening of the banking system in recent years. With the objective of rationalising the extant guidelines and broadening the scope for capital market lending by banks and other regulated entities, it is proposed to, *inter alia*:

- provide an enabling framework for banks to finance acquisitions by Indian corporates;
- enhance the limit for lending by banks against shares, units of REITs, units of InvITs while removing the regulatory ceiling altogether on lending against listed debt securities; and
- put in place a more principle-based framework for lending to capital market intermediaries.

Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism – Withdrawal

The Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism were introduced in August, 2016, with an objective to address the concentration risk arising from the aggregate credit exposure of the banking system to a single large corporate and encourage such large corporates to diversify their sources of funding. Upon review, considering, *inter-alia*, the changes evident in the profile of bank funding to corporate sector since the introduction of the Guidelines, it is proposed to withdraw the guidelines. While the Large

Exposures Framework since put in place for banks addresses concentration risk at an individual bank-level, concentration risk at the banking system level, as and when considered as a risk, will be managed through specific macroprudential tools. These macroprudential tools, such as sector-specific capital buffers or stricter provisioning for concentrated sectors, are designed to address risks that are systemic rather than firm-specific.

Review of Restrictions on Transaction Accounts

With the objective of enforcing credit discipline among borrowers as well as to facilitate better monitoring by lenders, certain restrictions were placed on the operation of Current Accounts (CA), Cash Credit Accounts (CC) and Overdraft Accounts (OD) ("Transaction Accounts") offered by banks vide various circulars issued from time to time. These instructions have been reviewed by the RBI and it is proposed to ease some of the stipulations and provide greater flexibility to the banks in this regard, particularly in case of borrowers being entities regulated by a financial sector regulator.

Foreign Currency accounts by Indian exporters – extension of time period for repatriation from accounts held in IFSC in India

In January 2025, RBI had permitted Indian exporters to open foreign currency accounts with a bank outside India for realisation of export proceeds. Funds in these accounts can be used for making import payment or have to be repatriated by the end of next month from the date of receipt of the funds. It has now been decided to extend the time period for repatriation, from one month to three months, in case of such foreign currency accounts maintained in IFSC in India. This will encourage Indian exporters to open accounts with IFSC Banking Units and also increase forex liquidity in IFSC.

Merchanting Trade Transactions (MTT)

Global uncertainties in trade are resulting in supply chain disruptions, making it challenging for Indian merchants to meet their contractual obligations in time. In terms of extant guidelines on MTT, outlay of foreign exchange is allowed up to four months. It has now been decided to increase the period for the forex outlay from four months to six months, in case of MTT. This relaxation is expected to help Indian merchants overcome the challenges they face in completing their business transactions efficiently while maintaining profitability.

Relaxation in compliance requirements for Small Value Exporters/Importers

With a view to ease compliance for exporters/importers, especially of small value goods and services, it has been decided to simplify the process of reconciliation in Export Data Processing and Monitoring System (EDPMS) and Import Data Processing and Monitoring System (IDPMS).

As per the revised guidelines, bills can be reconciled and closed by an authorised dealer bank in EDPMS or IDPMS, based on a declaration by the concerned exporter or importer, as the case may be, that the amount has been realised, for a shipping bill, or paid against a Bill of Entry, for entries (including outstanding entries) in EDPMS/IDPMS of value equivalent to INR 10 lakh per bill, or less. The revised procedure will also enable reduction in the realisable value of bills by authorised dealer banks based on such declaration. This measure is expected to reduce compliance burden on small value exporters and importers and enhance ease of doing business.

Rationalisation of regulations for Establishment in India of a Branch Office or a Liaison Office or a Project Office or any other place of business

The extant regulations for "Establishment in India of a Branch Office or a Liaison Office or a Project Office or any other place of business" were issued by the Reserve Bank in 2016. The regulations have been comprehensively reviewed. The revised regulations are principle driven and enable delegation of more powers to authorised dealer banks and reduction of compliance burden, thereby further enhancing the ease of doing business in India.

Review of instructions on Basic Savings Bank Deposit (BSBD) Account

BSBD Account is a savings bank account which was introduced with the objective of promoting financial inclusion. The extant instructions on BSBD account require banks to provide certain minimum facilities free of charge, without the requirement of minimum balance, to the holders of such accounts. The ongoing digitalization in the banking sector necessitates a BSBD account that is in sync with the customer's changing requirements. Therefore, it has been decided by the RBI is to review the extant instructions on BSBD account to provide affordable banking facilities to the public and drive enhanced usage of BSBD accounts to deepen financial inclusion.

Measures for strengthening the Internal Ombudsman mechanism in REs

The RBI has institutionalized the Internal Ombudsman (IO) mechanism in select Regulated Entities (REs) which enables an independent apex level review of complaints that are being rejected by the RE. To further improve upon the efficacy of this mechanism, it is proposed that the IOs be equipped with compensation powers and be allowed access to the complainant, aligning the role of IOs more closely with that of the RBI Ombudsman. Additionally, a two-tiered structure may be introduced within REs for grievance redress prior to escalation to the IO. These measures aim to provide meaningful and timely resolution of customer grievances within the REs, thereby improving service standards and consumer confidence.

Review of the Reserve Bank – Integrated Ombudsman Scheme, 2021

The Reserve Bank – Integrated Ombudsman Scheme (RB-IOS) (the Scheme), 2021 launched on 12 November 2021, provides customers of Regulated Entities (REs) a speedy, cost-effective and expeditious alternate grievance redress mechanism. The REs currently covered under the Scheme include Commercial Banks, Regional Rural Banks, Scheduled Primary (Urban) Co-operative Banks, Non-Scheduled Primary (Urban) Co-operative Banks with deposits size of Rs.50 crores and above, select Non-Banking Financial Companies and Credit Information Companies.

To enable the customers of the rural co-operative banks to access the mechanism of RBI Ombudsman, it has been decided to bring State Co-operative Banks and District Central Cooperative Banks, hitherto with NABARD, within the scope of the RBI Ombudsman Scheme. The RBI has undertaken a comprehensive review of the Scheme. The review seeks to enhance clarity, simplify procedures and reduce timelines to further improve timely, fair, and effective redress.

Lending in Indian Rupees (INR) by Authorised Dealer (AD) banks to Persons Resident Outside India

In order to promote the settlement of cross border transactions in INR and local currencies, the RBI has been progressively liberalising regulations under the Foreign Exchange Management Act. To take this initiative further, it is essential that INR liquidity is made available and accessible to residents of other countries. As a calibrated step in this direction, it has been decided that authorised dealer banks in India and their overseas branches may be permitted to lend in INR to persons resident in Bhutan, Nepal, and Sri Lanka, including a bank in these jurisdictions, to facilitate cross border trade transactions.

Additional Reference Rates to be published by Financial Benchmarks India Limited

The development of forex market has facilitated the growing integration of the Indian economy with the rest of the world in terms of trade and capital flows. At present, Financial Benchmarks India Limited (FBIL) publishes reference rates for USD, EUR, GBP and JPY against INR. These rates are widely used for settlement of forex transactions including derivatives. It is now proposed to include select currencies of India's major trading partners in the list of reference rates published by FBIL. This is expected to further deepen the onshore forex market and encourage banks to quote directly in a larger set of currency pairs, thus eliminating the need for

multiple currency conversions and making trade more efficient. FBIL has been advised to publish the new reference rates in consultation with the market.

Expanding the bouquet of investments for Special Rupee Vostro Accounts (SRVA) holders

To promote exports from India and to support increasing interest of global trading community in INR, RBI had permitted Special Rupee Vostro Accounts (SRVA) in July 2022 to facilitate invoicing, payment, and settlement of exports/imports in INR. The arrangement permitted, *inter alia*, Rupee surplus balances in SRVA to be invested in government securities including treasury bills. To expand investment opportunities in India for SRVA holders, it has now been decided to permit balances of these accounts to be invested in corporate bonds and commercial papers.

Statement on Developmental and Regulatory Policies dated 6 February 2026 by the RBI

This statement sets out developmental and regulatory policy measures relating to (a) regulations; (b) payments system; (c) financial inclusion; (d) financial markets; and (e) capacity building. A few of the points have been provided below. Draft instructions in relation to each of the topics mentioned below are intended to be issued for public consultation.

(I) Regulations:

(i) Advertising, Marketing and Sales of Financial Products and Services by Regulated Entities (REs):

Mis-selling financial products and services by any RE has significant consequences for both customers as well as the RE and accordingly it was decided to issue comprehensive instructions to REs on advertising, marketing and sales of financial products and services.

(ii) Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents:

It has been decided to review and harmonise all the extant conduct related instructions on engagement of recovery agents and other aspects related to recovery of loans applicable to different categories of REs.

(iii) Review of framework of Limiting Customer Liability in digital transactions:

In view of the rapid adoption of technology in the banking sector and payments systems the existing instructions on limiting the liability of customers in unauthorised electronic banking transactions have been reviewed and draft revised instructions will include a framework for compensation in case of small value fraudulent transactions.

(iv) Bank Lending to Real Estate Investment Trusts (REITs):

REITs and Infrastructure Investment Trusts (InvITs) were conceptualised in India with a view to free up banks' funds in completed and operational real estate and infrastructure projects by refinancing such exposures with pooled funds of institutional as well as retail investors. Consistent with these objectives, commercial banks were not permitted, ab initio, to lend to these entities. While bank lending to InvITs was allowed subsequently, lending to REITs was not permitted. Upon review and considering the presence of strong regulatory and governance framework for listed REITs, it is proposed to permit commercial banks to extend finance to REITs, subject to appropriate prudential safeguards. The existing guidelines in respect of lending to InvITs are also being harmonised for parity with prudential safeguards proposed for lending to REITs.

(II) Payments System

(i) Discussion Paper on "Exploring safeguards in digital payments to curb frauds":

In alignment with the objective of promoting digital payments in a safe and secure manner, it is proposed to issue a discussion paper exploring the introduction of calibrated safeguards in digital payments such as introduction of lagged credits, additional authentication for specific class of users like senior citizens, etc. The proposed measures are intended to mitigate frauds and strengthen customer protection.

(ii) During 2026, the RBI also issued or invited comments on certain draft or consultative regulatory proposals, including guidance relating to data governance and model risk management, proposals concerning control or assurance functions, and draft amendments relating to acquisition and holding of shares or voting rights. These proposals are consultative in nature and do not constitute binding requirements unless and until final directions are issued and become effective. The RBI may modify such proposals prior to finalisation.

(III) Financial Inclusion

(i) Review of guidelines relating to use of Business Correspondents (BCs) by banks:

Business Correspondents have been functioning as critical enablers of last mile access to financial services, particularly in respect of underserved, rural, and remote locations. The RBI had set up a committee to comprehensively examine their operations and make suitable recommendations for enhancing their efficiency and basis the committee's recommendations, the related regulatory guidelines are being reviewed.

(ii) Enhancement in Collateral free loan limit from INR 10 lakh to INR 20 lakh:

With a view to facilitate improved access to formal credit, support entrepreneurial activity and strengthen last mile credit delivery for Micro and Small Enterprises (MSEs) with limited collateral, it has been decided to enhance the limit of collateral free loans to MSEs from INR 10 lakh to INR 20 lakh. The above provisions shall be applicable to all loans to MSE borrowers sanctioned or renewed on or after 01 April 2026.

(IV) Financial Markets

(i) Development of corporate bond market

An active derivatives market can facilitate efficient management of credit risks, improve liquidity and efficiency in the corporate bond market and facilitate issuance of corporate bonds across the rating spectrum. An announcement was made in the Union Budget speech delivered on 1 February 2026, that total return swaps on corporate bonds and derivatives on corporate bond indices will be introduced. Accordingly, a regulatory framework to enable the introduction of derivatives on credit indices and total return swaps on corporate bonds is intended to be issued shortly for public feedback.

(ii) Foreign Exchange Dealings of Authorised Dealers

Banks and standalone primary dealers authorised under FEMA access the foreign exchange market for market making, balance sheet management and hedging of risks. The regulatory framework governing the facilities for such Authorised Dealers (ADs) has been reviewed, rationalised and refined in view of the current market practices and requirements, domestically

and globally. The revised framework provides these ADs with greater flexibility with respect to foreign exchange products, risk management and platforms.

(iii) Review of the Voluntary Retention Route for FPI investment in debt instruments

The Voluntary Retention Route (VRR) was introduced by the RBI in March 2019 to provide an additional channel for investments by Foreign Portfolio Investors (FPIs) with long-term investment interest in the Indian debt markets. Over the years, the Bank has been recalibrating the Route to improve operational flexibilities and ease of doing business. With a view to ensuring predictability about the availability of investment limits under the VRR and to further increase ease of doing business, it has been decided that (A) investments under the VRR shall now be reckoned under the limit for FPI investments under the general route; and (B) certain additional operational flexibilities will be provided to FPIs investing under the VRR.

Risk-based Premium Framework for Deposit Insurance in India dated 6 February 2026

In pursuance of the announcement made in the Statement on Developmental and Regulatory Policies dated 01 October 2025, Deposit Insurance and Credit Guarantee Corporation (DICGC), with approval of Reserve Bank of India (RBI), has advised the insured banks on implementation of Risk Based Premium (RBP) framework. The framework aims to incentivise sound risk management by banks and reduce premium to be paid by better rated banks.

DICGC has been operating the deposit insurance since 1962 on a flat rate premium system presently 12 paise per INR 100 of assessable deposits (AD). Flat rate premium system is simple to understand and administer but does not differentiate banks which manage the risks better. DICGC Act, 1961 Section 15(1) provides for differential premium rates for different categories of insured banks. The proposal to introduce RBP for deposit insurance has been approved by the Central Board of RBI on 19 December 2025.

Salient features of the RBP framework issued on 9 February 2026 are as under:

- There shall be two risk assessment models – Tier 1 Model and Tier 2 Model. Tier 1 Model is applicable to Scheduled Commercial Banks other than Regional Rural Banks (RRBs), and based on supervisory ratings, quantitative assessment (CAMELS parameters) and potential loss to Deposit Insurance Fund (DIF) in case of failure of insured bank.
- The framework envisages a rating override policy in case of adverse material information/development, subsequent to the initial risk rating.
- The banks will be required to maintain confidentiality of ratings and not to disclose ratings or amount of premium paid to DICGC.
- The RBP framework shall be effective from 1 April 2026, and will be reviewed at least once in three years.

Statement on Developmental and Regulatory Policies dated 8 April 2026 by the RBI

This statement sets out various developmental and regulatory policy measures relating to regulations, supervision, payment systems and financial markets:

(I) Regulations

(a) Review of guidelines for inclusion of quarterly profits in capital to risk-weighted assets ratio (CRAR) computation – commercial banks

As per the extant guidelines, commercial banks (excluding regional rural banks and local area banks) are permitted to include quarterly net profits in the calculation of CRAR provided that the

incremental provisions made for NPAs at the end of any of the four quarters of the previous financial year, have not deviated more than 25 per cent of the average of the four quarters. On a review, it is proposed to dispense with this condition. The draft amendment directions in this regard will be issued for public comments shortly.

(b) Review of Guidelines on Investment Fluctuation Reserve ("IFR")

Banks currently maintain IFR as an additional buffer against depreciation in the value of their investments, subject to mark-to-market (MTM) requirements. Currently, commercial banks (including local area banks, but excluding small finance banks, payment banks and regional rural banks) already maintain capital charge for market risk and also follow revised norms on classification, valuation, and operation of investment portfolio. In consideration of these applicable prudential requirements, it is proposed to dispense with the IFR requirement for such commercial banks. The existing guidelines for other bank categories are also being revised to address the operational challenges encountered by such banks in complying with the regulatory thresholds on IFR and to harmonise instructions across bank categories, thereby enhancing regulatory clarity and consistency. Draft directions in this regard will be issued shortly for public consultation.

(c) Review of matters placed before the Boards of the Banks

The matters to be placed before the boards of banks, along with their periodicity, are determined by the boards themselves, guided by the seven broad themes prescribed by the RBI. Meanwhile, the RBI has also mandated certain policies and matters to be placed before the board for approval, review, or information. In an endeavor to enable boards to utilize its time effectively, and to facilitate a more focused and qualitative engagement on strategy and risk governance, the RBI has undertaken comprehensive review and rationalization of all such instructions. Draft directions in this regard will be issued shortly for public consultation.

In July 2026, the RBI issued amendment directions revising the framework governing matters required to be placed before the boards of banks. The revised framework, which becomes effective from October 1, 2026, seeks to rationalise the matters requiring consideration by the board and adopts a more principle-based approach, with a view to enabling boards to devote greater attention to strategy, risk management and governance. The Bank will be required to comply with the revised framework from its effective date.

(II) Supervision

(a) Consolidation of Supervisory Instructions

RBI has constantly endeavored to refine and strengthen its regulatory and supervisory framework while minimising compliance costs, through periodic evaluation of instructions for their continued relevance. In furtherance of this objective, the RBI had undertaken a comprehensive consolidation exercise of the regulatory instructions, on an *'as is'* basis, in 2025. The exercise involved consolidation of more than 9000 existing regulatory circular/ guidelines into 238 function-wise master directions, specific to each category of regulated entity. A similar exercise has now been carried out for the supervisory instructions. Accordingly, the drafts of 64 master directions consolidating extant supervisory instructions on up to nine functional areas are being published today on RBI website for public comments.

(III) Payment Systems

(a) Simplifying the onboarding process of MSMEs in TReDs

With a view to facilitating timely access to working capital for MSMEs, guidelines for TReDS were issued in 2014 and subsequently updated in 2018. The scope of TReDS was further expanded in 2023 with the inclusion of insurance companies as the fourth participant. In order to promote ease of doing business for MSMEs and to encourage their greater participation on TReDS, it is proposed to dispense with the requirement of due diligence of MSMEs while onboarding on TReDS platforms. A comprehensive review of other extant instructions has also been undertaken, and draft directions will be issued shortly for public consultation.

In June 2026, the RBI issued the Reserve Bank of India (Trade Receivables Discounting System) Directions, 2026, consolidating and updating the regulatory framework governing TReDS platforms. The revised framework is intended to facilitate financing of trade receivables of MSMEs through multiple financiers and includes provisions enabling guarantee cover for eligible receivables financed through TReDS, subject to the applicable terms and conditions.

(IV) Financial Markets

(a) Development of Term Money Market

An active-term money market, apart from providing an alternative funding avenue to the market participants, also helps in enhancing monetary policy transmission by creating a link between the overnight money market and longer-term interest rates. At present, only banks and standalone primary dealers are eligible to participate in the term money market, with certain prudential limits. With a view to further enhance the depth of participation and liquidity in the term money market segment, it has been decided to (a) expand the participant base in the term money market segment to include non-bank participants viz., All Indian Financial Institutions, NBFCs, including housing finance companies, companies, etc.; and (b) enhance the borrowing limit in the term money market for standalone primary dealers. The revised directions are being issued separately.

Statement on Developmental and Regulatory Policies dated 5 August 2026 by the RBI

Review of guidelines on interest rates on advances

The RBI proposes to rationalise the regulatory framework on interest rates for all regulated entities on a principle-based basis. The proposed rationalisation aims to: (i) harmonise the guidelines across regulated entities while maintaining proportionality; (ii) address certain operational aspects of the current framework on MCLR and external benchmark lending rate; and (iii) standardise certain divergent market practices concerning interest charging, including day count convention and benchmark reset dates. These measures seek to ensure uniformity, enhance transparency in loan pricing, strengthen monetary transmission and bolster consumer protection. The RBI has issued draft Reserve Bank of India (Interest Rates on Loans and Advances) Directions, 2026 incorporating these proposals issued for public comments for submission till 11 September 2026 for final implementation by 1 April 2027. The provisions under these draft directions are set out below:

(a) Board approved interest rate policy to be reviewed annually

Every regulated entity must have a comprehensive board-approved policy covering:

- Methodology for determination of interest rates.
- Internal benchmark framework.
- Components of spread.

- Loan categorization.
- Delegation of powers relating to pricing of loans.
- Pricing of microfinance loans.

(b) General interest rate framework

Regulated entities may offer loans at either at fixed rate or floating rate. The draft directions prescribe important uniformity measures:

- Interest to be charged at monthly rests, except for agricultural loans where crop-linked norms apply.
- Interest computation must be based on the daily reducing balance method.
- Actual/actual day count convention is mandatory for interest calculation.
- For microfinance and small value personal loans (up to INR 50,000), banks must establish an explicit cap on the annual percentage rate (APR), ensuring rates remain non-usurious.

Additionally, for short-term agricultural loans to small and marginal farmers, the total interest and charges cannot exceed the principal amount.

(c) Interest rate determination framework

Fixed rate loans must be linked to benchmark and risk-based spread. The benchmark may be either internal benchmark or external benchmark. Loans cannot be priced below the applicable benchmark. Floating rate loans must also follow benchmark and risk-based spread. Loan agreements must clearly disclose benchmark used reset periodicity reset date. For a floating-rate loan, the reference interest rate (benchmark) must be reviewed and updated at least once every three months. Once determined, the reset frequency cannot be changed during the loan tenor.

Exemptions are provided to:

- Rural co-operative banks with deposits up to INR 1,000 crore;
- Base Layer NBFCs; and
- Tier 1 and Tier 2 urban co-operative banks for agricultural loans, reset frequency can be linked to crop seasons but cannot exceed twelve months.

(d) Internal and external benchmarks

(i) For commercial banks, RRBs, Tier 3 & Tier 4 urban cooperative banks, rural co-operative banks with deposits above INR 1,000 crore, the internal benchmark must be the MCLR. As per the draft, marginal cost is redefined as moving average of the marginal cost of fresh domestic deposits and borrowings over the preceding three months. These institutions must publish their benchmark on the first calendar day of every month.

(ii) External benchmark for commercial banks: All floating-rate personal loans, and MSME loan must be linked to an external benchmark such as RBI repo rate, treasury bill yields, secured overnight rupee rate, other Financial Benchmarks India Private Ltd published benchmarks. Other regulated entities may adopt external benchmark lending on a voluntary basis.

(e) Regulation of spread

Structured framework has been introduced for determining and revising spreads. Spread may include credit risk premium, operating cost, term premium and business strategy premium. The Credit Risk Premium ("**CRP**") must always be positive and can be revised only when the borrower's credit profile changes. Further, other spread components cannot be revised before three years in floating-rate loans. Reduction in spread before three years is permitted for customer retention in a non-discriminatory manner. This framework is expected to reduce arbitrary repricing and increase transparency in floating-rate lending.

(f) Migration of existing loans

All existing loans and advances linked to any internal or external benchmark must be migrated to the interest rate framework prescribed in the draft directions by 1 April 2029, through a one-time mapping exercise. Such mapping must be carried out with the consent of the borrower without putting the borrower in a disadvantageous position in terms of interest rate applicable to the borrower. The regulated entity must ensure that, upon such transition, the revised interest rate does not exceed the interest rate applicable to the borrower immediately before such transition. Further, the regulated entity must not levy any charges for such migration.

In the event of discontinuation of a benchmark during the currency of a floating rate loan, the regulated entity must change the benchmark without putting the borrower in a disadvantageous position in terms of interest rate applicable to the borrower. The regulated entity may incorporate a fallback mechanism in the loan agreement with the borrower to address such scenarios.

TAXATION

The information provided below does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes. In particular, the information does not consider any specific facts of circumstances that may apply to a particular purchaser. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws applicable in India or the UK and each country of which they are residents, or countries of purchase, holding or disposal of the Notes. Additionally, in view of the number of jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences to a potential holder, purchaser, seller arising from the acquisition, holding or disposal of the Notes. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the subscription, holding or disposal of the Notes at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposal of the Notes.

Indian Taxation

*The summary is based on taxation law and practice in force at the date of this Offering Circular and is subject to change. The summary does not constitute legal or tax advice and is not intended to represent a complete analysis of the tax consequences under Indian law of the acquisition, ownership or disposal of the Notes. Prospective investors should, therefore, consult their own tax advisors regarding the Indian tax consequences, as well as the tax consequences under any applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes. Please note that the (Indian) Income-tax Act, 1961 has been replaced by the (Indian) Income-tax Act, 2025 ("**IT Act**") with effect from 1 April 2026.*

Payments through its GIFT City Branch

There is currently no requirement to withhold Indian tax on interest payments made on the Notes by the Bank's GIFT City Branch, if the amounts raised through these Notes are utilized outside India for the purposes of a business carried out by the Issuer outside India or for the purposes of making or earning income from any other source outside India. If and to the extent the amounts so raised are utilized in India, Indian tax consequences would be applicable as detailed under the paragraph "*Taxation of interest and withholding in respect thereof*" set out below.

Payments made through India

Any payments on the Notes, including additional amounts, made through India would be subject to the regulations of the RBI.

Taxation of interest and withholding in respect thereof

Generally, non-resident investors ("**Non-resident Investors**") subscribing to the Notes issued by the Issuer will be liable to pay tax on the interest paid on the Notes at the rate of 20.00 per cent. (plus, applicable surcharge and health and education cess) under Section 207(1) [Table: Sl. No. 3] of the IT Act on interest paid or payable on debt raised in foreign currency. Further, as per the provisions of Section 207(1) [Table: Sl No. 5] of the IT

Act read with Section 393(2) [Table: Sl. No. 4] of the IT Act, the rate of tax for interest paid or payable on Notes (being long term bonds) issued after July 1, 2023 and listed exclusively on a recognized stock exchange located in any International Financial Services Center ("**IFSC**"), is 9% (plus, applicable surcharge and health and education cess), subject to satisfaction of conditions mentioned therein. However, as per the provisions of Section 11 read with Schedule VI [Table: Sl. No. 12] of the IT Act, interest paid by a unit in IFSC on monies borrowed by it, shall be exempt in the hands of the non-resident investors.

An applicable tax treaty, read with Multilateral Instruments ("**MLI**") (if and to the extent applicable), may reduce such tax liability to rates further subject to fulfilment of the conditions prescribed therein.

If interest payable on the Notes is subject to tax in India, there is a requirement to withhold tax at the prevailing tax rate under the provisions of the IT Act, subject to any lower rate of tax provided for by an applicable tax treaty read with MLI (if and to the extent applicable).

Tax may also be withheld at higher rates under Section 397(2) of the IT Act (described below).

Under Section 397(2)(c)(i) of the IT Act, non-resident holders of Notes, issued in accordance with Section 393(2) [Table: Sl. Nos. 2 to 4] of the IT Act and listed exclusively in an IFSC, are not required to provide any permanent account number to the payer in respect of the interest income on such Notes. In respect of all other Notes issued to non-residents, Noteholders are required to provide their permanent account number to the payer, failing which, tax will be deducted at a higher rate. However, where such Noteholders do not have a permanent account number, provisions of Section 397(2) of the IT Act should not apply, provided such Noteholders furnish documentation including a tax residency certificate, a tax identification number and other details including their name, address, email details and contact number in respect of the instruments set out in Section 397(2)(c)(ii) of the IT Act and Rule 217 of the Income-tax Rules, 2026, as amended.

In the event that the tax withheld from interest on the Notes payable to a Non-resident Investor is determined to be in excess of, or less than, its ultimate Indian tax liability on such interest, the Non-resident Investor will be entitled to a refund of, or obligated to pay, such differential income tax, as the case may be, subject to and in accordance with the provisions of the IT Act.

For the purpose of tax withholding, the Non-resident Investor shall be obliged to provide the prescribed information or documents, including a tax residency certificate (issued by the tax authorities of the country in which the investor is resident), to claim tax treaty benefits, read with MLI (if and to the extent applicable).

Pursuant to the Terms and Conditions of the Notes, all payments of, or in respect of, principal and interest on the Notes, will be made free and clear of and without withholding or deduction on account of any present or future taxes within India unless it is required by law, in which case, the Issuer will pay additional amount as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or the deduction, subject to certain exceptions.

Taxation of Gains Arising on Disposal of Notes

Any gains arising to a Non-resident Investor from disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India. A Non-resident Investor will generally not be chargeable to income tax in India from a disposition of the Notes held as a capital asset provided the Notes are regarded as being situated outside India. The issue as to where the Notes should properly be regarded as being situated is not free from doubt. The ultimate decision, however, will depend upon the view taken by the Indian tax authorities on the position with respect to the situs of the rights being offered in respect of the Notes. There is a possibility that the Indian tax authorities may treat the Notes as being situated in India as the Bank is incorporated in and resident in India. In the event capital gains arising on transfer of a capital asset are chargeable to tax in India, then, the rate of tax shall depend upon the

residential status of the Noteholder as defined under the applicable provisions of Indian Law and the rates of tax prevailing at the time of transfer, in accordance with the relevant provisions of the IT Act. The views explained above are as per the provisions of the prevailing IT Act and potential investors should, in any event, consult their own tax advisers on the tax consequences on transfer of the Notes.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

(a) a Non-resident Investor, who has held the Notes for a period of more than 24 months preceding the date of their dispositions, would be liable to pay long-term capital gains tax at rates ranging up to 12.50 per cent. of the capital gains (plus, applicable surcharge and health and education cess). In the case of Notes which are listed on a recognized stock exchange in India, such Notes would be considered as a long-term capital asset when held for more than 12 months;

(b) a Non-resident Investor who has held the Notes for 24 months or less would be liable to pay short-term capital gains tax at rates ranging up to 35.00 per cent. of the capital gains (plus, applicable surcharge and health and education cess), depending on the legal status of the Non-resident Investor, and his taxable income in India. In the case of Notes which are listed on a recognized stock exchange in India, such Notes would be considered as a short-term capital asset when held for 12 months or less;

(c) any surplus realized by a Non-resident Investor from a disposition of the Notes held as stock-in-trade would be subject to income tax in India to the extent, if any, that the surplus is attributable to a "business connection in India" or, where a tax treaty applies, read with MLI (if and to the extent applicable), to a "permanent establishment" of the Non-resident Investor in India. A Non-resident Investor would be liable to pay Indian tax on the profits which are so attributable to such "business connection" or "permanent establishment" at a rate of tax ranging up to 35.00 per cent. (plus, applicable surcharge and health and education cess), depending on the legal status of the Non-resident Investor and his taxable income in India;

(d) if Notes are regarded as unlisted bonds or unlisted debentures, and are transferred, redeemed or mature on or after 23 July 2024, they would be considered as short-term capital assets irrespective of the period for which they were held and would be subject to short-term capital gains tax at rates ranging up to 35.00 per cent. (plus, applicable surcharge and health and education cess); and

(e) where the Notes listed on the recognised stock exchange located in any IFSC are transferred for a consideration payable in foreign exchange, capital gains derived from such transfer by the Non-resident are exempt from tax in India under Section 70(1)(r) of the IT Act.

The taxation, if any, of capital gains would also depend upon the provisions/benefits available under the relevant tax treaty, read with MLI (if and to the extent applicable), subject to fulfilment of the conditions prescribed therein and under the IT Act.

Taxation of deemed Income

The IT Act provides that any person receiving certain specified assets (including the Notes) at a price less than their fair market value, shall be subject to income tax in India on the benefit accruing to him. Tax shall be payable at the rates applicable for the regular income. However, it may be noted that this provision would not be applicable if the asset is received from a relative or under a will or by way of inheritance or any other specific instances provided under Section 92(2)(m) read with 92(3) of the IT Act.

In case a non-resident receives Notes under the above mechanism, the taxability of the same shall also be subject to the provisions of the applicable tax treaty, read with MLI (if and to the extent applicable), assuming the non-resident is entitled to claim benefits of the tax treaty, read with MLI (if and to the extent applicable).

Compliance under the IT Act

A Non-resident Investor is obliged to pay such income tax in an amount equal to, or would be entitled to a refund of, as the case may be, any difference between amounts withheld in respect of interest paid on the Notes and its ultimate Indian tax liability for such interest, in accordance with provisions of the IT Act.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate of tax, as applicable.

Anti Avoidance Provisions

Under the IT Act, there are both specific as well as generic anti-avoidance provisions relating to tax-like transfer pricing provisions and GAAR. Under the transfer pricing provisions, any income arising from an international transaction between two associated enterprises must be computed having regard to the arm's length price ("**ALP**"). In the event that the Notes are transferred by a Non-resident Investor to another Non-resident Investor and such Non-resident Investors are associated enterprises, then the transactions must be at ALP and there are necessary consequential compliances. The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangement" which are defined under Section 179 of the IT Act, as any arrangement, the main purpose of which is to obtain a tax benefit and which: creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; results, directly or indirectly, in misuse, or abuse, of the provisions of the IT Act; lacks commercial substance or is deemed to lack commercial substance, as set out in Section 180 of the IT Act, in whole or in part; or is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The aggregate monetary limit to invoke the GAAR provisions is Rs. 30 million. The onus to prove that the transaction is an "impermissible avoidance arrangement" is on the tax authorities. If the GAAR provisions are invoked, then the tax authorities have wide powers, including, *inter alia*, disregarding, combining or re-characterising any step in or part or whole of the impermissible avoidance arrangement, considering or looking through any arrangement by disregarding any corporate structure, denial of tax benefit claimed by a taxpayer or the denial of a benefit under a tax treaty, read with MLI (if and to the extent applicable). Arrangements are presumed to have been entered into or carried out for the main purpose of obtaining a tax benefit when the main purpose of a step in, or a part of, the arrangement is to obtain a tax benefit, notwithstanding the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

Potential investors should, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

Wealth Tax

No wealth tax is payable at present in relation to the Notes in India.

Estate Duty

No estate duty is payable at present in relation to the Notes in India. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

Gift Tax

No gift tax is payable at present in relation to the Notes held outside India.

Stamp Duty

A transfer of Notes outside India will not give rise to any Indian stamp duty liability unless the Notes are brought into India. In the event that Notes are brought into India for enforcement or for any other purpose, the same will attract stamp duty as payable in the relevant state. This stamp duty will have to be paid within a period of 3

months from the date the Notes are first received in India. No stamp duty is payable in respect of transactions carried out on recognized stock exchanges located in an IFSC.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, withholding at a rate of 30% may be required on certain payments made by "foreign financial institutions" (including intermediaries through which Notes are held) ("**foreign passthru payments**"), to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is registered as a foreign financial institution for these purposes. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments, are uncertain and may be subject to change. If withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments, such withholding would not apply prior to the date that is two years after the date on which final regulations defining "foreign passthru payments" are published in the U.S. Federal Register. Additionally, Notes characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the relevant grandfathering date would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. The grandfathering date is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register. If additional notes (as described under "*Terms and Conditions of the Notes – Further Issues*") that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 28 September 2026 (as amended and/or supplemented from time to time, the "**Programme Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Each of the Dealers and its affiliates may engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Dealer and its affiliates may, from time to time after completion of the Offering, engage in other transactions with, and perform services for, the Issuer or its affiliates in the ordinary course of their business. Each Dealer or its affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold the Notes on behalf of clients or in the capacity of investment advisors. While each Dealer and its affiliates has policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes. Further, each of the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its subsidiaries, jointly controlled entities or associated companies from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. Notes issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;

- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Selling Restrictions

United States of America

(a) In respect of Notes offered or sold in reliance on Category 1 as specified in the applicable Pricing Supplement, the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act.

In respect of Notes offered or sold in reliance on Category 2 as specified in the applicable Pricing Supplement, the Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in the Securities Act) except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has offered and sold any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person

receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S".

Terms used in this subclause (a) have the meanings given to them by Regulation S.

(b) Each Dealer has represented and agreed that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

(c) The applicable Pricing Supplement will identify whether TEFRA C or TEFRA D applies or whether TEFRA is not applicable. The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C or TEFRA D applies or whether TEFRA is not applicable.

(d) Until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

(e) Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Prohibition of Sales to European Economic Area Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

(i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 ("**POATRs**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to an exemption under Part 1 of Schedule 1 to the POATRs (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold, and will not offer or sell, any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent)

for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act, 2000 ("**FSMA**") by the Issuer;

(b) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Notes will be required to represent and agree, that the Notes (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred to retail investors in the Netherlands, on their issue date or at any time thereafter, and neither this Offering Circular nor any other document in relation to any offering of the Notes (or any interest therein) may be distributed or circulated in the Netherlands. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

India

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) the Offering Circular has not been and will not be registered, produced, published or made available as an offer document (whether as a prospectus or statement in lieu of a prospectus in respect of a public offer or an information memorandum or placement memorandum or private placement offer letter or

other offering material in respect of a private placement or general information document or key information document in respect of any public offer or private placement under the Companies Act, 2013, as amended from time to time, and the rules framed thereunder the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, or any regulations issued by SEBI, or any other applicable Indian or IFSCA laws) with any regulatory or statutory body in India including the ROC, SEBI, the RBI or IFSCA or any Indian or GIFT City IFSC stock exchange or any other statutory, regulatory or adjudicatory body of like nature in India, except:

(i) any information from any part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreements with any Indian stock exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the International Financial Services Centres Authority (Listing) Regulations, 2024, each as amended from time to time, and under the rules and regulation applicable to the GIFT City IFSC, or pursuant to the directives of any statutory, regulatory and adjudicatory body in India or the GIFT City IFSC;

(ii) regulations and guidelines issued by the IFSCA or SEBI as may be applicable from time to time;

(iii) the Offering Circular will be made available to the India INX and NSE IX for the purpose of listing the Programme and any Notes; or

(iv) pursuant to the directives of any statutory, regulatory or adjudicatory body in India;

(b) the Notes have not been and will not be offered or sold in India by means of the Offering Circular or any document other than to persons permitted to acquire the Notes under Indian law, whether as principal or agent, and

(c) neither the Offering Circular nor any other offering document or material relating to the Notes has been and nor will it be circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India in any manner which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws for the time being in force. The Notes have not been offered or sold and will not be offered or sold in India in circumstances which would constitute an offer of securities (whether to the public or by way of private placement) within the meaning of the Companies Act or any other applicable Indian laws for the time being in force. The Notes will not be offered, directly or indirectly, in GIFT City IFSC for the account or benefit of any person who is a resident in GIFT City IFSC.

Eligibility of holders of the Notes

The Offering Circular has not been and will not be reviewed or approved by any registrar of companies, SEBI, the RBI, the IFSCA, any stock exchange or any other statutory, regulatory or adjudicatory authority in India. Holders and beneficial owners of the Notes shall be responsible for compliance with restrictions on the ownership of the Notes imposed from time to time by applicable laws or by any statutory, regulatory or adjudicatory authority or otherwise. In this context, holders and beneficial owners of Notes shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes. Potential investors should seek independent advice and verify compliance prior to any purchase of the Notes.

Disclosure of information relating to holders of Notes

The holders and beneficial owners of the Notes will provide all information and details that they have or can procure about any subsequent transferee Noteholders (and shall provide all assistance in relation thereto), to the Issuer so as to enable the Issuer to obtain the details of the transferee Noteholder or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information, as necessary under applicable laws, to the RBI or any other statutory, regulatory or adjudicatory authority in India as and when such information is required.

To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time request Euroclear or Clearstream to provide them with details of the accountholders within Euroclear or Clearstream, as may be appropriate, that hold the Notes and the number of Notes held by each such accountholder. Euroclear or Clearstream participants which are holders of the Notes or intermediaries acting on behalf of such Noteholder would be deemed to have hereby authorised Euroclear or Clearstream, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

Singapore

Each Dealer has represented, and agreed, and each further Dealer appointed under the Programme will be required to represent, and agree this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents, and agrees, and each further Dealer appointed under the Programme will be required to represent, and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute the Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the DIFC unless such offer is:

(a) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

Republic of Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea under the Financial Investment Services and the Capital Markets Act of Korea.

Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) in respect of the Notes relying on the exemption as set out in Article 2-2-2, Paragraph 2, Item 3 of the Regulation on Securities Issuance and Public Disclosure Etc. of Korea promulgated by the Financial Services Commission of Korea, during the first year after the issuance of the Notes, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transactions Law of Korea and the regulations thereunder) other than a "qualified institutional buyer" (a "**Korean QIB**", as defined in the Regulation on Securities Issuance and Public Disclosure Etc. of Korea) who is registered with the Korea Financial Investment Association (the "**KOFIA**") as a Korean QIB, provided that (a) the Notes are denominated, and the principal and interest payments thereunder are made, in a currency other than Korean won, (b) the amount of the Notes acquired by such Korean QIBs in the primary market is limited to no more than 20% of the aggregate issue amount of the Notes, (c) the Notes are listed on one of the major overseas securities markets designated by the Financial Supervisory Service of Korea, or certain procedures, such as registration or report with a foreign financial investment regulator, have been completed for offering of the Notes in a major overseas securities market, (d) the one-year restriction on offering, delivering or selling of Notes to a Korean resident other than a Korean QIB is expressly stated in the Notes, the relevant purchase agreement and offering circular, and (e) the Issuer and the Dealers shall individually or collectively keep the evidence of fulfilment of conditions (a) through (d) above after having taken necessary actions therefor, except as otherwise permitted by applicable Korean laws and regulations; and

(ii) in respect of the Notes relying on the exemption as set out in Article 2-2-2, Paragraph 2 (other than Item 3), of the Regulation on Securities Issuance and Public Disclosure Etc. of Korea promulgated by the Financial Services Commission of Korea, the Notes may not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined under the Foreign Exchange Transactions Law of Korea and the regulations thereunder) or to others for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea during the first year after the issuance of the Notes, except as otherwise permitted by applicable Korean laws and regulations.

Each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Taiwan

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes may be made available outside Taiwan for purchase outside Taiwan by investors resident or domiciled in Taiwan but are not permitted to be offered or sold in Taiwan. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

General

Each Dealer represents, warrants and undertakes that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, subscribes or procures subscribers for, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, subscription, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, subscriptions, offers, sales or deliveries and none of the Issuer nor any of the other Dealers shall have any responsibility therefor.

If a jurisdiction requires that an offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer (as defined in this Offering Circular) in such jurisdiction.

None of the Issuer, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Issuer and the relevant Dealer and set out in the Subscription Agreement, Dealer Accession Letter, as relevant, or in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme has been duly authorised by the Board of Directors of the Issuer on 14 August 2026, along with the resolutions dated 14 August 2026, 24 September 2026 and 28 September 2026 approved by the 'Debt and Capital Issue Committee' constituted by the Board of Directors of the Bank.

   Currently, the issuance of Notes by the Issuer acting through its GIFT City Branch for borrowings in foreign currency for the purpose of funding its foreign offices in the normal course of banking business outside India, does not require any approval from RBI and/or the Ministry of Finance provided that such Notes are within the limits prescribed by RBI and subject to directions, regulations and guidelines issued by RBI from time to time. The Issuer is, however, required to comply with reporting requirements as may be required under the relevant RBI directions/ circulars/ notifications.

2. Any payments under the Notes by the Issuer from its Head Office in India or any branch in India will require prior approval under applicable regulations and guidelines of RBI.

3. The Issuer is required to comply with the relevant filings/ reportings required pursuant to any direction, regulation, notification, circular or guidelines, including with any regulatory authority including but not limited to the IFSCA, the SEBI, the RBI and the Government of India.

4. Approval, if any required, for the issuance of the Notes by the Issuer will be obtained from the RBI prior to issuance of the Notes. With regard to the Bank's GIFT City Branch, relevant provisions of the International Financial Services Centres Authority (Banking) Regulations, 2020, as amended from time to time, along with other relevant statutory and regulatory guidelines and regulations issued by IFSCA, will also be applicable to the Issuer.

Listing

5. Application will be made to the Global Securities Market ("**GSM**") segment of India INX for the Programme and trading on the GSM segment of the India INX of any subsequent Notes that may be issued pursuant to the Programme. Admission to trading of the Notes to India INX and quotation of the Notes on India INX is not to be taken as an indication of the merits of the offering, the Notes, the Issuer or any of its subsidiaries or associated companies, as applicable.

6. Application will be made to the NSE IX for the trading on the NSE IX of any subsequent Notes that may be issued pursuant to the Programme. Admission to trading of the Notes to the NSE IX and quotation of the Notes on the NSE IX is not to be taken as an indication of the merits of the offering, the Notes, the Issuer or any of its subsidiaries or associated companies, as applicable.

7. The listing of the Notes shall be in compliance with the IFSCA Regulations.

Legal entity identifier

8. The Issuer's legal entity identifier is 21380058KMSRJIL8C294.

Clearing systems

9. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear

and Clearstream will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.

No significant change

10. Save as disclosed in this Offering Circular, there has been no significant or material adverse change in the financial or trading position of the Bank since 30 June 2026.

Litigation

11. The Bank is not involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which may have or have had in the 12 months preceding the date of this Offering Circular a significant effect on the financial position of the Bank.

Accounts

12. Mukund M Chitale & Co., Chartered Accountants, S. Jaykishan, Chartered Accountants, A. Bafna & Co., Chartered Accountants, and SCV & Co. LLP, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the audited standalone financial statements of the Issuer for the Fiscal ended 31 March 2024, have audited the Issuer's standalone financial statements as at and for the Fiscal ended 31 March 2024.

13. Sarda & Pareek LLP, Chartered Accountants, S. Jaykishan, Chartered Accountants, A. Bafna & Co., Chartered Accountants, and SCV & Co. LLP, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the audited standalone financial statements of the Issuer for the Fiscals ended 31 March 2025 and 2026, have audited and reviewed the Issuer's standalone financial statements as at and for the Fiscals ended 31 March 2025 and 2026 and for the quarter and three months ended 30 June 2025 and 2026.

Documents available

14. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available for inspection at the corporate office of the Issuer:

    (a) the audited financial statements of the Bank and the Group in respect of the financial years ended 31 March 2024, 2025 and 2026;

    (b) the most recently published audited annual financial statements of the Bank and the most recently published audited or reviewed, as the case may be, standalone interim financial results of the Bank (the Bank currently prepares unaudited standalone interim results on a quarterly basis under Indian regulatory requirements);

    (c) the Trust Deed, the Agency Agreement and the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Bearer Notes, the Receipts, the Coupons, the Talons, the Registered Global Notes and the Definitive Registered Notes;

    (d) a copy of this Offering Circular; and

    (e) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence

satisfactory to the Issuer and the Principal Paying Agent as to its holding of Notes and its identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. (local time) and 3:00 p.m. (local time) from Monday to Friday (other than public holidays) at the specified office for the time being of the Trustee and the Principal Paying Agent or (ii) may be provided by email to any Noteholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent.

Conditions for determining price

15. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Dealers transacting with the Issuer

16. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and its affiliates in the ordinary course of business.

SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN INDIAN GAAP AND IFRS

The Financial Statements of the Issuer included in this Offering Circular have been prepared in accordance with the accounting policies followed by the Issuer which conform to Indian GAAP as applicable to the Issuer. The following is a general summary of certain principal differences between Indian GAAP and IFRS as applicable to the Issuer. The differences identified below are limited to those significant differences that are appropriate to the Issuer's financial statements. However, they should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between Indian GAAP and IFRS as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Issuer's financial statements as a result of transactions or events that may occur in the future.

		IFRS	INDIAN GAAP
1	**Contents of financial statements – General**	A complete set of financial statements comprises a statement of financial position (balance sheet), a statement of comprehensive income (profit and loss account), cash flow statement and statement showing changes in equity, accounting policies and other explanatory notes to financial statements with corresponding figures from the previous year.	A complete set of financial statements normally includes a balance sheet, statement of profit and loss account and cash flow statement as of and for the last fiscal year, accounting policies, notes to financial statements. The presentation of these financial statements differs in certain respects compared to IFRS. Listed as well as unlisted entities, having subsidiaries and joint ventures are required to produce consolidated financial statements and the related notes along with standalone financial statements.
2	**Contents of financial statements – Disclosures**.	No particular format is prescribed for the statement of comprehensive income, although International Accounting Standard 1 prescribes certain specified line items to be presented in the statement of comprehensive income. However, an analysis of expenses must be presented in one of two formats (function or nature). Certain items must be presented on the face of the Statement of comprehensive income. Similarly, no particular format is prescribed for the statement of financial position although International Accounting Standard 1 prescribes certain specified line items to be presented in the statement of financial position; an entity may	The Indian "Companies Act, 2013" prescribes the balance sheet as well as statement of profit and loss format. There is a prescribed format for the profit and loss account and there are disclosure norms for income and expenditure items. In the case of banks, the format of the balance sheet and profit and loss account is prescribed in Schedule 3 to the Banking Regulations Act, 1949. Further, the RBI prescribes various disclosures from time to time. Minority interests are presented separately from liabilities and equity. Amounts attributable to minority interests are presented as a component of net income or loss.

		IFRS	INDIAN GAAP
		use a liquidity presentation of assets and liabilities, instead of a current/non-current presentation, only when a liquidity presentation provides more relevant and reliable information. Certain items must be presented on the face of the statement of financial position. However, banks shall present a Statement of comprehensive income which groups income and expenses by nature and disclose the amounts of principal types of income and expenses. Further, banks shall present a statement of financial position that groups assets and liabilities by nature and lists them in order that reflects their relative liquidity. Minority interest is presented as a component of equity.	
3	**Contents of financial statements – Disclosures**.....	An explicit statement in the financial statements of compliance with all the IFRS needs to be given.	No such statement is required to be made.
4	**Correction of errors**	Mandatory restatement of comparative amounts for the prior year period(s) presented in which errors have occurred. Material prior period errors are corrected retrospectively by adjusting the opening retained earnings.	No restatement. The nature and amount of material prior period items should be separately disclosed in the current year's profit and loss and the effect of the error must also be disclosed. Further for the banks recognition/de-recognition of income/expenses as per RBI guidelines and accounting norms are reflected as part of natural head of accounts.
5	**Changes in accounting policies**	Changes in accounting policies are applied retrospectively. Comparatives are restated and the effect of period(s) not presented is adjusted against opening retained earnings of the earliest year presented. Policy changes made on the adoption of a new standard are made in accordance with that standard's transitional provisions.	Does not specify how change in accounting policies should be accounted for material impact of and adjustments resulting from the change to be shown in the income statement of the period in which the change is made.

		IFRS	INDIAN GAAP
6	**Statement of recognised gains and losses**	The total of gains and losses recognised in a period is comprised of net income together with the following gains and losses which are recognised directly in other comprehensive income/equity: • revaluation increase/decrease; • fair value gains/(losses) on land and buildings, AFS, investments and certain financial instruments; • foreign exchange translation differences; • the cumulative effect of changes in accounting policy; • changes in fair values of certain financial instruments if designated as cash flow hedges, net of tax, and cash flow hedges reclassified to income and/or the relevant hedged asset/liability; and • actuarial gain or losses on defined employee benefits. Recognised gains and losses can be presented either in the notes to financial statements or highlighted separately within the primary statement of changes in shareholders' equity.	No concept of comprehensive income. However, accounting standards, statute and industry practices allow for certain adjustments in reserves. RBI specifically requires gain on sale of held-to-maturity securities to be appropriated from the profit and loss account to capital reserve.
7	**Statement of Changes in Shareholders' Equity**.....	The statement must be presented as a primary statement. The statement must show capital transactions with owners, the movement in accumulated profit and a reconciliation of all other components of equity.	Not required.
8	**Cash-flow statement – Formats and method**	Headings are standardised but there is a limited flexibility over content. Direct or indirect method may be used.	Headings are standardised and the direct or indirect method may be used. Banks in India generally use the indirect method.

		IFRS	INDIAN GAAP
9	**Cash-flow statements – Definition of cash and cash equivalents**.....	Cash and cash equivalents include overdrafts repayable on demand and investments with original short-term maturities (less than three months). Investments with original short term maturities more than three months and less than 12 months to be taken as other current assets.	Cash includes cash on hand and demand deposits with bank and cash equivalents are short-term (less than three months), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.
10	**Liabilities and equity**.....	A financial instrument is classified as a liability where there is a contractual obligation to deliver either cash or another financial asset to the holder of that instrument, regardless of the manner in which the contractual obligation will be settled. Preference shares, which carry a mandatory coupon or are redeemable on a specific date or at the option of the shareholder, are classified as financial liabilities and are presented in other borrowed funds. The dividends on these preference shares are recognised in the income statement as interest expense on an amortised cost basis using the effective interest method.	Classification is based on the legal form rather than substance. All preference shares are disclosed separately as share capital under shareholders' funds.
11	**Consolidation of subsidiaries**	The consolidated financial statements include all subsidiaries, associate and joint venture companies of the parent. IFRS focuses on the concept of the power to control in determining whether a parent-subsidiary relationship exists. Control is present when an investor is exposed, or has right to variable returns from its involvement with investee and has the ability to affect those returns through its power over the investee. Control is presumed to exist where the parent company owns, directly or indirectly through subsidiaries, more than one half of the voting power of an enterprise unless, in exceptional circumstances, it can be clearly	Consolidation is required only when there is controlling interest, directly or indirectly through subsidiaries (including associate and joint venture companies), by virtue of holding the majority of the voting shares of an enterprise or controlling the board of directors of an enterprise except in case of entities such as gratuity trust where the objective is not to obtain economic benefits from their activities. A subsidiary should be excluded from consolidation when: control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future; or

		IFRS	INDIAN GAAP
		demonstrated that such ownership does not constitute control. Control can also exist in certain situations where the parent company owns one half or less of the voting power of an enterprise. Companies acquired (disposed off) are included in (excluded from) consolidation from the date on which control passes (lost). Presently exercisable potential voting rights should also be considered. A subsidiary which meets the criteria to be classified as held for sale in accordance with IFRS 5 should be shown as an asset held for sale rather than being consolidated. A subsidiary can be excluded when there is evidence that control is intended to be temporary and such a subsidiary should be shown as an asset held for sale. The difference between reporting date of parent and subsidiary should not be more than three months. In consolidated financial statement, uniform accounting policies to be used. There is no exception based on impracticability.	it operates under severe long-term restrictions that significantly impair its ability to transfer funds to the parent. The reasons for not consolidating a subsidiary should be disclosed in the consolidated financial statements. In separate financial statements of banks, investments in such subsidiaries should be accounted for in accordance with guidelines prescribed by the RBI. The difference between reporting date of parent and subsidiary should not be more than six months. It provides exemption for application of similar accounting policies when it is impracticable to do so but this fact has to be disclosed with brief description.
12	**Accounting for joint ventures in the form of a jointly controlled entity**.....	Both the proportional consolidation method and equity method are permitted. A venturer with an interest in a jointly controlled entity is exempted from proportionate consolidation and equity method accounting when it meets the following conditions: • there is evidence that the interest is acquired and held exclusively with a view to its disposal generally within twelve months, (which may vary depending on facts and	In its separate financial statements, the venturer must recognise its interest in a joint venture as an investment. In the consolidated financial statements, the venturer should consolidate the joint venture using the proportionate consolidation method.

circumstances of the case), from acquisition and that management is actively seeking a buyer;

- the exception in paragraph 10 of IAS 27 Consolidated and Separate Financial Statements allowing a parent that also has an interest in a jointly controlled entity not to present consolidated financial statements is applicable; or
- all of the following apply:
  - the venturer is a wholly-owned subsidiary, or is a partially-owned subsidiary of another entity and its owners, including those not otherwise entitled to vote, have been informed about, and do not object to, the venturer not applying proportionate consolidation or the equity method;
  - the venturer's debt or equity instruments are not traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets);
  - the venturer did not file, nor is it in the process of filing, its

		IFRS	INDIAN GAAP
		financial statements with a securities commission or other regulatory organisation, for the purpose of issuing any class of instruments in a public market; and • the ultimate or any intermediate parent of the venturer produces consolidated financial statements available for public use that comply with IFRS. Interests in jointly controlled entities that meet the condition mentioned above shall be classified as HFT and accounted for in accordance with IAS 39	
13	**Presentation of associate results**.....	Equity method must be used. Presentation must show share of post tax results. IFRS require that similar accounting policies should be used for preparation of investor's financial statements.	Similar to IFRS. However, the accounting for associate results using the equity method was not required under Indian GAAP until 1 April 2003. Upon transition to the equity method from the cost method, an increase in Investment in Associate in Shareholders' Equity should be recorded as an adjustment to reserves for the period of change. The equity method of accounting is not required in the separate/standalone financial statements of the investor. It provides exemption for application of similar accounting policies when it is impracticable to do so but this fact has to be disclosed with brief description.

		IFRS	INDIAN GAAP
14	**Business Combination**.....	Bargain purchase gain to be recognised in statement of profit and loss. Prescribes only the acquisition method for every business combination. Acquired identifiable assets liabilities and non-controlling interest to be recognised at fair value under acquisition method. Goodwill is not amortised but tested for impairment on annual basis.	Bargain purchase gain to be recognised directly in equity as capital reserve. There are two methods of accounting for amalgamation: the pooling of interest method and the purchase method. Acquired assets and liabilities are recognised at their existing book values or at fair values under the purchase method. Goodwill arising on amalgamation in the nature of purchase is amortised over a period not exceeding five years.
15	**Employee benefits**.....	Actuarial assumptions required to measure the obligation, must use the projected unit credit method to determine benefit obligation. Rules are also given for termination benefits arising from redundancies and other post-employment benefits (short-term and long-term). Account for termination indemnity plans as pensions.	The AS 15 does not admit options and requires that actuarial gains and losses should be recognised immediately in the statement of profit and loss as income or expense.
		IAS 19 provides options to recognise actuarial gains and losses as fully recognised changes in the net defined benefit liability of an asset including immediate recognition of defined benefit costs and requires dis aggregation of the overall defined benefit cost into components and requires the recognition of remeasurements in other comprehensive income thereby eliminating the 'corridor' approach.	No such requirement as per AS-15.
16	**Property, plant and equipment**.....	Use historical cost or revalued amounts. Frequent valuations of entire classes of assets are required when the revaluation option is chosen. Further residual value needs to be reviewed each year end. Annual reassessment of useful life and depreciation is also required.	Similar to IFRS except It deals with accounting for fixed retired from active use and held for sale.

		IFRS	INDIAN GAAP
		Does not deal with the assets 'Held for Sale' because treatment of such assets is covered in IFRS 5.	
17	**Depreciation**.....	Depreciation is recorded over the asset's estimated useful life. The residual value and the useful life of an asset and the depreciation method shall be reviewed at least at each financial year-end. Further change in depreciation is considered as change in the accounting estimate and is applied prospectively.	Similar to IFRS.
18	**Capitalisation of borrowing costs**.....	Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are required to be capitalised as part of the cost of that asset. Further the accounting policy adopted for borrowing cost and the amount of borrowing cost capitalised needs to be disclosed in the financial statement.	Similar to IFRS.
19	**Revenue**.....	It does not deal with revenue from 'interest' and 'dividend' which are covered in financial instruments standard. Revenue is recognised when the control is transferred to the customer.	It deals with recognitions of interest and dividend income. Revenue is recognised when significant risks and rewards of ownership is transferred to the buyer.
20	**Deferred expenditure**.....	Costs in respect of any start up are expensed as incurred. Costs for advertising are expensed as incurred. Equity issue costs should be accounted for as a deduction from equity (net of any related income tax benefit).	Costs are not allowed to be deferred unless permitted by RBI. Equity issue costs can be adjusted against the securities premium account to the extent available as provided for by the Companies Act, 2013.
21	**Provisions for liabilities and charges**.....	Provisions are required for both legal and constructive obligations. The amount recognised as a provision is the best estimate at the balance sheet date of the expenditure required to settle the obligation, discounted using a pre-tax market discount rate if the effect is material.	Similar to IFRS except: (i) no concept of constructive obligation and (ii) discounting is not permitted other than decommissioning liability.

		IFRS	INDIAN GAAP
22	**Segment Reporting other than decommissioning liability**.....	Identification of segments is based on 'management approach' i.e., operating segments are identified based on the internal reports regularly reviewed by the entity's chief operating decision maker.	Requires identification of two sets of segments; one based on related products and services, and the other on geographical areas based on the risks and returns approach. One set is regarded as primary segments and the other as secondary segments.
23	**Financial Assets – Classification**.....	Financial assets are to be classified as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both: • the entity's business model for managing the financial assets; and • the contractual cash flow characteristics of the financial asset.	AS-13, Accounting for Investments is not applicable to banks. The RBI has given guidelines for classification of investments into: • HTM; • AFS; and • FVTPL. Loans and advances are classified on the basis of the Income Recognition and Asset Classification norms of RBI.
24	**Financial Assets – Measurement**	Initially, a financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent recognition depends on the classification of the investment – if HTM investments and loan receivables, carry at amortised cost, using effective interest method otherwise state at fair value. Unrealised gains and losses on fair value through Profit or Loss classification (including trading securities) recognised in the income statement and on available-for-sale investments recognised in equity. Entity can also transfer from the available-for-sale category to the loan and receivable category by satisfying certain conditions.	Investments are measured and valued on the basis of the guidelines issued by the RBI from time to time. Loans and advances are measured in accordance with the Income Recognition and Asset Classification norms of the RBI. Investments classified as AFS or FVTPL are measured at fair value or market value, those classified as HTM are measured at amortised cost.
25	**Financial liabilities – Classification**.....	Capital instruments are classified depending on the substance of the obligations of the issuer. There	Generally accepted accounting practice follows legal form rather than substance.

		IFRS	INDIAN GAAP
		are two categories of financial liabilities: • financial liabilities at fair value through the Profit and Loss Account; and • others. Preference shares that are mandatory to redeem are classified as liabilities.	
26	**Financial Liabilities – Measurement**	Initially, a financial liability is measured at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, an entity shall measure all financial liabilities at amortised cost using the effective interest method, except for: • financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost less impairment until settlement; and • financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or is accounted for using the continuing involvement approach. Financial liabilities that are designated as hedged items are subject to measurement under the hedge accounting requirements.	Liabilities are recognised based on the legal obligation of the entity.

		IFRS	INDIAN GAAP
27	**Debt Issue Costs**.....	Direct incremental costs of issuing debt are reduced from debt and the debt is carried at amortised cost. Issue costs are included in the calculation of the effective interest rate over the life of the instrument.	Expensed as incurred.
28	**Discount on issue of debt**.....	Amortised as an adjustment to the yield.	Amortised on a straight line basis.
29	**Dividends**.....	Financial instrument classified as equity: Dividends to holders of equity instruments, when proposed or declared after the balance sheet date, should not be recognised as a liability on the balance sheet date. A company, however, is required to disclose the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorised for issue. Financial instrument classified as financial liability: Dividend is recognised as a liability at year end by classifying it as interest expense based on effective interest method even if such dividend is proposed or declared after the balance sheet date.	Dividends to holders of equity instruments, when proposed or declared after the balance sheet date, should not be recognised as a liability on the balance sheet date. A company, however, is required to disclose the amount of dividends that were proposed or declared after the balance sheet date but before the financial statements were authorised for issue.
30	**Deferred Income taxes**.....	Deferred tax is determined on balance sheet approach. Deferred tax is determined based on temporary differences, being the difference between the carrying amount and tax base of assets and liabilities, subject to certain exceptions. Deferred tax assets are recognised if it is probable (more likely than not) that sufficient future taxable profits will be available to utilise to deferred tax assets.	Deferred tax is determined on income statement approach. Deferred tax is determined based on timing differences, being the difference between accounting income and taxable income for a period that is capable of reversal in one or more subsequent periods. Deferred tax assets recognised only if virtually certain with entities with tax losses carried forward or if reasonably certain with entities with no tax losses.
31	**Post balance sheet events**	Adjustments in the financial statements for events occurring after the balance sheet date, providing evidence of conditions at balance sheet date and materially affecting amounts in	Similar to IFRS for adjusting events, except that non-adjusting events are not required to be disclosed in the financial statement but are disclosed in the report of the approving authority.

		IFRS	INDIAN GAAP
		financial statements adjusting events. Disclose non-adjusting events.	
32	**Interim financial reporting** ...	Not mandatory to prepare interim statements but must use standard if prepared. Basis should be consistent with the full-year statements and include comparatives. Publicly traded companies are encouraged to provide interim financial reports.	Interim financial reporting is not mandatory, but AS-25 "Interim Financial Reporting" under the accounting standards must be used, while preparing interim financial statements. Basis should be consistent with the full year statements and included comparatives. Publication of quarterly results is mandatory for listed entities as specified by the Securities and Exchange Board of India ("**SEBI**").
33	**Guarantees**	Recognise a liability at fair value in the statement of financial position at the inception of the guarantee	Guarantees (except counter guarantees) must be disclosed as a contingent liability.
34	**Related Party Disclosures**	Disclose the name of the related party, amount of transaction, outstanding balance amount and the nature of relationship and types of transactions. For control relationships, disclosures are mandatory regardless of whether the transactions occur. Exemptions are available from disclosure requirements for transactions between state-controlled entities regardless of whether influence actually exists in such relationship. Some exemptions are available for separate financial statements of subsidiaries.	Similar to IFRS. RBI has also laid down guidelines for disclosure of related party transactions.
35	**Accounting for Foreign Currency Transactions**.....	Most exchange differences are recognised in profit or loss (net income) in the period in which they arise.	Similar to IFRS except as per AS 11 to allow amortisation or capitalisation of foreign exchange difference arising on long-term monetary items, in respect of accounting periods commencing on or after 7 December 2006 and ending on or before 31 March 2020. Such exchange differences are adjusted to the carrying cost of the assets, if the item relates to the acquisition of a depreciable capital asset or in other cases

		IFRS	INDIAN GAAP
			accumulated in the foreign currency monetary item translation difference Accounts and amortised over the life of the monetary items but not beyond 31 March 2020.
36	**Contingent Assets**	A contingent asset is disclosed in financial statements where an inflow of economic benefits is probable.	A contingent asset cannot be disclosed in Financial Statements. However, the same can be disclosed in the Director's report.
37	**Extraordinary items**	Disclosure as extraordinary items either on the face of the income statement or in the notes prohibited.	Are defined as income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly. Each such item should be separately disclosed in the statement of profit and loss together with its nature so that its impact on net profit or loss for the period can be ascertained.
38	**Acquired and internally generated intangible assets**....	Intangible assets are recognised if the specific criteria are met. Assets with finite useful life are amortised on systematic basis over their useful life. An asset with an indefinite useful life and which is not yet available for use should be tested for impairment annually.	Intangible assets are capitalised if specific criteria are met and are amortised over their useful life, generally not exceeding 10 years. The recoverable amount of an intangible asset that is not available for use or is being amortised over a period exceeding 10 years should be reviewed at least at each financial year-end even if there is no indication that the asset is impaired.
39	**Interest income and expense**.	Interest income and expense is recognised in the income statement using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument.	In the absence of a specific effective interest rate requirement, premiums and discounts are usually amortised on a straight line basis over the term of the instrument.

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A Bafna & Co	S. Jaykishan
Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001	Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071
SCV & Co. LLP	**SARDA & PAREEK LLP**
Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017	Chartered Accountants Mahavir Apartment, Third Floor, 598, M. G. Road, Near Suncity Cinema, Vile Parle East, Mumbai – 400057

Independent Auditors' Review Report on Unaudited Standalone Financial Results for the Quarter ended June 30,2026 of Bank of India pursuant to the Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Bank of India
Mumbai

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Bank of India ("the Bank")** for the quarter ended June 30,2026 **('the Statement')** attached herewith, being submitted by the Bank pursuant to the requirement of regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 as amended ("Listing Regulations"). This Statement is the responsibility of the Bank's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review. The disclosures relating to Pillar 3 disclosure as at June 30,2026, including leverage ratio and liquidity coverage ratio under Basel III Capital Regulations has been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Statement and have not been reviewed by us.

2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed by The Institute of Chartered Accountants of India, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time ("RBI Guidelines") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the statement in accordance with the Standards on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by The Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. The Unaudited Standalone Financial Results incorporate the relevant returns of 20 domestic branches and 1 Treasury reviewed by us, 21 foreign branches reviewed by other auditors specially appointed for this purpose and un-reviewed returns in respect of 5490 domestic branches. These review reports cover 51.92% of the advances portfolio of the Bank, 53.51% of non-performing asset of the Bank and the investment portfolio of the Treasury Branch of the Bank. Apart from these review reports, in the conduct of our review at Head Office / Controlling Offices, we have also relied upon various information and returns received from these un-reviewed branches / other offices of the Bank and generated through centralised database at Bank's Head Office.

A Bafna & Co Chartered Accountants	**S. Jaykishan** Chartered Accountants
SCV & Co. LLP Chartered Accountants	**SARDA & PAREEK LLP** Chartered Accountants

5. Based on our review conducted as above and subject to limitation in scope as mentioned in Paragraph 3 & 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of Unaudited Standalone Financial Results together with the notes thereon has not been prepared in accordance with applicable accounting standards, other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

For A Bafna & Co
Chartered Accountants
(FRN: 003660C)

Kartik Khandelwal
Partner // ICAI M. No. 426965
UDIN: 26426965TWUACA3164

For S. Jaykishan
Chartered Accountants
(FRN: 309005E)

Ritesh Agarwal
Partner // ICAI M. No. 062410
UDIN: 26062410YSWVAD9367

For SCV & Co. LLP
Chartered Accountants
(FRN:000235N / N500089)

Ashish Agarwal
Partner // ICAI M. No. 093790
UDIN: 26093790CUQOVB9406

For SARDA & PAREEK LLP
Chartered Accountants
(FRN:109262W/W100673)

Niranjan Joshi
Partner // ICAI M. No. 102789
UDIN: 26102789VWSZUT1800

Place: Mumbai
Date: July 24,2026

बैंक ऑफ़ इंडिया
Bank of India BOI

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

Unaudited / Reviewed Financial Results for the Quarter ended June 30, 2026

₹ in Lakh

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended			Year ended	Quarter ended			Year ended
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
		30.06.2026	31.03.2026	30.06.2025	31.03.2026	30.06.2026	31.03.2026	30.06.2025	31.03.2026
1	Interest earned (a)+(b)+(c)+(d)	19,94,932	19,47,586	18,35,219	75,16,127	20,09,690	19,57,337	18,46,661	75,61,328
	(a) Interest/ discount on advances/bills	14,35,826	14,05,495	12,79,228	53,47,233	14,44,435	14,15,224	12,87,107	53,79,331
	(b) Income on Investments	4,53,216	4,46,077	4,62,361	18,05,048	4,59,385	4,48,502	4,66,046	18,19,256
	(c) Interest on balances with RBI and other inter bank funds	67,905	47,494	83,291	2,77,690	67,886	45,091	83,169	2,76,585
	(d) Others	37,985	48,520	10,339	86,156	37,984	48,520	10,339	86,156
2	Other Income	2,57,915	3,20,952	2,16,610	9,87,427	2,61,538	3,27,950	2,21,101	10,03,628
3	TOTAL INCOME (1 + 2)	22,52,847	22,68,538	20,51,829	85,03,554	22,71,228	22,85,287	20,67,762	85,64,956
4	Interest expended	13,11,678	12,74,567	12,28,408	49,98,851	13,15,584	12,78,457	12,32,083	50,13,949
5	Operating expenses (e)+(f)	4,36,061	4,91,400	4,22,483	17,99,830	4,41,845	4,98,676	4,28,687	18,25,056
	(e) Employees cost	2,60,251	2,81,143	2,39,619	10,31,177	2,63,999	2,84,621	2,42,005	10,44,967
	(f) Other operating expenses (All items exceeding 10% of the total expenditure excluding interest expenditure may be shown separately)	1,75,810	2,10,257	1,82,864	7,68,653	1,77,846	2,14,055	1,86,682	7,80,089
6	TOTAL EXPENSES (4)+(5) (excluding Provisions and Contingencies)	17,47,739	17,65,967	16,50,891	67,98,681	17,57,429	17,77,133	16,60,770	68,39,005
7	OPERATING PROFIT (3)-(6) (Profit before Provisions and Contingencies)	5,05,108	5,02,571	4,00,938	17,04,873	5,13,799	5,08,154	4,06,992	17,25,951
8	Provisions (other than tax) and Contingencies	96,360	98,976	1,09,608	3,10,307	97,112	1,00,218	1,11,212	3,18,801
	of which provision for Non-performing Assets	1,14,411	1,21,068	1,10,441	3,39,267	1,14,735	1,22,090	1,11,475	3,46,335
9	Exceptional items	-	-	-	-	-	-	(51,880)	(51,880)
10	Profit / (Loss) from Ordinary Activities before tax (7)-(8)-(9)	4,08,748	4,03,595	2,91,330	13,94,566	4,16,687	4,07,935	2,43,900	13,55,270
11	Tax Expense	1,01,958	1,02,016	66,118	3,41,851	1,02,841	1,02,970	67,505	3,46,344
12	Net Profit / (Loss) from Ordinary Activities after tax(7)-(8)-(11)	3,06,790	3,01,579	2,25,212	10,52,715	3,13,846	3,04,966	1,76,395	10,08,926
	Less : Minority Interest					140	114	95	295
	Add : Share of earnings in Associates					16,552	3,924	6,656	21,999
13	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-	-
14	Net Profit(+)/Loss(-) for the period	3,06,790	3,01,579	2,25,212	10,52,715	3,30,258	3,08,776	1,82,956	10,30,630
15	Paid-up equity share capital (Face value ₹ 10/- each)	4,55,341	4,55,341	4,55,341	4,55,341	4,55,341	4,55,341	4,55,341	4,55,341
16	Reserves excluding Revaluation Reserve				75,47,654				77,38,068

BANK OF INDIA H.O. FINANCE DEPT.

A. BAFNA & CO. FRN 003860C Chartered Accountants

S. JAYKISHAN KOLKATA FRN 309005E Chartered Accountants

SCV & Co. LLP NEW Delhi Chartered Accountants

SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

Classification: Internal

₹ in Lakh

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended			Year ended	Quarter ended			Year ended
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
		30.06.2026	31.03.2026	30.06.2025	31.03.2026	30.06.2026	31.03.2026	30.06.2025	31.03.2026
17	Analytical Ratios								
	(i) Percentage of shares held by Government of India	73.38%	73.38%	73.38%	73.38%	73.38%	73.38%	73.38%	73.38%
	(ii) Capital Adequacy Ratio (Basel III)	18.69%	18.01%	17.39%	18.01%	19.28%	18.58%	17.90%	18.58%
	(a) CET 1 Ratio	15.97%	15.05%	14.52%	15.05%	16.59%	15.66%	15.06%	15.66%
	(b) Additional Tier 1 Ratio	0.30%	0.30%	0.62%	0.30%	0.30%	0.30%	0.62%	0.30%
	(iii) Earnings per Share (EPS) (₹)								
	a) Basic EPS	6.74	6.62	4.95	23.12	7.25	6.78	4.02	22.64
	Diluted EPS (before Extraordinary items (net of tax expenses) for the period, for the year to date and for the previous year (Not annualised))	6.74	6.62	4.95	23.12	7.25	6.78	4.02	22.64
	b) Basic EPS	6.74	6.62	4.95	23.12	7.25	6.78	4.02	22.64
	Diluted EPS (after Extraordinary items for the period, for the year to date and for the previous year (Not annualised))	6.74	6.62	4.95	23.12	7.25	6.78	4.02	22.64
	(iv) NPA Ratios								
	(a) Amount of gross non-performing assets	14,45,354	15,30,601	19,64,020	15,30,601				
	(b) Amount of net non-performing assets	4,01,859	4,24,997	4,94,989	4,24,997				
	(c) Percentage of Gross NPAs	1.81%	1.98%	2.92%	1.98%				
	(d) Percentage of Net NPAs	0.51%	0.56%	0.75%	0.56%				
	(v) Return on Assets (Annualised)	1.01%	1.01%	0.82%	0.93%				
	(vi) Net Worth	76,94,034	75,27,811	66,86,230	75,27,811	78,90,859	77,05,575	68,36,318	77,05,575
	(vii) Outstanding redeemable preference shares	-	-	-	-	-	-	-	-
	(viii) Capital Redemption Reserve	-	-	-	-	50	50	50	50
	(ix) Debenture Redemption Reserve	-	-	-	-	-	-	-	-
	(x) Debt-Equity ratio*	0.71	0.78	0.57	0.78				
	(xi) Total Debt to Total Assets Ratio *	9.67%	10.19%	11.96%	10.19%				
	(xii) Operating Margin (%)	22.42%	22.15%	19.54%	20.05%	22.62%	22.24%	19.68%	20.15%
	(xiii) Net Profit Margin (%)	13.62%	13.29%	10.98%	12.38%	14.54%	13.51%	8.85%	12.03%

(*) Debt represents borrowings with residual maturity of more than one year. Total *Debt* represents total borrowings of the Bank.
Note: Disclosure of Interest Service Coverage Ratio & Debt Service Coverage Ratio is not applicable to the Bank.

BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

A. BAFNA & CO. FRN 003660C Chartered Accountants

S. JAYKISHAN KOLKATA FRN: [illegible]005E Chartered Accountants

SCV & Co. LLP NEW Delhi Chartered Accountants

SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

Classification: Internal

बैंक ऑफ़ इंडिया **Bank of India BOI**

Segment Information

Part A: Business Segments

₹ in Lakh

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended			Year ended	Quarter ended			Year ended
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
		30.06.2026	31.03.2026	30.06.2025	31.03.2026	30.06.2026	31.03.2026	30.06.2025	31.03.2026
1	Segment Revenue								
	a) Treasury Operations	5,76,871	5,34,693	6,38,275	23,26,762	5,76,871	5,34,693	6,38,275	23,23,175
	b) Wholesale Banking Operations	7,91,965	8,17,566	6,77,477	29,01,127	8,05,561	8,30,124	6,90,364	29,53,363
	c) Retail Banking Operations	8,61,573	9,05,279	7,46,762	32,91,075	8,61,573	9,05,279	7,46,762	32,91,075
	(i) Digital Banking	17	17	14	62	17	17	14	62
	(ii) Other Retail Banking	8,61,556	9,05,262	7,46,748	32,91,013	8,61,556	9,05,262	7,46,748	32,91,013
	d) Unallocated	44,809	32,748	8,208	64,509	49,594	36,938	11,254	77,262
	Total	22,75,218	22,90,286	20,70,722	85,83,473	22,93,599	23,07,034	20,86,655	86,44,875
	Less : Inter Segment Revenue	22,371	21,748	18,893	79,919	22,371	21,748	18,893	79,919
	Net Segment Revenue (Income)	22,52,847	22,68,538	20,51,829	85,03,554	22,71,228	22,85,286	20,67,762	85,64,956
2	Segment Results- Profit / (Loss) before tax								
	a) Treasury Operations	1,60,702	1,70,138	1,92,853	6,82,692	1,77,254	1,74,061	1,47,629	6,49,224
	b) Wholesale Banking Operations	1,53,835	1,65,208	28,470	2,81,023	1,58,810	1,68,753	32,585	2,95,115
	c) Retail Banking Operations	1,31,718	1,39,967	1,49,605	7,28,157	1,31,718	1,39,967	1,49,605	7,28,157
	(i) Digital Banking	(18)	(16)	(9)	(58)	(18)	(16)	(9)	(58)
	(ii) Other Retail Banking	1,31,736	1,39,983	1,49,614	7,28,215	1,31,736	1,39,983	1,49,614	7,28,215
	d) Unallocated	(37,507)	(71,718)	(79,598)	(2,97,306)	(34,683)	(71,036)	(79,358)	(2,95,522)
	Total	4,08,748	4,03,595	2,91,330	13,94,566	4,33,099	4,11,745	2,50,461	13,76,974
	Less : i) Other Un-allocable expenditure	-	-	-	-	-	-	-	-
	ii) Un-allocable income	-	-	-	-	-	-	-	-
	Total Profit Before Tax	4,08,748	4,03,595	2,91,330	13,94,566	4,33,099	4,11,745	2,50,461	13,76,974
	Tax Expense	1,01,958	1,02,016	66,118	3,41,851	1,02,841	1,02,969	67,505	3,46,344
	Net Profit after Tax	3,06,790	3,01,579	2,25,212	10,52,715	3,30,258	3,08,776	1,82,956	10,30,630
3	Segment Assets								
	a) Treasury Operations	3,68,46,803	3,66,46,814	3,62,54,049	3,66,46,814	3,69,64,901	3,67,52,781	3,63,44,673	3,67,52,781
	b) Wholesale Banking Operations	4,39,02,541	4,27,11,558	3,94,67,696	4,27,11,558	4,43,20,489	4,31,69,212	3,98,69,745	4,31,69,212
	c) Retail Banking Operations	3,57,34,330	3,40,93,546	2,94,05,161	3,40,93,546	3,57,34,330	3,40,93,546	2,94,05,161	3,40,93,546
	(i) Digital Banking	1,057	1,110	882	1,110	1,057	1,110	882	1,110
	(ii) Other Retail Banking	3,57,33,273	3,40,92,436	2,94,04,279	3,40,92,436	3,57,33,273	3,40,92,436	2,94,04,279	3,40,92,436
	d) Unallocated	28,36,330	28,91,361	16,09,123	28,91,361	39,12,651	39,39,620	24,16,617	39,39,620
	Total Assets	11,93,20,004	11,63,43,279	10,67,36,029	11,63,43,279	12,09,32,371	11,79,55,159	10,80,36,196	11,79,55,159
4	Segment Liabilities								
	a) Treasury Operations	3,46,94,097	3,45,07,081	3,37,83,877	3,45,07,081	3,46,94,097	3,45,07,081	3,37,83,877	3,45,07,081
	b) Wholesale Banking Operations	4,16,41,247	4,06,78,694	3,74,91,721	4,06,78,694	4,20,17,965	4,10,87,221	3,78,69,850	4,10,87,221
	c) Retail Banking Operations	3,33,06,648	3,16,13,127	2,67,43,774	3,16,13,127	3,33,06,648	3,16,13,127	2,67,43,774	3,16,13,127
	(i) Digital Banking	1,057	1,110	891	1,110	1,057	1,110	891	1,110
	(ii) Other Retail Banking	3,33,05,591	3,16,12,017	2,67,42,883	3,16,12,017	3,33,05,591	3,16,12,017	2,67,42,883	3,16,12,017
	d) Unallocated	7,82,486	7,45,355	7,79,994	7,45,355	18,14,697	17,51,875	15,46,478	17,51,875
	Total Liabilities	11,04,24,478	10,75,44,257	9,87,99,366	10,75,44,257	11,18,33,407	10,89,59,304	9,99,43,979	10,89,59,304
5	Capital Employed								
	(Segment Assets - Segment Liabilities)								
	a) Treasury Operations	21,52,706	21,39,732	24,70,172	21,39,732	22,70,804	22,45,700	25,60,796	22,45,700
	b) Wholesale Banking Operations	22,61,294	20,32,864	19,75,975	20,32,864	23,02,524	20,81,991	19,99,895	20,81,991
	c) Retail Banking Operations	24,27,682	24,80,420	26,61,387	24,80,420	24,27,682	24,80,420	26,61,387	24,80,420
	(i) Digital Banking	-	-	(9)	-	-	-	(9)	-
	(ii) Other Retail Banking	24,27,682	24,80,420	26,61,396	24,80,420	24,27,682	24,80,420	26,61,396	24,80,420
	d) Unallocated	20,53,844	21,46,006	21,79,[illegible]	21,46,006	21,87,744	21,87,744	[illegible]	21,87,744
	Total Capital Employed	88,95,526	87,99,022	79,[illegible]	87,99,022	90,98,[illegible]	89,95,855	[illegible]	89,95,855

BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

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Classification: Intb

बैंक ऑफ़ इंडिया **Bank of India BOI**

Part B: Geographical Segments

₹ in Lakh

Sr. No.	Particulars	Standalone				Consolidated			
		Quarter ended			Year ended	Quarter ended			Year ended
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
		30.06.2026	31.03.2026	30.06.2025	31.03.2026	30.06.2026	31.03.2026	30.06.2025	31.03.2026
I	Revenue								
	a) Domestic	20,28,432	20,05,787	18,20,376	75,34,776	20,33,217	20,09,978	18,23,422	75,47,529
	b) International	2,24,415	2,62,751	2,31,453	9,68,778	2,38,011	2,75,308	2,44,340	10,17,427
	Total	22,52,847	22,68,538	20,51,829	85,03,554	22,71,228	22,85,286	20,67,762	85,64,956
II	Assets								
	a) Domestic	10,35,31,467	9,91,56,663	8,93,32,693	9,91,56,663	10,46,99,148	10,03,03,352	9,02,27,374	10,03,03,352
	b) International	1,57,88,537	1,71,86,616	1,74,03,336	1,71,86,616	1,62,33,223	1,76,51,807	1,78,08,822	1,76,51,807
	Total	11,93,20,004	11,63,43,279	10,67,36,029	11,63,43,279	12,09,32,371	11,79,55,159	10,80,36,196	11,79,55,159

Note: There are no significant Other Banking Operations carried on by the Bank.

Allocations of costs :

a) Expenses directly attributable to particular segment are allocated to the relative segment.

b) Expenses not directly attributable to a specific segment are allocated in proportion to number of employees/business managed.

As per RBI guidelines Bank has reported Digital Banking Segment as a sub-segment of Retail Banking Segment . The Bank has commenced two Digital Banking Units (DBUs) and the segment information related to the said DBUs is reported under Digital Banking.

Statement of Assets & Liabilities

₹ in Lakh

Particulars	Standalone			Consolidated		
	Reviewed	Audited	Reviewed	Reviewed	Audited	Reviewed
	30.06.2026	31.03.2026	30.06.2025	30.06.2026	31.03.2026	30.06.2025
CAPITAL AND LIABILITIES						
Capital	4,55,341	4,55,341	4,55,341	4,55,341	4,55,341	4,55,341
Reserves and Surplus	84,40,186	83,43,681	74,81,322	86,43,624	85,40,514	76,36,876
Minority Interest				17,070	17,832	16,645
Deposits	9,57,92,385	9,27,27,088	8,33,69,796	9,61,28,640	9,30,97,341	8,36,22,140
Borrowings	1,15,34,140	1,18,59,154	1,27,66,349	1,15,37,575	1,18,62,589	1,27,69,509
Other Liabilities and provisions	30,97,952	29,58,015	26,63,221	41,50,121	39,81,542	35,35,685
Total	11,93,20,004	11,63,43,279	10,67,36,029	12,09,32,371	11,79,55,159	10,80,36,196
ASSETS						
Cash and balances with Reserve Bank of India	47,08,901	47,30,007	51,58,533	47,39,357	47,66,042	51,82,085
Balances with bank and money at call and short notice	55,03,594	51,60,479	52,75,256	54,85,393	51,92,896	52,95,156
Investments	2,69,54,109	2,68,62,930	2,71,72,407	2,80,50,561	2,79,08,373	2,79,77,070
Advances	7,87,34,009	7,60,33,488	6,57,75,385	7,91,72,933	7,64,65,147	6,61,73,632
Fixed Assets	11,64,852	11,74,934	11,97,425	11,76,993	11,87,709	12,08,288
Other Assets	22,54,539	23,81,441	21,57,023	23,07,134	24,34,992	21,99,965
Total	11,93,20,004	11,63,43,279	10,67,36,029	12,09,32,371	11,79,55,159	10,80,36,196

BANK OF INDIA H. O. FINANCE DEPT — A. BAFNA & CO. FRN 003660C Chartered Accountants — S. JAYKISHAN KOLKATA FRN 309005E Chartered Accountants — SCV & Co. LLP NEW Delhi Chartered Accountants — SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

Classification: Internal

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Bank of India BOI

Notes forming part of Standalone and Consolidated financial results for the quarter ended June 30, 2026:-

1. The above financial results for the quarter ended June 30, 2026 have been reviewed by the Audit Committee of Board and approved by the Board of Directors at their respective meetings held on July 24, 2026. The same have been reviewed by the Statutory Central Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

2. The above financial results have been arrived at after considering necessary provisions for non-performing assets, standard assets, restructured advances, stressed sector accounts, standard derivative exposures, unhedged foreign currency exposure and investment depreciation on the basis of extant guidelines issued by Reserve Bank of India (RBI). Provision for employee benefits have been made on actuarial basis. Other usual and necessary provisions have been made on estimated basis as per RBI's specific directions, judicial pronouncements and applicable accounting standards issued by The Institute of Chartered Accountants of India.

3. The Bank has applied its significant accounting policies in the preparation of these financial results that are consistent with those followed in the annual financial statements for the year ended March 31, 2026.

4. As per extant RBI guidelines banks are required to make Pillar 3 disclosures including Leverage ratio, Liquidity Coverage ratio and Net stable funding ratio under Basel III framework. Accordingly, the Bank has made such disclosures which are available on Banks' website at the link "https://bankofindia.bank.in/basel-iii-disclosures". These disclosures have not been subjected to audit/review by the Statutory Central Auditors of the Bank.

5. Other Income includes commission and brokerage income, fee and other charges, profit/ loss on sale of fixed assets (net), profit/ loss on revaluation of investments (net) (FVTPL and HFT), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

6. The consolidated financial results have been prepared in accordance with the Accounting Standard – 21 "Consolidated Financial Statements", Accounting Standard – 23 "Accounting for Investments in Associates in Consolidated Financial Statements", and Accounting Standard – 27 "Financial Reporting of Interest in Joint Venture" issued by The Institute of Chartered Accountants of India and guidelines issued by RBI.

7. In accordance with SEBI (LODR) Regulations, 2015, for the purpose of consolidated financial results for the quarter ended June 30, 2026, minimum eighty percent (80%) of each of consolidated revenue, assets and profits have been subjected to review.

BANK OF INDIA H.O. FINANCE DEPT.

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Classification: Internal

8. The consolidated financial results of the Group comprise the financial results of 4 Domestic Subsidiaries, 4 Overseas Subsidiaries, 1 Joint venture and 4 Associates (including 1 Regional Rural Banks) which are as under:

Subsidiaries:

i. BOI Services Limited (formerly known as BOI Shareholding Limited)
ii. Bank of India Investment Managers Private Limited
iii. Bank of India Trustee Services Private Limited
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia TBK
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

Joint Venture:

i. Star Union Dai-ichi Life Insurance Company Limited

Associates:

i. Madhya Pradesh Gramin Bank
ii. Indo Zambia Bank Limited
iii. STCI Finance Limited
iv. ASREC (India) Limited

9. During the quarter ended June 30, 2026, the Bank has infused additional capital of ₹ 22.64 Crore in one of its associate, (ASREC) (India) Ltd. and recognized Capital Reserve of ₹ 2.56 Crore. Post allotment of equity shares, the shareholding of the bank in the said associate has increased to 27.30% from 26.02%.

10. In terms of Reserve Bank of India circular No. RBI/2026-27 /83 DOR.MRG.REC.No.71/ 00-00-001/2026-27 dated May 18, 2026, the Second Amendment Directions, 2026 pertaining to the Classification, Valuation and Operation of Investment Portfolio, the Bank has transferred Investment Fluctuation Reserve (IFR) amounting to ₹ 1394.59 Crore to General Reserve (Revenue and Other Reserve) during the quarter ended June 30, 2026.

11. In accordance with RBI circular no.DBR No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances", as amended from time to time, the details of MSME restructured accounts as on June 30, 2026 is as under:

No. of accounts restructured	Amount (₹ in Crore)
6,252	239.97

12. In terms of Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 - DOR.STR.REC.84/21.04.048/2025-26 dated November 28, 2025 all accounts having total Banking exposure of ₹ 1500 Crore and above, the Bank is holding additional provision of ₹ 874.11 Crore as on June 30, 2026, in respect of 4 borrower accounts, where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period is detailed below:

Classification-Internal

(₹ in Crore)

Amount of loans impacted by RBI Circular (FB+NFB)	Amount of NPA loans as on 30.06.2026 out of (a) (FB+NFB)	Amount of FB NPA loans as on 30.06.2026 out of (b)	Amount of Standard loans as on 30.06.2026 out of (a)	Total Additional Provision held as on 31.03.2026	Additional Provision / (Reversal) made during the quarter ended 30.06.2026	Total Additional Provision held as on 30.06.2026
(a)	(b)	©	(d)	(e)	(f)	(g)
2,497.44	54.22	-	2,443.22	1,190.56	(316.45)	874.11

13. In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 –Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured as on 30.06.2026 are as under:

No. of Accounts	Amount (₹ in Crore)
17,155	709.31

14. Details of Loans transferred /acquired during the quarter ended June 30, 2026 in terms RBI DOR.STR.REC.No.78/21.04.048/2025-26 – Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025:

a. Details of loans transferred that are not in default or Special Mention Accounts (SMA) during the quarter June 30, 2026:

Particulars	Assignment	Novation	Loan Participation
Aggregate amount of loans transferred (₹ in Crore)	NIL	NA	NA
Weighted Average residual maturity (in months)	NIL	NA	NA
Weighted Average holding period by the originator (in months)	NIL	NA	NA
Retention of beneficial economic interest by the originator (%)	NIL	NA	NA
Tangible security Cover (in times)	NIL	NA	NA

b. Details of loans not in default that are acquired during the quarter ended June 30, 2026 – Direct Assignment :

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Particulars	Assignment	Novation	Loan Participation
Aggregate amount of loans acquired (₹ in Crore)	1,382.32	NA	NA
Weighted Average residual maturity (in months)	151.16	NA	NA
Weighted Average holding period by the originator (in months)	10.12	NA	NA
Retention of beneficial economic interest by the originator (%)	12.05	NA	NA
Tangible security Cover (in times)	3.27	NA	NA

Co-Lending:

Particulars	Assignment	Novation	Loan Participation
Aggregate amount of loans acquired (₹ in Crore)	25.74	NA	NA
Weighted Average residual maturity (in months)	175.42	NA	NA
Weighted Average holding period by the originator (in months)	2.78	NA	NA
Retention of beneficial economic interest by the originator (%)	20.00	NA	NA
Tangible security Cover (in times)	2.18	NA	NA

The rating of obligors accounts is not applicable as maximum exposure undertaken in the pool of obligors is less than Rs.25.00 Crore.

c. Details of Stressed loans acquired during the quarter ended June 30, 2026 (for loans classified as NPA and SMA):

(₹ in Crore)

Sr. No.	Particulars	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
a.	Aggregate principal outstanding of loans acquired	NIL	NIL
b.	Aggregate consideration paid	NIL	NIL
c.	Weighted average residual tenor of loans acquired (in months)	NIL	NIL

Classification - Internal

d. Details of Stressed Loans (NPAs) transferred during the quarter ended June 30, 2026 :

(₹ in Crore)

Sr. No.	Particulars	To ARCs	To permitted transferees	To other transferees
a.	No. of accounts	3	1	--
b.	Aggregate principal outstanding of loans transferred	113.00	36.41	--
c.	Weighted average residual tenor of the loans transferred (in months)	--	--	--
d.	Net book value of the loans transferred (at the time of transfer)	--	--	--
e.	Aggregate consideration	100.19	13.55	--
f.	Additional consideration realized in respect of accounts transferred in earlier years	--	--	--
g.	Quantum of excess provisions reversed to the Profit & Loss account on account of sale of stressed loans	81.25	9.92	--

e. Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on June 30, 2026:

Recovery Rating Band	Carrying Value (₹ in Crore)
RR1+	32.61
RR1	317.07
RR2	0.00
RR3	0.00
RR4	0.00
RR5	0.00
Unrated	79.74
Total	429.42

15. In respect of RBI referred NCLT accounts (List 1 & 2) as on June 30, 2026, Bank holds 100% provision of the aggregate outstanding value of ₹ 2,905.30 Crore.

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16. Details of Co-Lending Arrangements (CLAs) on an aggregate basis as per Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 are as under:

Sr.No.	Particulars	June 30, 2026
1	Number of CLA Partners	NIL
2	Quantum of CLA (₹ in Crore)	NIL
3	Weighted average rate of interest (%)	NIL
4	Fees paid (₹ in Crore)	NIL
5	Broad sectors in which CLA was made	NIL
6	Performance of loans under CLA -Standard (₹ in Crore) -NPA (₹ in Crore)	NIL
7	Details related to default loss guarantee, if any	NIL

17. Details of the projects under implementation as per Reserve Bank of India (Commercial Banks- Financial Statements, Presentation and Disclosures) Directions, 2025 dated November 28, 2025:

Sr. No.	Item Description	Number of accounts	Total outstanding (₹ crore)
1	Projects under implementation accounts at the beginning of the quarter.	201	7,176
2	Projects under implementation accounts sanctioned during the quarter.	21	1,995
3	Projects under implementation accounts where DCCO has been achieved during the quarter.	22	744
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	200	8,427
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	40	1,877
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	40	1,877
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	-	-
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	-	-

Classification: Internal

7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded.	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously.	-	-
7.2	Out of '7', accounts where SBCF was not presanctioned or renewed continuously.	-	-
7.3	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	-	-
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	-	-
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	-	-
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

18. Details of frauds are as under:

Particulars	30.06.2026
Number of frauds reported	*35
Amount involved in fraud (₹ in Crore)	855.01
Amount of provision made for such frauds (₹ in Crore)	**326.73
Amount of Unamortised provision debited from 'Other Reserve' as at the end of the quarter (₹ in Crore)	Nil

*This includes 09 cases pertaining to earlier years, which were deactivated and which were re-reported as fraud cases on re-examination, with amount involved of ₹ 766.48 Crore and outstanding balance as on June 30, 2026 of ₹ 243.49 Crore.

**The Bank is holding 100% provision in respect of amount outstanding ₹ 326.73 Crore as on June 30, 2026.

19. During the quarter ended June 30, 2026 the Bank has done following Priority Sector Lending Certificate (PSLCs) transactions in e-Kuber portal of RBI:

(₹ in Crore)

PSLC category	Amount Sold	Amount Purchased	Commission earned	Commission paid
Small Farmer and Marginal Farmer	10,000	Nil	276.94	Nil

20. The Provision Coverage Ratio (including Technical written off accounts) of the Bank as on June 30, 2026 is 93.83% (93.57% as on March 31, 2026).

Classification: Internal

21. As per Reserve Bank of India (Commercial Banks- Financial Statements, Presentation and Disclosures) Directions, 2025 dated November 28, 2025, miscellaneous items exceeding 1% of the total income during the quarter ended June 30, 2026 is as under:

Item under the Sub Head	₹ in Crore	% of Total Income
Other Income –Miscellaneous Income- Recoveries in written off Accounts	609.44	2.71
Commission received on sale of PSLCs	276.94	1.23

22. During the last financial year 2025-26 the Government of India, vide gazette notification CG-DL-E-07042025-262329 dated 07.04.2025, had provided for the amalgamation of Regional Rural Banks (RRBs) into a single Regional Rural Bank (RRB) in different states effective from 01.05.2025.

    Accordingly, during the quarter ended June 30, 2025, two Regional Rural Banks sponsored by the Bank were transferred to other Sponsor Banks and amount of ₹ 518.80 Crore (net) was debited to the Consolidated Profit and Loss Account towards reversal of difference between the carrying value of investments as on 01.05.2025 and the proceeds received for capital redemption from such RRBs. The loss arisen from the transfer of RRBs has been shown under exceptional item in the Consolidated Financial Results.

23. The Government of India has notified four New Labour Codes subsuming 29 legislations relating thereto effective November 21, 2025. Based on the broad assessment carried out by the management, the Bank continues to comply with the major provisions having financial impact. The rules relating to said Labour Codes are yet to be notified and any resultant impact arising out of the same shall be taken care on such notification.

24. As per RBI Circular no. RBI/2022-23/19 DOR.AUT.REC.12/22.01.001/2022-23 dated April 7, 2022 on establishment of Digital Banking units (DBUs) and reporting of Digital Banking segment as a Sub-Segment of Retail Banking Segment under Accounting Standard-17 "Segment Reporting", Bank has reported Digital Banking Segment as a Sub-Segment of Retail Banking Segment.

25. Details of Number of Investors complaints received and disposed-off during the quarter ended June 30, 2026 :

i)	Pending at the beginning of the quarter	Nil
ii)	Received during the quarter	03
iii)	Resolved during the quarter	03
iv)	Pending at the end of the quarter	Nil

26. Figures of the previous period / year have been regrouped / reclassified, wherever considered necessary to conform to the current period's / year classification.

(B Kumar)
General Manager &
Chief Financial Officer

(Vikash Krishna)
Chief General Manager

(Pramod Dwibedi)
Executive Director

(Rajiv Mishra)
Executive Director

(Subrat Kumar)
Executive Director

(P. R. Rajagopal)
Executive Director

(Rajneesh Karnatak)
Managing Director & CEO

Place: Mumbai
Date: July 24, 2026

BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT

A. BAFNA & CO. FRN 003660C Chartered Accountants

S. JAYKISHAN KOLKATA FRN:309005E Chartered Accountants

SCV & Co. LLP NEW Delhi Chartered Accountants

SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100873 Chartered Accountants

S. Jaykishan Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071	**A. Bafna & Co.** Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001
SCV & Co. LLP Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017	**SARDA & PAREEK LLP** Chartered Accountants Mahavir Apartment, Third Floor, 598, M. G. Road, Near Suncity Cinema, Vile Parle East, Mumbai – 400057

INDEPENDENT AUDITORS' REPORT

To
The Members of
Bank of India

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Bank of India ('the Bank'), which comprise the Balance Sheet as at March 31, 2026, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

   (i) The Head Office (including various verticals), 13 FGMOs, 1 Treasury Branch and 20 Domestic Branches audited by us
   (ii) 1821 Domestic Branches and Processing Centres audited by the respective Statutory Branch Auditors and
   (iii) 22 Foreign Branches audited by respective Local Auditors.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India.

   Also incorporated in the Balance Sheet, the Profit and Loss Account, and Cash Flow Statement are the returns from 4180 domestic branches/ Processing Centres and Nil foreign branch which have not been subjected to audit. These unaudited branches and other offices account for 17.42% of advances, 29.60% of deposits, 13.96% of interest income and 23.03% of interest expended for the year ended March 31, 2026 and 16.52% of Non-performing asset as at March 31, 2026.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 in the manner so required for the bank and are in conformity with accounting principles generally accepted in India and:

   a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at March 31, 2026;
   b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit; and
   c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the Standalone Financial Statements prepared in accordance with the accounting principles generally accepted in India, including the ICAI Accounting Standards, as amended from time to time subject to Directions/Guidelines issued by the Reserve Bank of India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We believe that the audit evidence obtained by us along with the consideration of audit reports of other auditors referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2026. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
1	Compliance of Income Recognition, Asset Classification and Provisioning Norms on advances and investments as per guidelines issued by Reserve Bank of India (IRAC Norms) Advances: Bank has to classify the accounts as performing advances or non-performing advances based on the guidelines/ circulars and directives issued by Reserve Bank of India. The guidelines issued by Reserve Bank of India is for all credit facilities given by the bank and is to be mandatorily followed for the purpose of Income Recognition, Asset Classification and Provisioning.	We have carried out the audit of the advances and investments based on the IRAC Norms/Circulars and directives issued by Reserve Bank of India and the policy of the Bank. Advances: Our audit procedure included: a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of advances. b) Testing on sample basis whether the classification of advances as performing or non-performing and provisioning have been carried out as per the guidelines of Reserve Bank of India.

	The bank has implemented IRAC automation software for identification and classification of NPA as per the guidelines issued by Reserve Bank of India. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the Standalone Financial Statements of the bank.	c) Communication to the Statutory Branch Auditors (SBAs) to verify the compliance of IRAC Norms and procedures and the policies adopted by the bank and reliance on the audit reports furnished by the SBAs. d) Carrying out substantive test on major advances including Specially Mentioned Accounts (SMA) and also verification of security by checking the valuation reports in respect of the audit of branches conducted by us. e) Reliance on the internal audit reports, concurrent audit reports, credit audit, system audit and special audits conducted by the bank.
	Investments: Bank has to classify the investments as performing or non-performing based on the guidelines/circulars and directives issued by Reserve Bank of India. Identification of performing and non-performing investments is generally system driven. The valuation is done as per the guidelines issued by Reserve Bank of India and the valuations are done based on the price quoted on BSE/NSE, FIMDA /FBIL rates etc. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the Standalone Financial Statements of the bank. Advances and Investments constitute 65.35% and 23.09% respectively of total assets of the bank. As advances and investments form part of a major portion of the business of the bank and the regulatory compliances are involved, we	Investments: Our audit procedure included: a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of investments. b) Testing on sample basis whether the classification and valuation of investments is carried out as per the guidelines of Reserve Bank of India. c) Verification on sample basis whether proper provision for depreciation in the value of investments is made as per RBI guidelines. d) Reliance made on the internal audit reports, concurrent audit reports and system audit conducted by the bank.

	have considered this aspect as Key Audit Matter.	
2	Evaluation of uncertain tax litigations and contingent liabilities The Bank has various litigations including Income-tax litigations, involving disputed claims against those litigations, which are pending at various courts / forums and are at various stages in the judicial process. Bank has also disputes regarding availability of input credits / applicability of Reverse Charge Mechanism on certain payments under Indirect Taxes.	Our audit procedure included: a) Understanding the current status of the litigations / tax assessments. Also obtained details of completed tax assessments and latest orders, communication received from various tax authorities and the appeals filed till the year ended March 31, 2026, from the management. b) Evaluating the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. This includes considering the legal precedence and other rulings in evaluating management's position on these uncertain tax positions
3	Assessment of Information Technology (IT): a. IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC norms, preparing Standalone Financial Statements and reporting of compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	Our audit procedure included: a) Obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit. b) Reviewed the Reports of various IS Auditors / Consultants appointed by the Bank and discussed with IT Department on compliance with key IT controls, including IRAC Automation Controls. c) Reviewed the design, implementation and operating effectiveness of the Bank's IT controls including application, access controls that are critical to financial reporting on test check basis. d) Where we identified the need to perform additional procedures, we placed reliance on manual compensating controls; such as reconciliations between systems and other information sources or performing additional testing; extended our sample sizes, to obtain adequate and appropriate audit evidence.

Other Matters

4. We did not audit the financial statements / financial information of 1843 branches and processing centres including 22 foreign branches included in the Standalone Financial Statements of the Bank whose financial statements/financial information reflects total assets of Rs. 4,61,757.92 Crores at March 31, 2026 and total revenue of Rs. 31,476.88 Crores for the year ended on that date as considered in the Standalone Financial Statements. These branches and processing centres cover 46.23 % of advances, 66.75% of deposits and 40.48% of Non performing assets as on March 31, 2026 and 37.84% of revenue for the period April 1, 2025 to March 31, 2026. The Financial statements/financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches and processing centres, are solely based on the report of such branch auditors.

   In conduct of our audit, we have taken note of the unaudited returns in respect of 4180 domestic branches/ processing centres and Nil foreign branch certified by the respective branch's management. These unaudited branches cover 17.42 % of advances, 29.60 % of deposits and 16.52 % of non-performing assets as on March 31, 2026 and 14.86 % of revenue for the period April 1, 2025 to March 31, 2026.

   Our opinion is not modified in respect of these matters.

Information Other than the Standalone Financial Statements and Auditors Report thereon

5. The Bank's Board of Directors is responsible for the preparation of the Other Information. The other information comprises the information included in the Management report and Chairman's Statement (including annexures in the Annual Report) but does not include the Standalone Financial Statements and our Auditor's report thereon, which is expected to be made available for us after the date of this Auditors' Report.

   Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under Basel III Disclosure and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

   In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

   The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. As required by the RBI letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended), we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and other factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;
9. Subject to the limitations of the audit indicated in paragraphs on Auditor's Responsibilities (para 7), Management Responsibilities (para 6) and Other Matters (para 4) above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:
   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks–Reporting obligations for SCAs from FY: 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.
    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.
    c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.
    d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.
    e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting as required by the RBI Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) is given

in Annexure A to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting as at March 31, 2026.

11. We further report that:
   a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches and processing centres not visited by us;
   b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches and processing centres not visited by us;
   c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and
   d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India.

For S. Jaykishan
Chartered Accountants
(FRN: 309005E)

Ritesh Agarwal
Partner // ICAI M. No. 062410
UDIN: 26062410XKRXAL6507

For A. Bafna & Co.
Chartered Accountants
(FRN: 003660C)

Kartik Khandelwal
Partner // ICAI M. No. 426965
UDIN: 26426965ASBFHP7284

For SCV & Co. LLP
Chartered Accountants
(FRN:000235N / N500089)

Ashish Agarwal
Partner // ICAI M. No. 093790
UDIN: 26093790YAZYWD5968

For SARDA & PAREEK LLP
Chartered Accountants
(FRN:109262W/W100673)

Niranjan Joshi
Partner // ICAI M. No. 102789
UDIN: 26102789BZLGUE9361

Place: Mumbai
Date: May 8, 2026

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 10(e) of the Independent Auditors' Report of even date to the members of Bank of India on the Standalone Financial Statements for the year ended March 31, 2026

Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

Opinion

1. We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of Bank of India ("the Bank") as of March 31, 2026 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting with reference to Standalone Financial Statements of the Bank's branches.

2. In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the "Other Matters" paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements and such Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI").

Management's Responsibility for Internal Financial Controls

3. The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

7. A Bank's internal financial controls over financial reporting with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

9. Our aforesaid report, insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 1821 domestic branches and processing centres and 22 foreign branches is based on the corresponding reports of the respective branch auditors of those branches.

   Our opinion is not modified in respect of this matter

For S. Jaykishan
Chartered Accountants
(FRN: 309005E)

Ritesh Agarwal
Partner // ICAI M. No. 062410
UDIN: 26062410XKRXAL6507

For A. Bafna & Co.
Chartered Accountants
(FRN: 003660C)

Kartik Khandelwal
Partner // ICAI M. No. 426965
UDIN: 26426965ASBFHP7284

For SCV & Co. LLP
Chartered Accountants
(FRN:000235N / N500089)

Ashish Agarwal
Partner // ICAI M. No. 093790
UDIN: 26093790YAZYWD5968

For SARDA & PAREEK LLP
Chartered Accountants
(FRN:109262W/W100673)

Niranjan Joshi
Partner // ICAI M. No. 102789
UDIN: 26102789BZLGUE9361

Place: Mumbai
Date: May 8, 2026

BANK OF INDIA

BALANCE SHEET AS AT 31st MARCH, 2026

(000's Omitted)

	Schedule No	As at 31-03-2026 ₹	As at 31-03-2025 ₹
CAPITAL AND LIABILITIES			
Capital	1	4,55,34,070	4,55,34,070
Reserves and Surplus	2	83,43,68,081	74,04,80,346
Deposits	3	9,27,27,08,820	8,16,54,14,874
Borrowings	4	1,18,59,15,386	1,23,85,64,269
Other Liabilities and Provisions	5	29,58,01,509	23,58,25,907
TOTAL		11,63,43,27,866	10,42,58,19,466
ASSETS			
Cash and balances with Reserve Bank of India	6	47,30,00,679	51,73,04,253
Balances with Banks and money at call and short notice	7	51,60,47,893	48,55,04,826
Investments	8	2,68,62,93,034	2,59,11,18,048
Advances	9	7,60,33,48,819	6,49,65,70,414
Fixed Assets	10	11,74,93,418	11,93,87,144
Other Assets	11	23,81,44,023	21,59,34,781
TOTAL		11,63,43,27,866	10,42,58,19,466
Contingent Liabilities	12	6,65,20,27,629	6,43,64,94,068
Bills for Collection		27,91,61,746	27,99,73,822
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Pramod Dwibedi
Executive Director

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Manoj Muttathil Ayyappan | Ashok Narain | Jamuna Ravi | Prabodh Parikh

In terms of our report of even date attached

For S.Jaykishan	For A. Bafna & Co	For SCV & Co. LLP	For Sarda & Pareek LLP
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN: 309005E)	(FRN: 003660C)	(FRN: 000235N/N500089)	(FRN:109262W/W100673)
Ritesh Agarwal	Kartik Khandelwal	Ashish Agarwal	Niranjan Joshi
Partner	Partner	Partner	Partner
M. No. 062410	M. No.426965	M. No. 093790	M. No.102789

Place: Mumbai
Date : May 8, 2026

BANK OF INDIA

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2026

(000's Omitted)

	Schedule No.	For the Year ended 31-03-2026 ₹	For the Year ended 31-03-2025 ₹
INCOME			
Interest earned	13	75,16,12,687	70,82,62,982
Other income	14	9,87,42,756	8,99,36,226
TOTAL		85,03,55,443	79,81,99,208
EXPENDITURE			
Interest expended	15	49,98,85,143	46,43,23,503
Operating expenses	16	17,99,82,989	16,97,54,609
Provisions and Contingencies		6,52,15,786	7,19,30,897
TOTAL		74,50,83,918	70,60,09,009
PROFIT/(LOSS)			
Net Profit/(Loss) for the year		10,52,71,525	9,21,90,199
Add: Profit/(Loss) brought forward		12,70,43,976	7,27,81,447
TOTAL		23,23,15,501	16,49,71,646
APPROPRIATIONS			
Transfer to Statutory Reserve		2,63,20,000	2,30,50,000
Transfer to Investment Fluctuation Reserve		10,92,108	-
Transfer to Capital Reserve		42,04,100	21,30,200
Transfer to Revenue & Other Reserves		-	-
Dividend paid		1,84,38,305	1,27,47,470
Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	-
Balance in Profit and Loss Account		18,22,60,988	12,70,43,976
TOTAL		23,23,15,501	16,49,71,646
Significant Accounting Policies	17		
Notes to Accounts	18		
Earnings Per Share in ₹ (Basic and Diluted)		23.12	20.25

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Pramod Dwibedi
Executive Director

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Manoj Muttathil Ayyappan | Ashok Narain | Jamuna Ravi | Prabodh Parikh

In terms of our report of even date attached

For S.Jaykishan	For A. Bafna & Co	For SCV & Co. LLP	For Sarda & Pareek LLP
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN: 309005E)	(FRN: 003660C)	(FRN: 000235N/N500089)	(FRN:109262W/W100673)
Ritesh Agarwal	Kartik Khandelwal	Ashish Agarwal	Niranjan Joshi
Partner	Partner	Partner	Partner
M. No. 062410	M. No.426965	M. No. 093790	M. No.102789

Place: Mumbai
Date : May 8, 2026

BANK OF INDIA

Statement of Standalone Cash Flow for the Year ended 31st March, 2026

(₹ in '000)

Particulars	Year ended	Year ended
	31.03.2026	31.03.2025
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**13,94,56,672**	**12,43,44,442**
Adjustments for:		
Amortisation/Depreciation on Investments	2,97,000	(29,60,644)
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	46,33,579	(15,93,278)
Depreciation on Fixed Assets	72,03,902	59,40,916
Profit on sale of land, buildings and other assets	(23,79,278)	(20,30,017)
Provision for NPAs	3,39,26,711	4,59,27,180
Provision for Standard Assets	9,96,142	(38,70,612)
Provision for Other items	(38,92,214)	5,41,030
Interest on AT 1 & Tier II Bonds (treated separately)	2,09,93,039	1,30,24,745
Dividend received from Subsidaries/Joint Ventures/Associates	(6,53,148)	(3,60,826)
Adjustments for:		
Increase /(Decrease) in Deposits	1,10,72,93,946	78,62,12,816
Increase /(Decrease) in Borrowings	(3,41,28,883)	40,43,23,591
Increase / (Decrease) in Other Liabilities and Provisions	7,67,61,042	(89,81,290)
(Increase) / Decrease in Investments	(10,76,73,134)	(31,08,34,360)
(Increase)/ Decrease in Advances	(1,14,07,05,116)	(91,10,50,940)
(Increase) / Decrease in Other Assets	(5,32,53,039)	4,45,81,473
Cash Flow from Operating Activities before Income Tax	**4,88,77,221**	**18,32,14,227**
Direct Taxes (Paid)/Refund	(26,13,801)	(7,96,114)
Net Cash Flow from Operating Activities (A)	**4,62,63,420**	**18,24,18,113**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(61,42,763)	(69,69,448)
Sale of Fixed Assets	1,48,010	4,15,528
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	32,69,022	(20,15,049)
Dividend received from Subsidiaries, Joint Venture & Associates	6,53,148	3,60,827
Net Cash Flow from Investing Activities (B)	**(20,72,583)**	**(82,08,142)**
C. Cash Flow from Financing Activities:		
Share Capital	-	-
Share Premium	-	-
Issue/(redemption) of Tier II Capital bonds (Net)	(1,85,20,000)	2,50,00,000
Dividend (Interim & Final) paid	(1,84,38,305)	(1,27,47,470)
Interest on AT 1 & Tier II Bonds	(2,09,93,039)	(1,30,24,745)
Net Cash Flow from Financing Activities (C)	**(5,79,51,344)**	**(7,72,215)**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(1,37,60,507)**	**17,34,37,756**
Cash and Cash Equivalents as at the beginning of the year	**1,00,28,09,079**	**82,93,71,324**
Cash and Cash Equivalents as at the end of the year	**98,90,48,572**	**1,00,28,09,079**

Contd...

Classification: Internal

(₹ in '000)

Particulars	Year ended	Year ended
	31.03.2026	31.03.2025
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	47,30,00,679	51,73,04,253
Balances with Banks and money at call and short notice (Schedule 7)	51,60,47,893	48,55,04,826
Cash and Cash Equivalents as at the end of the period	**98,90,48,572**	**1,00,28,09,079**

Notes:

1. The Cash flow Statement has been prepared under the Indirect Method (AS-3) and figures of the previous year have been regrouped wherever considered necessary

2. Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

B Kumar
General Manager &
Chief Financial Officer

Sudhiranjan Padhi
Chief General Manager

Dwibedi
Executive Director

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

P R Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Manoj Muttathil Ayyappan **Ashok Narain** **Jamuna Ravi** **Prabodh Parikh**

In terms of our report of even date attached

For S.Jaykishan	For A. Bafna & Co	For SCV & Co. LLP	For Sarda & Pareek LLP
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN: 309005E)	(FRN: 003660C)	(FRN: 000235N/N500089)	(FRN:109262W/W100673)
Ritesh Agarwal	**Kartik Khandelwal**	**Ashish Agarwal**	**Niranjan Joshi**
Partner	**Partner**	**Partner**	**Partner**
M. No. 062410	**M. No. .426965**	**M. No. 093790**	**M. No. 102789**

Place: Mumbai
Date : May 8, 2026

Classification: Internal

(₹ in 000's)

	As at 31-03-2026 ₹	As at 31-03-2025 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹10 each	**6,00,00,000**	**6,00,00,000**
ISSUED CAPITAL		
Equity Shares 455,38,44,966 (Previous year 455,38,44,966) of ₹10 each	4,55,38,450	4,55,38,450
TOTAL	**4,55,38,450**	**4,55,38,450**
SUBSCRIBED AND PAID-UP CAPITAL		
455,26,67,866 Equity Shares (*) (Previous year 455,26,67,866) of ₹10 each	4,55,26,679	4,55,26,679
Add: Shares forfeited	7,391	7,391
TOTAL	**4,55,34,070**	**4,55,34,070**
* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹10 each fully paid up amounting to ₹ 3,34,08,617 (Previous year ended ₹ 3,34,08,617) is held by Central Government		
SCHEDULE - 2 : RESERVES AND SURPLUS		
I. Statutory Reserve :		
Opening Balance	13,37,08,842	11,06,58,842
Additions during the year	2,63,20,000	2,30,50,000
TOTAL (I)	**16,00,28,842**	**13,37,08,842**
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	8,26,66,513	6,81,87,030
Add: Additions during the year	7,23,009	1,58,02,420
Less: Adjustments during the year	15,82,852	(1,97,238)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	22,04,013	15,20,174
Total of (A)	**7,96,02,657**	**8,26,66,513**
B) Others		
i) Capital Reserve (On Sale of Investment in Subsidiary/Associate/Joint Venture)		
Opening Balance	-	-
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
Sub-total of (i)	-	-
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	3,63,46,779	3,42,16,579
Add: Additions during the year	42,04,100	21,30,200
Sub-total of (ii)	**4,05,50,879**	**3,63,46,779**
iii) Foreign Currency Translation Reserve		
Opening Balance	2,55,65,356	2,28,54,918
Add/ (Less) : Additions / Deductions during the year (Net)	1,27,60,997	27,10,438
Sub-total of (iii)	**3,83,26,353**	**2,55,65,356**
iv) Capital Reserve (On Sale of Equity under AFS)		
Opening Balance	-	-
Add: Additions during the year	-	-
Less : Deductions during the year	-	-
Sub-total of (iv)	-	-
Total of (B)	**7,88,77,232**	**6,19,12,135**
TOTAL (II)	**15,84,79,889**	**14,45,78,648**
III. Share Premium :		
Opening Balance	20,28,55,883	20,28,55,883
Add : Additions during the year	-	-
Less : Deductions/Utilization during the year	-	-
TOTAL (III)	**20,28,55,883**	**20,28,55,883**

Classification: Internal

(₹ in 000's)

	As at 31-03-2026 ₹	As at 31-03-2025 ₹
SCHEDULE - 2 : RESERVES AND SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	9,09,69,185	8,85,98,555
Add: Additions during the year	16,55,921	23,70,630
Less: Deductions during the year	-	-
Sub-total of IV(i)	**9,26,25,106**	**9,09,69,185**
ii) Investment Reserve Account :		
Opening Balance	-	40,65,618
Add: Additions during the year	-	-
Less: Transfer to Revenue Reserve	-	40,65,618
Sub-total of IV(ii)	-	-
iii) Investment Fluctuation Reserve :		
Opening Balance	1,28,53,771	1,28,53,771
Add: Additions during the year	10,92,108	-
Less: Deductions during the year	-	-
Sub-total of IV(iii)	**1,39,45,879**	**1,28,53,771**
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,62,00,000	2,62,00,000
Additions during the year	-	-
Sub-total of IV(iv)	**2,62,00,000**	**2,62,00,000**
TOTAL (IV)	**13,27,70,985**	**13,00,22,956**
V. AFS Reserve :		
Opening Balance	22,70,041	-
Add: Additions during the year	-	22,70,041
Less: Deductions during the year	42,98,547	-
Total	**(20,28,506)**	**22,70,041**
VI. Balance in Profit and Loss Account :	**18,22,60,988**	**12,70,43,976**
TOTAL (I TO VI)	**83,43,68,081**	**74,04,80,348**
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	38,48,372	54,84,792
ii) From Others	39,62,49,344	38,35,55,624
TOTAL (I)	**40,00,97,716**	**38,90,40,416**
II. Savings Bank Deposits	2,64,76,60,501	2,45,56,15,000
III. Term Deposits :		
i) From Banks	50,62,64,238	48,85,60,194
ii) From Others	5,71,86,86,365	4,83,21,99,264
TOTAL (III)	**6,22,49,50,603**	**5,32,07,59,458**
TOTAL A (I, II, III)	**9,27,27,08,820**	**8,16,54,14,874**
B. i) Deposits of branches in India	8,00,44,30,271	7,00,29,79,918
ii) Deposits of branches outside India	1,26,82,78,550	1,16,24,34,956
TOTAL (B)	**9,27,27,08,821**	**8,16,54,14,874**
Note: Total Deposits include lien marked deposits of ₹ 57,035 Crore (Previous year ₹ 49,572 Crore)		

Classification: Internal

(₹ in 000's)

SCHEDULE - 4 : BORROWINGS	As at 31-03-2026 ₹	As at 31-03-2025 ₹
I. Borrowings in India :		
i) Reserve Bank of India	12,00,00,000	30,00,00,000
ii) Other Banks		
a. Tier I Capital Bonds	47,30,000	74,90,000
b. Tier II Capital Bonds	87,40,000	90,90,000
c. Others	1,57,54,375	2,40,08,797
Total (ii)	**2,92,24,375**	**4,05,88,797**
iii) Other Institutions and Agencies		
a. Tier I Capital Bonds	1,02,70,000	2,10,30,000
b. Tier II Capital Bonds	7,92,60,000	8,39,10,000
c. Others	75,31,37,883	55,35,98,552
Total (iii)	**84,26,67,883**	**65,85,38,552**
Total (I)	**99,18,92,258**	**99,91,27,349**
II. Borrowings outside India		
a. Tier I Capital Bonds	-	-
b. Tier II Capital Bonds	-	-
c. Others	19,40,23,128	23,94,36,920
Total (II)	**19,40,23,128**	**23,94,36,920**
Total (I, II)	**1,18,59,15,386**	**1,23,85,64,269**
Secured borrowings included in I & II above	**64,83,87,883**	**73,04,98,552**

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,65,41,148	1,60,76,630
II. Inter-office adjustments (net)	49,02,600	29,64,920
III. Interest accrued	3,19,45,895	3,64,35,935
IV. Deferred Tax Liabilities	1,34,521	-
V. Others (Including Provisions)*	24,22,77,345	18,03,48,422
TOTAL	**29,58,01,509**	**23,58,25,907**

* Includes provision for Standard Assets ₹ 4,62,70,068 (Previous Year ₹ 4,47,42,848)

Classification: Internal

(₹ in 000's)

	As at 31-03-2026 ₹	As at 31-03-2025 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1,70,53,102	1,75,14,475
II. Balances with Reserve Bank of India : *		
i) In Current Account	30,87,69,478	39,86,11,207
ii) In Other Accounts	14,71,78,099	10,11,78,571
TOTAL (II)	**45,59,47,577**	**49,97,89,778**
TOTAL (I, II)	**47,30,00,679**	**51,73,04,253**
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	9,71,950	4,53,221
b) In Other Deposit Accounts	-	1,70,95,000
ii) Money at call and short notice		
a) With Banks	1,05,07,111	71,51,000
b) With Other Institutions	-	-
TOTAL (i and ii)	**1,14,79,061**	**2,46,99,221**
II. Outside India :		
i) In Current Accounts	1,91,38,217	1,08,04,245
ii) In Other Deposit Accounts	23,52,03,726	22,98,77,390
iii) Money at call and short notice	25,02,26,889	22,01,23,970
TOTAL (i, ii and iii)	**50,45,68,832**	**46,08,05,605**
TOTAL (I, II)	**51,60,47,893**	**48,55,04,826**
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	2,32,15,34,182	2,22,69,82,408
ii) Other approved Securities	-	-
iii) Shares	1,80,46,053	1,56,82,840
iv) Debentures and Bonds	15,62,56,985	15,17,05,700
v) Subsidiaries and/or Joint ventures (including Associates)	1,29,24,760	1,61,93,802
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	1,48,04,501	3,96,07,537
TOTAL (I)	**2,52,35,66,501**	**2,45,01,72,287**
Gross	2,52,91,54,908	2,44,56,15,372
Add/(Less): Appreciation/(Depreciation and Amortisation)	(55,88,407)	45,56,915
Net	**2,52,35,66,501**	**2,45,01,72,287**
II. Investments outside India :		
i) Government Securities (including local authorities)	12,15,83,372	10,21,45,390
ii) In Subsidiaries and/or joint ventures abroad	2,34,60,525	2,34,60,525
iii) Other Investments (Debentures, Bonds etc.)	1,76,82,636	1,53,39,846
TOTAL (II)	**16,27,26,533**	**14,09,45,761**
Gross	16,31,39,924	14,10,63,383
Add/(Less): Appreciation/(Depreciation and Amortisation)	(4,13,392)	(1,17,622)
Net	**16,27,26,533**	**14,09,45,761**
TOTAL (I, II)	**2,68,62,93,034**	**2,59,11,18,048**

(₹ in 000's)

	As at 31-03-2026 ₹	As at 31-03-2025 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	52,48,81,893	43,73,10,953
ii) Cash Credits, Overdrafts and Loans repayable on demand	2,83,07,17,992	2,55,46,96,307
iii) Term Loans	4,24,77,48,934	3,50,43,61,154
TOTAL (A)	**7,60,33,48,819**	**6,49,65,70,414**
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	5,54,23,01,266	4,66,01,59,039
ii) Covered by Bank/Government Guarantees	40,19,89,552	37,98,80,735
iii) Unsecured	1,65,90,58,001	1,45,65,30,640
TOTAL (B)	**7,60,33,48,819**	**6,49,65,70,414**
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	2,49,14,96,429	1,99,57,08,036
ii) Public Sector	1,40,56,80,468	1,25,74,28,680
iii) Banks	3,99,73,257	14,65,83,097
iv) Others	2,49,59,95,929	2,07,49,57,783
TOTAL (C-I)	**6,43,33,46,103**	**5,47,46,77,596**
II. Advances outside India :		
i) Due from Banks	35,70,85,763	36,78,70,788
ii) Due from others		
a) Bills Purchased and Discounted	9,24,18,126	7,42,42,311
b) Syndicated Loans	52,24,15,516	40,88,06,675
c) Others	19,80,83,311	17,09,73,044
TOTAL (C-II)	**1,17,00,02,716**	**1,02,18,92,818**
TOTAL (C - I, C - II)	**7,60,33,48,819**	**6,49,65,70,414**

SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	2,16,02,656	2,13,28,479
Add: Additions / Adjustments during the year	6,01,823	2,74,884
Less:Deductions / Adjustments during the year	1,576	707
Sub-total	**2,22,02,903**	**2,16,02,656**
Add: Additions to date on account of revaluation	8,18,40,898	8,32,68,793
Less : Depreciation to date (including on account of revaluation)	80,85,717	59,05,690
TOTAL -(I)	**9,59,58,084**	**9,89,65,759**
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	6,13,91,531	5,46,21,068
Add: Additions / Adjustments during the year	65,31,101	71,85,284
Less:Deductions / Adjustments during the year	4,02,287	4,14,821
Sub-total	**6,75,20,345**	**6,13,91,531**
Less: Depreciation to date	4,80,09,857	4,27,58,063
TOTAL (II)	**1,95,10,488**	**1,86,33,468**
III. CAPITAL WORK IN PROGRESS	**20,24,846**	**17,87,917**
TOTAL (I, II, III)	**11,74,93,418**	**11,93,87,144**

Classification: Internal

(₹ in 000's)

	As at 31-03-2026 ₹	As at 31-03-2025 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	-	-
II. Interest accrued	7,31,93,229	6,41,13,656
III. Tax paid in advance/tax deducted at source	1,66,26,977	4,01,69,245
IV. Stationery and Stamps	1,77,468	1,58,959
V. Deferred Tax Assets (Net)	55,34,314	1,30,35,844
VI. Others *	14,26,12,035	9,84,57,077
TOTAL	**23,81,44,023**	**21,59,34,781**
* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹1,64,36,274 (Previous Year ₹ 2,43,01,210)		
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	4,32,56,868	3,92,41,584
II. Liability for partly paid investments	5,60,709	5,24,446
III. Liability on account of outstanding forward exchange contracts	5,96,35,69,860	5,88,06,95,554
IV. Guarantees given on behalf of Constituents :		
a) In India	30,09,54,469	26,41,34,763
b) Outside India	2,81,51,566	2,77,47,972
V. Acceptances, endorsements and other obligations	21,47,90,836	17,43,05,732
VI. Derivative contracts other than listed at III above	5,46,52,203	91,38,000
VII. Other items for which the Bank is contingently liable	4,60,91,098	4,07,06,017
TOTAL	**6,65,20,27,629**	**6,43,64,94,068**

Classification: Internal

SCHEDULES TO PROFIT AND LOSS ACCOUNT

(₹ in 000's)

	For the Year ended 31-03-2026 ₹	For the Year ended 31-03-2025 ₹
SCHEDULE - 13 : INTEREST EARNED		
I. Interest/Discount on advances/bills	53,47,23,281	50,04,49,392
II. Income on Investments	18,05,04,791	17,20,50,348
III. Interest on balances with Reserve Bank of India and other Inter-bank funds	2,77,69,003	3,19,52,901
IV. Others	86,15,612	38,10,341
TOTAL	75,16,12,687	70,82,62,982

SCHEDULE - 14 : OTHER INCOME

I. Commission, exchange and brokerage		2,17,69,227		1,99,45,794
II. Profit on sale of Investments	2,13,69,729		1,71,36,596	
Less : Loss on sale of Investments	-		-	
		2,13,69,729		1,71,36,596
III. Profit on revaluation of Investments	22,03,751		30,41,540	
Less : Loss on revaluation of Investments	66,37,330		14,48,283	
		(46,33,579)		15,93,277
IV. Profit on sale of land, buildings and other assets	23,87,093		20,38,836	
Less : Loss on sale of land, buildings and other assets	7,815		8,819	
		23,79,278		20,30,017
V Profit on exchange transactions	60,06,734		43,06,458	
Less : Loss on Exchange Transactions	4,26,462		(1)	
		55,80,272		43,06,459
VI Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/in India		6,53,148		3,60,826
VII Miscellaneous Income *		5,16,24,681		4,45,63,257
TOTAL		9,87,42,756		8,99,36,226

* Includes Recoveries made in write-off accounts amounting to ₹ 267,39,444 (Previous Year ₹ 2,36,54,591)

Classification: Internal

(₹ in 000's)

	For the Year ended 31-03-2026 ₹	For the Year ended 31-03-2025 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	40,85,20,755	37,76,59,689
II. Interest on Reserve Bank of India / Inter-bank borrowings	6,93,54,752	7,31,49,871
III. Others *	2,20,09,636	1,35,13,943
*(Includes Interest on Tier I, Tier II and other Bonds ₹2,09,93,039 (Previous Year ₹ 1,30,24,745))		
TOTAL	**49,98,85,143**	**46,43,23,503**
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	10,31,17,710	10,29,96,025
II. Rent, Taxes and Lighting	1,04,87,756	99,00,745
III. Printing and Stationary	10,51,727	10,27,739
IV. Advertisement and Publicity	5,37,051	3,95,523
V. Depreciation on Bank's property	72,03,902	59,40,916
VI. Directors' fees, allowances and expenses	23,237	15,415
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	8,64,694	8,88,876
VIII. Law Charges	8,15,561	5,78,460
IX. Postage, Telegrams, Telephones, etc.	31,22,315	32,84,544
X. Repairs and Maintenance	11,11,253	10,40,513
XI. Insurance	1,04,13,386	91,50,064
XII. Other Expenditure	4,12,34,397	3,45,35,789
TOTAL	**17,99,82,989**	**16,97,54,609**

BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.

S. JAYKISHAN KOLKATA FRN 309005E Chartered Accountants

A. BAFNA & CO. FRN 003660C Chartered Accountants

SCV & Co. LLP NEW Delhi Chartered Accountants

SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

Classification: Internal

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. The actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. REVENUE RECOGNITION:

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis. Income from Non-Performing Assets (NPAs) including Non-Performing investments is recognised on realisation basis.

c. Commission on issue of Bank Guarantee (BG) and Letter of Credit (LC) is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation basis.

e. Income is recognised on accrual basis for Government Securities, bonds and debentures where interest is serviced regularly and is not in arrears.

f. Income from units of Mutual funds, AIFs and other such pooled/collective investment funds is recognised on realisation basis.

g. Discount or Premium on all securities is amortized over the remaining life of the instruments on constant yield method. The amortized amount is shown under the head "Income on Investments".

h. Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

i. Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

j. Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

k. Profit or loss on sale of investments under "Held to maturity" (HTM) is recognised in the Profit and Loss Account under the head "Other Income". In case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account' from Profit and Loss Account.

l. On sale or maturity of a debt instrument in AFS category, the accumulated gain/loss for that security in AFS Reserve is transferred from AFS Reserve to Profit and Loss Account and in case of equity instrument in the AFS category, it is transferred from AFS Reserve to Capital Reserve – Sale of Equity (AFS) Account.

m. The gain/profit on reclassification/sale of an investment in a subsidiary, associate or joint venture is first recognised in the Profit and Loss Account and then appropriated to the Capital Reserve – Sale of Investment in Subsidiary/Joint Venture/associate Account.

n. Dividend Income is recognised when the right to receive the dividend is established.

o. Interest Income on Income-tax refund is recognised in the receiving the refund order/intimation from the Income Tax Department.

p. <u>Appropriation of recoveries in NPA accounts:</u>
In respect of NPA account, recoveries effected except through a) Compromise settlement /special OTS; b) Judgement of a Court/DRT/NCLT; and c) Assignment to ARC's/SC's are to be made in the following order:

- Charges debited to the account;
- Expenses/out of pocket expenses incurred but not debited;
- Unrealised interest;

- Uncharged interest; and
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

Further, in case of borrowers who are having multiple accounts:

Recovery made in one account is apportioned by the system in the above mentioned order i.e. Expenditure, interest and Principal outstanding of the said account. Surplus recovery amount, if any, takes care of Expenditure, Interest and Principal outstanding of other account(s) of the same customer.

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions (on the Outstanding Advances) are made at the rates given as under:

Category of NPAs	**Provision % on net outstanding advance**
Sub Standard:	
Exposures, which are unsecured ab-initio (i.e. where realizable value of security is not more than 10% ab-initio)	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the

respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. Escalated provisions in case of specific accounts/scheme/sector etc. are maintained with approval of the appropriate authority.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs is reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

h. In case of loan transferred to an ARC for value higher than the net book value (NBV) and SRs are guaranteed by the Government of India, the entire excess provision (Sale consideration less NBV) is reversed to Profit and Loss Account in the year of transfer if the sale consideration comprises only of cash and SRs guaranteed by Government of India. Further, the non-cash component of the excess provision (viz. excess provision less cash received at the time of transfer) is deducted from CET 1 capital, and no dividends are paid out of this component.

i. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

j. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

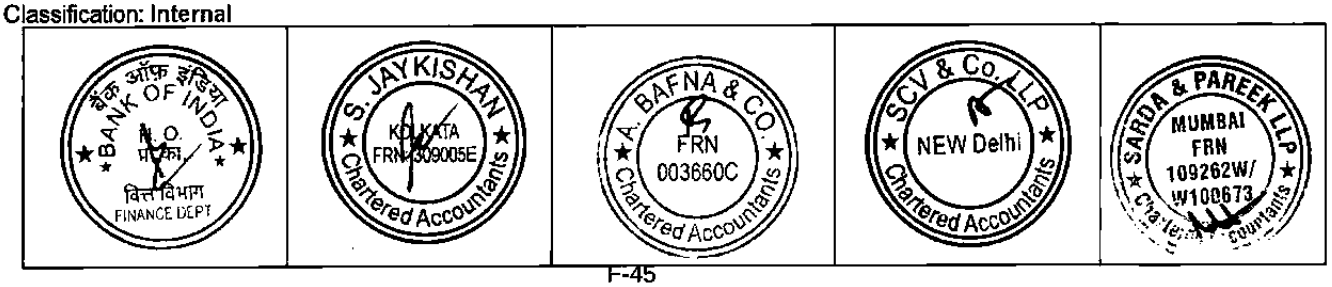
Bank follows Settlement date accounting for recording purchase and sale of transactions in all Securities.

A. Classification:

i. Investments are classified under the following categories:
   a. Held to Maturity (HTM)
   b. Available for Sale (AFS)
   c. Fair Value through Profit and Loss (FVTPL)
      (Held for Trading (HFT) is a separate investment sub-category under FVTPL)
   d. Subsidiaries, Associates and Joint Ventures

ii. Investments for the purpose of disclosure in the Balance Sheet (under Schedule 8) are classified under the following categories:

Investments in India	Investments outside India
Government Securities	Government Securities (including local authorities)
Other approved Securities	Subsidiaries and/or Joint ventures (including Associates)
Shares	Others
Debentures and Bonds	
Subsidiaries and/or Joint ventures (including Associates)	
Others	



iii. Investments for the purpose of valuation are classified under the following categories:

a. Level 1
b. Level 2
c. Level 3

Level 1/Level 2/ Level 3 are as follows:

Level 1: The inputs used for valuation of a financial instrument are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date.

Level 2: The inputs used for valuation of a financial instrument are inputs other than quoted prices, that are observable for the asset or liability, either directly or indirectly (such as yield curve, credit spread etc).

Level 3: The inputs used for valuation of a financial instrument are unobservable inputs.

Basis of Classification

Classification of an investment is done at the time of its acquisition.

i. **Held to Maturity (HTM)**
   a. Investments acquired with an intention and objective to hold till maturity for collecting contractual cash flows.
   b. Investments that meet SPPI (Solely Payment of Principal and Interest) criterion on specified dates.
   c. Investments in securitization notes (other than equity tranche) is classified under HTM if the underlying pool of financial instruments also meets the SPPI criterion.

ii. **Available for Sale (AFS)**
   a. Investments acquired with an objective that is achieved by both collecting contractual cash flows and selling securities and the contractual terms meet SPPI (Solely Payment of Principal and Interest) criterion.
   b. On Initial recognition, the Bank makes an irrevocable election to classify an equity instrument under AFS, that is not held with an objective of trading.

iii. **Fair Value through Profit and Loss (FVTPL)**
   a. Investments that do not qualify for inclusion in HTM or AFS are classified under FVTPL.

b. Investments with compulsorily, optionally or contingently convertible features and Investments with Contractual loss absorbency features.
c. Held for Trading (HFT) is a sub-category of FVTPL.

iv. **Subsidiaries, Associates and Joint Ventures**

a. Investments made in Subsidiaries, Associates and Joint Ventures are classified under this category.

B. Initial Recognition:

(i) All Investments are measured at fair value on initial recognition. Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value.

(ii)In respect of Government securities acquired through auction, switch operations and open market operations, the price at which the security is allotted shall be the fair value.

(iii) Day 1 gain/loss on Level 1 and Level 2 securities are recognised in Profit and Loss Account.

(iv) Day 1 loss arising from Level 3 investments are recognised immediately in Profit and Loss Account while Day 1 gains are deferred. In case of Debt instruments Day 1 gain is amortized on a straight-line basis up to the maturity date while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

C. Subsequent Measurement:

i. Held to Maturity (HTM)

a. Upon initial recognition, Investments held under this category are carried at cost and not at mark-to-market.

ii. Available for Sale (AFS)

a. Investments under this category, are fair valued on daily basis.
b. The valuation gains and losses across all performing investments, irrespective of classification held under AFS are aggregated and the net appreciation or depreciation is directly credited or debited to AFS Reserve.

iii. Fair Value through Profit and Loss (FVTPL)

a. Investments under this category are fair valued on daily basis and the net gain or loss arising on such valuation are directly credited or debited to the Profit and Loss Account.

BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT
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SCV & Co. LLP NEW Delhi Chartered Accountants
SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

b. Investments under HFT category are fair valued on daily basis and the net gain or loss arising on such valuation are directly credited or debited to the profit and loss account.

iv. Subsidiaries, Associates and Joint Ventures

a. Investments under this category are held at acquisition cost less diminution, other than temporary in nature.

b. Investments under this category are evaluated for impairment on quarterly basis. Any diminution in the value of investment is provided by recognizing it as an expense in the Profit and Loss Account and is reversed through Profit and Loss Account, if there is a reversal of the diminution in the value.

D. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Type of Instrument	Basis of Valuation/Methodology
Quoted Securities (including Quoted AIF)	Prices declared by FBIL/Recognised stock exchanges/ FIMMDA
Unquoted SLR Securities	On Yield to Maturity basis published by FIBIL
Other approved securities/ Special Securities issued by GoI(Non-SLR)	On Yield to Maturity basis by marking up by 25 basis points above yields put out by FIBIL
Unquoted debentures and bonds	On Yield to Maturity basis with appropriate mark up
Zero Coupon Bonds	At market value If market value not available, Present value of ZCB using 'Zero coupon yield curve'
Equity Shares (Not listed/illiquid)	At break-up value (Level 3) as per the latest Balance Sheet (not more than 18 months old), otherwise Rs.1 per company
Preference Shares	Quoted: Max. Traded price Unquoted: on Yield to Maturity basis with appropriate mark up
Commercial Paper/Certificate of Deposit/Treasury Bills	At carrying cost
PSU/Corporate Bonds	On Yield to Maturity basis with appropriate mark up over G-sec rate
Units of Mutual Funds	At the latest repurchase price/NAV declared by the fund in respect of each scheme If NAV not available, at Cost

Type of Instrument	Basis of Valuation/Methodology
Alternate Investment Funds (AIF) (Unquoted)	Declared NAV by AIF

E. Reclassification of Investments between Categories:

i. Reclassification of Investments between various categories is done only upon prior approval from Board and RBI.

ii. Reclassification is applied prospectively from the reclassification date and is accounted in compliance with RBI guidelines.

F. Non-performing Investments (NPIs) and valuation thereof:

i. In respect of domestic offices investments are classified as performing and non-performing, based on the guidelines issued by the RBI.

ii. In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

iii. The provision on NPI investments is not netted against the valuation gains and losses of performing investments.

iv. Provision made is higher of provision required as per IRCAP norms and depreciation on the Investment. The provision for NPI (irrespective of category) are recognised in Profit and Loss Account.

v. In case of AFS investment, the provision required is created by charging the same to AFS-Reserve to the extent of such available gains and in case of losses in AFS reserve, the cumulative losses shall be transferred from AFS-Reserve to the Profit and Loss Account.

vi. Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

vii. In respect of foreign offices, classification and provisions for non-performing investments (NPI) are made as per the local regulations or as per the norms of RBI, whichever are stringent.

G. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity.

Balance in Repo Account / Marginal Standing facility including those under Liquidity Adjustment facility is classified as Borrowings.

All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility/Standing Deposit Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.

Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 daysare classified as Money at Call & Short Notice under Schedule 7 "Balance with Banks and Money at call & short notice" in the Balance sheet.

Reverse Repo with banks and other institutions having original tenors more than 14 days shall be shown under Schedule 9 "Advances" under following head: A.(ii) 'Cash credits, overdrafts and loans repayable on demand" B.(i) 'Secured by tangible assets' C.(I). (iii) Banks (iv) 'Others' (as the case may be).

Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

H. Investment in Security Receipts (SRs) backed by assets: -

The Bank has valued SRs under securitization in line with RBI guidelines issued vide circular no. and RBI/DOR/2025-26/159 DOR.STR.REC.No.78/21.04.048/2025-26 dated November 28, 2025 Reserve Bank of India (Commercial Banks- Transfer and Distribution of Credit Risk) Directions, 2025

i. Investments in SRs / PTCs / other securities issued by ARCs are valued periodically at the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

ii. Investments in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by the Bank, are recognised, at lower of the redemption value of SRs arrived based on the NAV, and the NBV of the transferred stressed loan at the time of transfer.

When the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans, the valuation of such SRs is at lower of face value of the SRs reduced by the notional provisioning rate applicable if the underlying loans continued in the books of the Bank or NAV of the SRs.

iii. SRs guaranteed by the Government of India is valued periodically by reckoning the NAV declared by the ARC based on recovery ratings received for such instruments. The unrealised gain recognised in the Profit and Loss Account on account of fair valuation of such investments is deducted from CET1 capital and no dividends are paid out of such unrealised gains. Any SRs outstanding after the final settlement of the government guarantee or expiry of the guarantee period, whichever is earlier, are valued at Rs.1.

iv. SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) are treated as loss asset and fully provided for.

v. The valuation, classification and other norms applicable to investment in Non-SLR instruments prescribed by RBI from time to time are applicable to bank's investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank reckons the NAV obtained from ARC from time to time, for valuation of such investments.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

i. The hedge/non hedge (market making) transactions are recorded separately.

ii. Income/expenditure on hedging derivatives are accounted on accrual basis.

iii. All Derivative contracts are recognised on the Balance Sheet date and measured at fair value.

iv. Wherever, hedge accounting is not opted, derivatives are accounted at fair value with changes in fair value being recognised in the Profit and Loss Account.

v. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are

deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

vi. Option fees/premium is amortised over the tenor of the option contract.

vii. Fair value in the context of derivative contracts represents the 'exit price'.

viii. Netting of Derivative assets and Derivative liabilities is not carried out.

9. FIXED ASSETS:

i. Fixed assets are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Assets which have been periodically revalued are stated at revalued amount less accumulated depreciation. The appreciation on revaluation is credited to Revaluation Reserve.

ii. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

iii. The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
f.	Mobile phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

iv. In respect of leasehold land, the lease premium, if any, is amortised over the period of lease.

v. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

vi. Computer Software, not forming integral part of computer hardware is classified as intangible asset and amortised over a period of 5 years.

vii. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

viii. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation. Such depreciation is charged to Profit & Loss Account and an equivalent amount is transferred from the Revaluation Reserve to Revenue Reserve. The revaluation of Bank's own properties is carried out every 3 years.

ix. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss Account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS:

A. Short Term Employee Benefits:

The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

B. Long Term Employee Benefits:

a. <u>Defined Benefit Plan: -</u>

i. Gratuity:

The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days' basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii. Pension:

The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. Defined Contribution Plan:

i. Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii. Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long Term Employee Benefit:

All eligible employees are entitled to the following-

i. Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii. Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING:

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. LEASE TRANSACTIONS:

Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease payments on such lease are recognised in Profit & Loss Account on straight line basis over the lease term.

14. EARNINGS PER SHARE:

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15. TAXES ON INCOME:

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

16. IMPAIRMENT OF ASSETS:

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly

against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

17. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS:

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent Assets are not recognised in the financial statements.

18. SHARE ISSUE EXPENSES

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

The following information is disclosed in terms of guidelines issued by RBI:

1. Capital (As per BASEL-III):

(i) Composition of Regulatory Capital:

S. No.	Particulars	31.03.2026	31.03.2025
i)	Common Equity Tier 1 capital (CET 1)	74,794.23	66,193.86
ii)	Additional Tier 1 capital	1,500.00	2,801.65
iii)	Tier 1 capital (i + ii)	76,294.23	68,995.52
iv)	Tier 2 capital	13,189.33	10,244.05
v)	Total capital (Tier 1+Tier 2)	89,483.56	79,239.57
vi)	Total Risk Weighted Assets (RWAs)	4,96,849	4,45,961
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	15.05%	14.84%
viii)	Tier I Capital ratio (%)	15.36%	15.47%
ix)	Tier II Capital ratio (%)	2.65%	2.30%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	18.01%	17.77%
xi)	Leverage Ratio	6.13%	6.23%
xii)	Percentage of the shareholding of Government of India	73.38%	73.38%
xiii)	Amount of paid-up equity capital raised during the year	0.00	0.00
xiv)	Share application money pending for allotment	0.00	0.00
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	0.00	0.00
	b) Basel III compliant Perpetual Additional Tier-I Debt Instruments	0.00	0.00
xvi)	Amount of Tier 2 capital raised during the year, *of which*	2500.00*	2,500.00
	a) Perpetual Cumulative Preference Shares	0.00	0.00
	b) Basel III Compliant Redeemable Debt Instruments	2500.00*	2,500.00

*The Bank has raised Tier 2 Bonds of ₹ 2,500 during December 2025 (Coupon rate: 7.28%).

Classification: Internal

(a1) Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:

As on 31.03.2026

Raised during the Financial year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2022-23	Additional Tier 1	1,500.00	1,500.00
	Total	**1,500.00**	**1,500.00**

Bank has exercised Call Option and redeemed AT1 Bond Series VI amounting to ₹ 750 on Jan 28, 2026.

Bank has exercised Call Option and redeemed AT1 Bond Series VII amounting to ₹ 602 on Mar 30, 2026.

(a2) Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

As on 31.03.2026

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Tier-II	1,800.00	1,800.00
2023-24	Tier-II	2,000.00	2,000.00
2024-25	Tier II	2,500.00	2,500.00
2025-26	Tier II	2,500.00	2,500.00
	Total	**8,800.00**	**8,800.00**

Bank has redeemed Tier II Bonds Series XII amounting to ₹ 3,000 on Dec 31, 2025.

Bank has raised Basel III Compliant Tier II Bonds Series XVII amounting to ₹ 2,500 on Sep 26, 2024.

Bank has raised Basel III Compliant Tier II Bonds Series XVIII amounting to ₹ 2,500 on Dec 12, 2025 at coupon rate of 7.28%.

(ii) **Draw down from Reserves:** During the year ended March 31, 2026, there has been no drawdown from reserves to the Profit and Loss Account.

2. Asset Liability Management

(i) Maturity pattern of certain items of assets and liabilities as on 31st March, 2026

Details	Day 1	2to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and up to 5 years	Over 5 years	TOTAL (1 TO 10)
Deposits$	25,694.48	28,355.29	22,190.01	35,188.61	59,354.40	32,246.88	54,736.91	1,14,341.78	1,03,491.57	1,08,559.61	3,43,111.34	9,27,270.88
	(24,983.57)	(24,616.51)	(15,285.96)	(23,463.27)	(43,965.05)	(41,244.76)	(54,887.10)	(74,539.81)	(94,948.92)	(80,013.49)	(3,38,593.04)	(8,16,541.49)
Advances#	23,203.46	7,261.96	9,146.67	14,063.33	18,143.31	24,281.88	35,141.37	60,079.58	3,38,937.68	73,348.99	1,56,726.65	7,60,334.88
	(23,547.69)	(8,153.88)	(8,057.40)	(15,865.04)	(16,934.50)	(18,119.14)	(31,203.10)	(38,077.72)	(2,78,383.39)	(65,633.77)	(1,45,681.41)	(6,49,657.04)
Investments	0.00	1,536.05	37.18	199.56	1,260.24	1,761.82	5,356.74	5,276.87	4,0097.94	51,688.23	1,61,414.67	2,68,629.30
	(114.97)	(1,464.95)	(0.00)	(1,163.89)	(3,985.42)	(2,240.38)	(7,699.14)	(2,952.27)	(28,149.22)	(39,776.52)	(1,71,565.05)	(2,59,111.80)
Borrowings	961.25	7,578.01	254.62	6,268.14	2,902.94	2,052.55	12,841.49	18,672.47	36,522.88	7,813.45	22,723.75	1,18,591.54
	(2,474.17)	(30,289.73)	(232.25)	(653.21)	(676.38)	(2,923.76)	(12,114.38)	(33,552.74)	(19,429.84)	(8,802.30)	(12,707.67)	(1,23,856.43)
Foreign Currency Assets##	4,035.90	5,934.96	3,728.71	19,421.42	13,793.75	21,773.39	29,532.59	24,991.47	48,111.86	20,983.32	10,192.55	2,02,499.91
	(3,586.40)	(9,386.78)	(1,151.29)	(16,185.28)	(18,629.89)	(20,261.29)	(21,525.73)	(9,284.04)	(32,943.63)	(23,532.40)	(10,287.59)	(1,66,774.32)
Foreign Currency Liabilities$$	2,248.01	15,851.51	7,622.31	11,611.45	17,667.49	9,728.72	28,014.75	26,117.77	27,086.94	12,821.13	124.23	1,58,894.31
	(4,625.14)	(11,622.27)	(2,811.39)	(10,709.84)	(13,898.84)	(12,954.58)	(24,019.04)	(37,173.87)	(20,905.02)	(15,027.87)	(140.49)	(1,53,888.34)

$ including deposits in Foreign Currency

including advances in Foreign Currency

Foreign Currency on Balance Sheet Assets represent Advances and Investments

$$ Foreign Currency on Balance Sheet Liabilities represent Borrowings and Deposits

Note: The maturity pattern of Deposits, Borrowings, Advances and Investment as of 31st March 2026 is based on the following:

- RBI Guidelines on ALM
- Behavioural studies of Assets & Liabilities which do not have definite maturity and for embedded optionality

Classification: Internal

(ii) Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

		FY 2025-26*		FY 2024-25*	
	AMOUNT IN RS CRS	Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		1,95,347.11		1,77,088.23
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	5,42,801.95	42,193.33	5,08,561.04	39,505.95
(i)	Stable deposits	2,41,737.32	12,086.87	2,27,003.04	11,350.15
(ii)	Less stable deposits	3,01,064.62	30,106.46	2,81,558.00	28,155.80
3	Unsecured wholesale funding of which:	2,13,342.98	1,31,421.04	1,80,279.42	1,07,686.92
(i)	Operational deposits (all counterparties)	-	-	-	-
(ii)	Non -operational deposits (all counterparties)	1,36,536.56	54,614.63	1,20,987.50	48,395.00
(iii)	unsecured debts	76,806.41	76,806.41	59,291.92	59,291.92
4	Secured wholesale funding		1,391.57		1,243.16
5	Additional requirements, of which	1,20,127.10	24,687.04	1,07,379.97	27,983.99
(i)	Outflows related to derivative exposures and other collateral requirement	8,361.10	8,361.10	10,194.61	10,194.61
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	1,11,766.00	16,325.94	97,185.36	17,789.38
6	Other contractual funding obligations	19,345.27	19,345.27	20,147.32	20,147.32
7	Other contingent funding obligations	46,855.33	1,405.72	40,641.41	1,219.24
8	TOTAL CASH OUTFLOWS		2,20,443.96		1,97,786.59
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	3,408.32	2,335.46	4,011.36	2,657.96
10	Inflows from fully performing exposurs	39,596.79	32,483.91	33,369.69	25,766.48
11	Other cash inflows	19,390.78	17,694.41	22,707.41	20,076.36
12	TOTAL CASH INFLOWS	62,395.89	52,513.78	60,088.47	48,500.80
13	TOTAL HQLA		1,95,347.11		1,77,088.23
14	TOTAL NET CASH OUTFLOWS		1,67,930.18		1,49,285.79
15	LIQUIDITY COVERAGE RATIO(%)		116.33		118.62

Note:-

*On consolidated basis (including domestic operations, overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2026 as well as 31.03.2025 has been done by taking simple average of daily observations over previous 4 quarters (i.e. average for the FY 2025-26 & FY 2024-25 respectively). This is as per RBI directions in Reserve Bank of India (Commercial bank Financial Statements: Presentation & Disclosure) Directions, 2025.

Qualitative disclosures with regard to LCR

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. The LCR, a global standard, is also used to measure your Bank's liquidity position. LCR seeks to ensure that the Bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. The LCR helps in improving the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. Based on Basel III norms, your Bank's average LCR stood at 116.33 per cent on a consolidated basis for financial year 2025-26 as against the regulatory threshold at 100 per cent.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$LCR = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need. While Level 1 assets are with 0% haircut, Level 2A and Level 2 B assets are with 15% and 50% haircuts respectively.

- Net cash outflows are excess of total outflow over total inflow under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors. In order to determine cash outflows, the Bank segregates its deposits into various customer segments, viz., Retail (which include deposits from individuals), Small Business Customers (those with deposits upto ₹ 7.5), and Wholesale (which would cover all residual deposits). Within Wholesale, deposits that are attributable to clearing, custody, and cash management services are classified as Operational Deposits. Other contractual funding, including a portion of other liabilities which are expected to run down

BANK OF INDIA FINANCE DEPT
S. JHUNJHUNWALA & CO. Chartered Accountants FRN 003660C
SCV & Co. LLP NEW Delhi Chartered Accountants

in a 30 day time frame are included in the cash outflows. These classifications, based on extant regulatory guidelines, are part of the Bank's LCR framework, and are also submitted to the RBI.

- Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows. In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR, Securities under MSF and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of Average HQLA for the financial year ended March 2026 of disclosure is given below:

Cash in hand	3.01%
Excess CRR balance	3.26%
Government securities in excess of minimum SLR Requirement	20.20%
Government securities within the mandatory SLR Requirement, to the extent of allowed by RBI under MSF (presently to the extent of 2 percent of NDTL as allowed for MSF)	8.00%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.25%
Facility to Avail Liquidity for Liquidity Coverage Ratio	62.47%
Level 2 Assets	0.65%
Adjustment in HQLA to reflect liquidity transfer restrictions	(0.84%)

Concentration of funding sources: Majority of Bank's funding sources are from retail customers & small business customers therefore the stressed outflows are comparatively lower. Bank does not have significant funding concentration from any counterparty. In the Indian context, the run-off factors for the stressed scenarios are prescribed by the RBI, for various categories of liabilities (viz., deposits, unsecured and secured wholesale borrowings), undrawn commitments, derivative-related

exposures, and offset with inflows emanating from assets maturing within the same time period. Given below is a table of run-off factors for deposits:

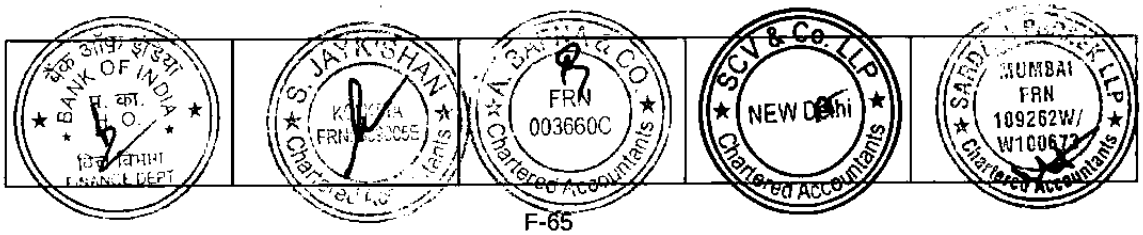
Particulars	Run-off factors
Retail Deposits	5% - 10%
Small Business Customers	5% - 10%
Operational deposits	5% - 25%
Non-financial corporates, sovereigns, central banks, multilateral development banks, and PSEs	40%
Other legal entities	100%

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. In our case, USD is the only significant currency.

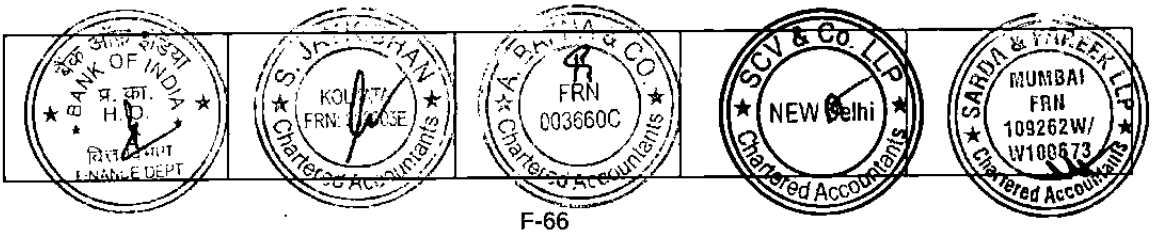
Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO at regular intervals. The entire liquidity management process of the Bank is being governed by Global ALM Policy of the Bank. Liquidity for the Bank's domestic banking operations is directly managed at the Head Office. The overseas branches and offshore unit of the Bank independently manage their liquidity requirements with support from the Head Office. Similarly, the Bank's subsidiaries independently manage their liquidity requirements under guidance of the R.COM, which, along with senior management of the subsidiaries, reviews the risk assessment of material risks at the subsidiaries. Further, the Bank maintains suitable systems and processes to monitor liquidity requirements in other currencies as appropriate.

The average LCR based on averages of daily observations over previous 4 quarters (i.e. average for the FY 2025-26) for data till March 31, 2026 was at 116.33% as against 118.62% for FY 2024-25 and well above the present prescribed minimum regulatory requirement of 100%. The average HQLA for the financial year ended March 31, 2026 was ₹ 1,95,347.11 with 100.19% being Level 1 Assets whereas Level 2A and level 2 B assets constitute 0.53% and 0.12% respectively. The adjustment in average HQLA is (0.84%). During the financial year, the weighted average HQLA level has increased by ₹ 18,258.88 primarily on account of increase in securities under MSF & FALLCR along with excess SLR. Further, weighted average net cash outflows position has increased



by ₹ 18,644.39 during the financial year, mainly on account of increase in cash outflows under the head unsecured wholesale funding.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future commitments.



(iii) Net Stable Funding Ratio:

		Unweighted value by residual maturity				Weighted value
	Amount in (Rs. Crores)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	**Capital: (2+3)**	85,031.66	0.00	0.00	31,490.00	1,16,521.66
2	*Regulatory capital*	85,031.66	0.00	0.00	8,800.00	93,831.66
3	*Other capital instruments*	0.00	0.00	0.00	22,690.00	22,690.00
4	**Retail deposits and deposits from small business customers: (5+6)**	2,54,090.36	1,21,082.36	89,019.49	1,03,837.21	5,23,393.06
5	*Stable deposits*	1,49,962.63	34,981.64	26,290.24	32,097.24	2,31,165.16
6	*Less stable deposits*	1,04,127.73	86,100.71	62,729.25	71,739.97	2,92,227.89
7	**Wholesale funding: (8+9)**	34,527.26	82,155.93	1,37,592.97	8,006.10	1,31,141.13
8	*Operational deposits*	0.00	0.00	0.00	0.00	0.00
9	*Other wholesale funding*	34,527.26	82,155.93	1,37,592.97	8,006.10	1,31,141.13
10	**Other liabilities: (11+12)**	13,149.30	1,02,310.40	0.00	1,05,716.31	40,744.07
11	*NSFR derivative liabilities net of NSFR derivative assets*		0.00	0.00	0.00	0.00
12	*All other liabilities and equity not included in the above categories*	13,149.30	1,02,310.40	0.00	1,05,716.31	40,744.07
13	**Total ASF (1+4+7+10)**					8,11,799.91
RSF Item						
14	**Total NSFR high-quality liquid assets (HQLA)**					9,862.86
15	**Deposits held at other financial institutions for operational purposes**	2,011.02	0.00	0.00	0.00	1,005.51
16	**Performing loans and securities: (17+18+19+21+23)**	0.00	3,14,032.02	1,84,930.33	1,40,937.58	3,40,048.92
17	*Performing loans to financial institutions secured by Level 1 HQLA*	0.00	0.00	0.00	0.00	0.00
18	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0.00	23,934.46	18,005.27	0.00	12,592.80
19	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	0.00	2,90,097.56	1,66,925.06	80,261.97	2,67,681.59
20	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	0.00	2,90,097.56	1,66,925.06	60,261.97	2,67,681.59
21	*Performing residential mortgages, of which:*	0.00	0.00	0.00	43,998.71	28,599.16
22	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	0.00	0.00	0.00	43,998.71	28,599.16
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0.00	0.00	0.00	36,676.90	31,175.37
24	**Other assets: (sum of rows 25 to 29)**	4,348.10	23,124.24	8,548.46	2,79,992.17	2,89,336.82
25	*Physical traded commodities, including gold*	0.00				0.00
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0.00	0.00	0.00	0.00
27	*NSFR derivative assets net of NSFR derivative liabilities*		19,145.06	8,548.46	2,122.17	29,815.69
28	*NSFR derivative liabilities before deduction of variation margin posted*		4.06	0.00	0.00	4.06
29	*All other assets not included in the above*	4,348.10	3,975.12	0.00	2,77,870.00	2,59,519.07
30	**Off-balance sheet items**		34,970.15	24,887.60	1,14,888.29	7,649.51
31	**Total RSF**					6,47,905.64
32	**NSFR %**					125.30%

#Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities. NSFR is computed based on consolidated basis covering Domestic, Overseas Centres and Subsidiaries.

Qualitative disclosures with regard to NSFR

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. Net Stable Funding Ratio (NSFR) guidelines ensure reduction in funding risk over a longer time horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$NSFR = \frac{Available\ Amount\ of\ Stable\ Funding\ (ASF)}{Required\ Amount\ of\ Stable\ Funding\ (RSF)} \geq 100\%$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is computed at Bank's standalone and consolidated level.

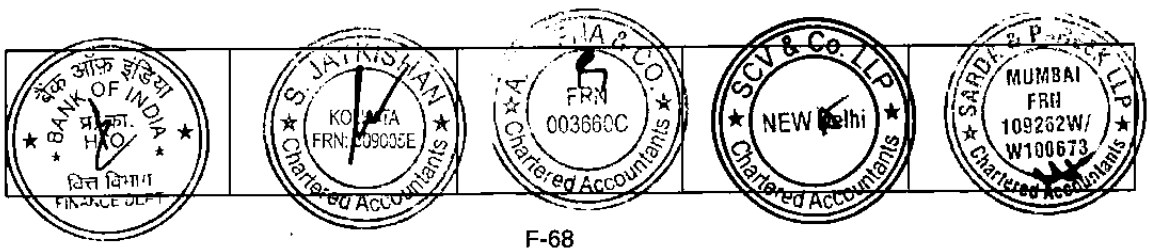
Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factors/weights according to the nature and maturity of liabilities viz. liabilities having maturity of 1 year or more receiving 100% weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 14%, retail deposits (including deposits from small sized business customers) formed 64% and wholesale funding formed 16% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 52% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA and the deposits held for operational purpose constituted



only 2% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 46% of the Required Stable Funding.

Bank's NSFR comes to 125.30% at consolidated basis as on 31st March 2026 and is above the minimum regulatory requirement of 100% set out in the RBI. As on 31st March 2026, the weighted Available Stable Funding (ASF) position stood at ₹ 8,11,799.91 and weighted Required Stable Funding (RSF) position stood at ₹ 6,47,905.64

3. Investments

(i) Composition of Investment Portfolio

Investments as at 31.03.2026

Particulars	March 31, 2026						
	HTM		AFS	FVTPL		Subsidiaries Associates & JVs	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India							
(i) Government Securities (including recapitalization bonds	1,71,048.03	1,67,029.56	20,468.96	17,146.04	0.00	0.00	0.00
(ii) Other Approved Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Shares	0.00	0.00	0.00	293.74	1,510.86	0.00	0.00
(iv) Debentures and Bonds	3,108.28	3,110.29	8,713.65	2,563.81	1,239.96	0.00	0.00
(v) Subsidiaries, associates and Joint Venture	0.00	0.00	0.00	0.00	0.00	1,292.48	1,292.48
(vi) Others	23,490.39	23,935.00	396.01	123.11	961.33		
Total	1,97,646.70	1,94,074.84	29,578.62	20,126.70	3,712.16	1,292.48	1,292.48
Less: Provisions for Impairment/NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1,97,646.70	1,94,074.84	29,578.62	20,126.70	3,712.16	1,292.48	1,292.48
II. Investments Outside India							
(i) Government Securities (including Local Authorities)	4,872.19	5,112.51	6,201.73	814.26	248.51	0.00	0.00
(ii) Subsidiaries, associates and Joint Venture	0.00	0.00	0.00	0.00	0.00	2,346.05	2,346.05
(iii) Other Investments	170.83	171.12	1392.30	0.00	268.12	0.00	0.00
Total	5,043.02	5,283.63	7,594.03	814.26	516.63	2,346.05	2,346.05
Less: Provisions for Impairment/NPI	0.00	0.00	(-)31.16	8.39	64.11	0.00	0.00
Net	5,043.02	5,283.63	7,625.18	805.88	452.52	2,346.05	2,346.05
Total Investments (I+II)	2,02,689.72	1,99,358.47	37,203.80	20,932.58	4,164.67	3,638.53	3,638.53

Investments as at 31.03.2025

Particulars	March 31, 2025						
	HTM		AFS	FVTPL		Subsidiaries Associates & JVs	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India							
(i) Government Securities (including recapitalization bonds	1,56,996.21	1,58,311,.19	26,176.43	16,155.79	0.00	0.00	0.00
(ii) Other Approved Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Shares	0.00	0.00	0.00	246.98	1,321.30	0.00	0.00
(iv) Debentures and Bonds	3,216.45	3,251.32	8,663.26	2,041.96	1,248.91	0.00	0.00
(v) Subsidiaries, associates and Joint Venture	0.00	0.00	0.00	0.00	0.00	1,619.38	1,619.38
(vi) Others	23,369.81	23,617.28	2,000.62	926.99	1,033.14	0.00	0.00
Total	1,83,582.47	1,85,179.79	36,840.31	19,371.72	3,603.35	1,619.38	1,619.38
Less: Provisions for Impairment/NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1,83,582.47	1,85,179.79	36,840.31	19,371.72	3,603.35	1,619.38	1,619.38
II. Investments Outside India							
(i) Government Securities (including Local Authorities)	3,502.83	3,658.71	5,521.33	712.97	438.86	0.00	0.00
(ii) Subsidiaries, associates and Joint Venture	0.00	0.00	0.00	0.00	0.00	2,346.05	2,346.05
(iii) Other Investments	153.32	153.67	1,164.44	0.00	266.54	0.00	0.00
Total	3,656.15	3,812.38	6,685.77	712.97	705.40	2,346.05	2,346.05
Less: Provisions for Impairment/NPI	0.00	0.00	(-)47.82	3.97	55.61	0.00	0.00
Net	3,656.15	3,812.38	6,733.59	708.99	649.78	2,346.05	2,346.05
Total Investments (I+II)	1,87,238.62	1,88,992.17	43,573.90	20,080.71	4,253.14	3,965.43	3,965.43

(ii) Fair Value Hierarchy of Investment Portfolio measured at Fair Value on Balance Sheet

	2025-26								2024-25							
	AFS				FVTPL				AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
I. Investments in India																
(i) Government securities	20,468.95	0.00	0.00	20,468.96	14,512.16	2,633.88	0.00	17,146.04	26,176.43	0.00	0.00	26,176.43	16,155.79	0.00	0.00	16,155.79
(ii) Other approved securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Shares	0.00	0.00	0.00	0.00	308.62	0.00	1,495.98	1,804.61	0.00	0.00	0.00	0.00	285.14	0.00	1,283.14	1,568.28
(iv) Debentures and Bonds	8,655.87	57.78	0.00	8,713.65	3,652.57	151.21	0.00	3,803.77	8,406.14	257.12	0.00	8,663.26	2,936.50	354.37	0.00	3,290.87
(v) Subsidiaries, associates and joint ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Others	0.00	396.01	0.00	396.01	386.72	123.11	574.61	1,084.44	2,000.62	0.00	0.00	2,000.62	1,445.84	0.00	514.29	1,960.13
Total	29,124.83	453.79	0.00	29,578.62	18,860.07	2,908.19	2,070.59	23,838.86	36,583.19	257.12	0.00	36,840.31	20,823.27	354.37	1,797.43	22,975.07
Less: Provisions for Impairment/NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	29,124.83	453.79	0.00	29,578.62	18,860.07	2,908.19	2,070.59	23,838.86	36,583.19	257.12	0.00	36,840.31	20,823.27	354.37	1,797.43	22,975.07
II. Investments outside India																
(i) Government securities (including local authorities)	6,201.73	0.00	0.00	6,201.73	1,062.77	0.00	0.00	1,062.77	5,521.33	0.00	0.00	5,521.33	1,151.83	0.00	0.00	1,151.83

Classification: Internal

	2025-26								2024-25							
	AFS				FVTPL				AFS				FVTPL			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
(ii) Subsidiaries, associates and joint ventures	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Other investments	1,392.30	0.00	0.00	1,392.30	201.19	0.00	66.93	268.12	1,164.44	0.00	0.00	1,164.44	207.50	0.00	59.03	266.54
Total	7,594.03	0.00	0.00	7,594.03	1,263.96	0.00	66.93	1,330.89	6,685.77	0.00	0.00	6,685.77	1,359.33	0.00	59.03	1,418.36
Less: Provisions for Impairment/NPI	(-)31.16	0.00	0.00	(-)31.16	5.57	0.00	66.93	72.50	(-)47.82	0.00	0.00	(-)47.82	0.55	0.00	59.03	59.59
Net	7,625.18	0.00	0.00	7,625.18	1,258.39	0.00	0.00	1,258.39	6,733.59	0.00	0.00	6,733.59	1,358.78	0.00	0.00	1,358.78
Total investments (I+II)	36,750.01	453.79	0.00	37,203.80	20,118.47	2,908.19	2,070.59	25,097.25	43,316.78	257.12	0.00	43,573.90	22,182.05	354.37	1,797.43	24,333.85

(i) Government Securities (Face Value) amounting to ₹24,080.92 (previous year ₹ 54,267.64) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) In FY 2024-25, Bank's Joint Venture Star Union Dai-Ichi Life Insurance Company Limited has issued 1,82,72,424 fully paid equity shares, face value of ₹ 10 each at premium of ₹ 291 per share on right basis to existing shareholders. However, the Bank did not subscribe to any additional shares, which has resulted in reduction of Bank's stake from 28.96% to 27.48%. Accordingly, Bank's share in the reserves of said joint venture has reduced by ₹ 22.10.

(iii) During the year ended March 31, 2025, the Bank has been allotted proportionate equity share capital by one of its existing associate Regional Rural Bank, namely Aryavart Bank of ₹ 152.04 against pending share application money made in FY 2022-23.

(iv) During FY 2024-25, Bank was also allotted shares for the additional investment of ₹ 49.46 in one of its wholly owned subsidiary, namely, Bank of India (Uganda) Limited.

Classification: Internal

(iii) Net gains / (losses) on Level 3 financial instruments recognised in AFS-Reserve and Profit and Loss Account

	2025-26	2024-25
Recognised in AFS-Reserve	0.00	0.00
Recognised in Profit and Loss Account	(-)406.64	207.31

Note: The disclosure includes Level 3 asset where the valuation of the assets is the price declared by FBIL/FIMMDA for the asset. This includes Net Gains / (Losses) on Level 3 Derivatives recognised in P&L.

(iv) Details of sales made out of HTM:

		2025-26	2024-25
A	Opening carrying value of securities in HTM	164,221.56	164,668.00
B	Carrying value of all HTM securities sold during the year	34,457.36	17,013.01
C	Less: Carrying values of securities sold under situations exempted from regulatory limit	26,702.34	10,362.20
D	Carrying value of securities sold (D=B-C)	7,755.02	6,650.82
E	Securities sold as a percentage of opening carrying value of securities in HTM (E=D/A)	4.72%	4.04%
F	Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	0.00	0.00

(v) Reclassification between categories of Investments

The total value of sale of securities from HTM category during April 1, 2025 to March 31, 2026 has not exceeded 5% of the opening carrying value of investments held in HTM category as on April 1, 2025 in compliance with RBI Master Directions on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2023 dated September 12, 2023.

Further as per the above Master Directions, Banks shall not reclassify investments between categories without approval of their Board of Directors and subsequent approval from Department of Supervision, RBI.

Sale of Securities from HTM during FY 2025-26 (Other than one time Shifting & sale under OMO)	7,755.02	Sale in % (<5%) =4.72%
Opening carrying value of securities held in HTM Category as on 01.04.2025	1,64,221.56	

(vi) Movement of Provisions for Non-Performing Investments and Investment Fluctuation Reserve

Particulars	2025-26	2024-25
i) Movement of provisions held towards NPIs		
a) Opening balance*	0.00	0.00
b) Add: Provisions made during the year	0.02	0.00
c) Less: Write off/ write back of excess provisions during the year	0.02	0.00
d) Closing balance	0.00	0.00
ii) Movement of Investment Fluctuation Reserve		
a) Opening Balance	1,285.38	1,285.38
b) Add: Amount transferred during the year	109.21	0.00
c) Less: Drawdown	0.00	0.00
d) Closing Balance	1,394.59	1,285.38
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and FVTPL (including HFT) category	2.24%	2.03%

*In Compliance with RBI Master Directions on Classification, Valuation and Operation of Investment portfolio of Commercial Bank (Directions) 2023, the Depreciation held in books as on 31.03.2024 has been transferred to General Reserve during reclassification of Investment portfolio.

(vii) Non-SLR investment portfolio

a) Non-performing non-SLR investments

Sr. No.	Particulars	2025-26	2024-25
(a)	Opening balance	0.00	2,601.29
(b)	Additions during the year	0.02	0.00
(c)	Reductions during the above period	0.02	2,601.29*
(d)	Closing balance	0.00	0.00
(e)	Total provisions held	0.00	0.00

*Reduction is due to new RBI master direction dated September 12, 2023.

Classification: Internal

b) Issuer Composition of non-SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	2,283.01	1,631.55	0.00	351.65	43.07
		(3,412.73)	(2,897.99)	(0.00)	(410.80)	(0.00)
ii.	FIs	6,757.56	6,693.92	0.00	0.00	650.53
		(6,257.87)	(6,257.87)	(0.00)	(0.00)	(0.00)
iii.	Banks	2,104.15	962.42	0.00	0.00	0.00
		(3,569.73)	(2,650.29)	(0.00)	(0.00)	(0.00)
iv.	Private Corporates	799.03	415.48	0.00	0.00	130.50
		(548.21)	(398.09)	(0.00)	(0.00)	(0.00)
v.	Subsidiaries/ Joint Ventures#	3,638.53	3,638.53	0.00	0.00	3,638.53
		(3,965.43)	(3,965.43)	(0.00)	(0.00)	(3,965.43)
vi.	Others *$	44,149.12	31,615.98	0.00	24,433.16	24,320.82
		(41,837.20)	(31,661.21)	(0.00)	(25,818.49)	(1,635.34)
	Total	59,731.40	44,957.88	0.00	24,784.81	28,783.45
		(59,591.17)	(47,830.89)	(0.00)	(26,229.29)	(5,600.77)
vii.	Less: Provision held towards Depreciation	(-)234.88	0.00	0.00	0.00	0.00
		((-)192.20)	((-)203.96)	(0.00)	(0.00)	(0.00)
	Net	59,966.28	44,957.88	0.00	24,784.81	28,783.45
		(59,783.37)	(48,034.85)	(0.00)	(26,229.29)	(5,600.77)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates/RRBs have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ Include investment in GOI Non-SLR Re-capitalisation Bonds of ₹ 23,490.39 (previous year ₹ 23,369.81).

Classification: Internal

(viii) Repo Transactions (in face value and market value terms) undertaken during the year:

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on 31-Mar-26	
	FV	MV	FV	MV	FV	MV	FV	MV
(i)Securities sold under repo:								
(a) Government Securities	1.00	1.10	29,762.51	30,347.85	4,596.22	4,728.23	11,408.32	12,701.44
(b) Corporate Debt Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(C) Any Other Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ii)Securities purchased under reverse repo								
(a) Government Securities	10.00	10.05	1,865.00	1,909.32	242.86	249.55	0.00	0.00
(b) Corporate Debt Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(C) Any Other Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

(ix) Government Security Lending (GSL) transactions (in market value terms)

As at 31st March 2026

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2026
Securities lent through GSL transactions	Nil				
Securities borrowed through GSL transactions	Nil				
Securities placed as collateral under GSL Transactions	Nil				
Securities received as collateral under GSL Transactions	Nil				

As at 31st March 2025

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2025
Securities lent through GSL transactions	Nil				
Securities borrowed through GSL transactions Securities	Nil				
Securities placed as collateral under GSL Transactions	Nil				
Securities received as collateral under GSL Transactions	Nil				

Classification: Internal

4. Asset Quality

(i) Classification of Advances and Provisions held

As on 31.03.2026

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	6,44,298.55	4,484.69	9,178.43	8,085.77	21,748.89	6,66,047.44
Add: Additions during the year					5,552.76	
Less: Reductions during the year*					11,995.63	
Closing balance	7,56,084.91	4,419.63	8,114.25	2,772.14	15,306.02	7,71,390.93
*Reductions in Gross NPAs due to:						
Upgradation					1,194.02	
Recoveries (excluding recoveries from upgraded accounts)					5,067.44	
Technical/ Prudential Write-offs					2,100.96	
Write-offs other than those under (iii) above					3,633.21	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	4,474.28	1,229.08	7,075.55	8,085.77	16,390.40	
Add: Fresh provisions made during the year					3,392.67	
Less: Excess provision reversed/ Write-off loans					8,727.04	
Closing balance of provisions held	4,627.01	2,154.20	6,129.69	2,772.14	11,056.03	
Net NPAs						
Opening Balance		3,255.61	2,102.88	0.00	5,358.49	
Add: Fresh additions during the year					2,160.09	
Less: Reductions during the year					3,268.59	
Closing Balance		2,265.43	1,984.56	0.00	4,249.99	

Classification: Internal

Note: Opening and closing balances of provisions for NPAs include ECGC claims received (FY 2025-26 ₹ (-)732.12 / FY 2024-25 ₹ 1,041.70), part payment received and kept in suspense account (FY 2025-26 ₹ 73.79 / FY 2024-25 ₹ 141.66) and Balance in sundries account in respect of NPA accounts (FY 2025-26 ₹ 685.15 / FY 2024-25 ₹ 777.26) and provision in lieu of dimunition in the fair value of restructured NPAs (FY 2025-26 ₹ Nil / FY 2024-25 ₹ Nil)

Floating Provisions as on 31.03.2026

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2026

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off						48,645.14
Add: Technical/ Prudential write-offs during the year*						7,539.03
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						5,438.07
Closing balance						50,746.10

*including exchange difference

As on 31.03.2025

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	5,56,412.13	4,633.65	12,401.91	12,147.21	29,182.77	5,85,594.90
Add: Additions during the year					7,588.56	
Less: Reductions during the year*					15,022.44	
Closing balance	6,44,298.55	4,484.69	9,178.43	8,085.77	21,748.89	6,66,047.44
*Reductions in Gross NPAs due to:						
Upgradation					1302.94	
Recoveries (excluding recoveries from upgraded accounts)					5962.93	
Technical/ Prudential Write-offs					5074.05	
Write-offs other than those under (iii) above					2682.52	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	4,847.64	923.21	9,267.09	12,147.21	22,337.51	
Add: Fresh provisions made during the year					4,593.00	
Less: Excess provision reversed/ Write-off loans					10,540.11	
Closing balance of provisions held	4,474.28	1,229.08	7,075.55	8,085.77	16,390.40	
Net NPAs						
Opening Balance		3,710.44	3,134.82	0.00	6,845.26	
Add: Fresh additions during the year					2,995.56	
Less: Reductions during the year					4,482.33	
Closing Balance		3,255.61	2,102.88	0.00	5,358.49	

Classification: Internal

Note: Opening and closing balances of provisions for NPAs include ECGC claims received (FY 2024-25 ₹ 1,041.70 / FY 2023-24 ₹ 1,149.02), part payment received and kept in suspense account (FY 2024-25 ₹ 141.66 / FY 2023-24 ₹ 106.23) and balance in sundries account in respect of NPA accounts (FY 2024-25 ₹ 777.26 / FY 2023-24 ₹ 860.96).

Floating Provisions as on 31.03.2025

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						0.00
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2025

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off						43,571.09
Add: Technical/ Prudential write-offs during the year*						8,853.38
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						3,779.33
Closing balance						48,645.14

Classification: Internal

Ratios

Particulars	2025-26	2024-25
Gross NPA to Gross Advances (in %)	1.98	3.27
Net NPA to Net Advances (in %)	0.56	0.82
Provision coverage ratio (in %)	93.57	92.39

(ii) Sector-wise Advances and Gross NPAs (As compiled by management)

Sr. No	Sector	2025-26			2024-25		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	**Priority sector**						
1	Agriculture and allied activities	1,14,593.33	7,166.68	6.25	98,338.13	9,387.68	9.55
2	Advances to industries sector eligible as priority sector lending	34,083.69	1,691.32	4.96	27,707.09	2,410.53	8.70
3	Services	72,213.39	3,761.71	5.21	61,998.73	5,265.37	8.49
4	Personal loans	36,843.44	587.96	1.60	22,752.52	781.75	3.44
	Sub-total (A)	**2,57,733.85**	**13,207.67**	**5.12**	**2,10,796.47**	**17,845.33**	**8.47**
B	**Non Priority Sector**						
1	Agriculture and allied activities	31.27	0.00	0.00	25.62	0.00	0.00
2	Industry	1,45,232.90	463.68	0.32	1,52,474.48	769.23	0.50
3	Services	2,40,214.89	896.76	0.36	1,89,576.67	2,008.63	1.06
4	Personal loans	1,28,178.01	764.92	0.60	1,13,174.20	1,125.70	0.99
	Sub-total (B)	**5,13,657.08**	**2,098.35**	**0.41**	**4,55,250.97**	**3,903.56**	**0.86**
	Total (A+B)	**7,71,390.92**	**15,306.02**	**1.98**	**6,66,047.44**	**21,748.89**	**3.27**

(iii) Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2025-26	2024-25
1	Total Assets	1,71,866.16	1,60,997.60
2	Total NPAs	6,485.67	6,712.90
3	Total Revenue	9,687.78	9,543.19

(iv) **Particulars of resolution plan and restructuring**

In terms of Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 - DOR.STR.REC.84/21.04.048/2025-26 dated November 28, 2025 all accounts having total Banking exposure of ₹ 1,500 and above, the Bank is holding additional provision of ₹ 1,190.56 as on March 31, 2026, in respect of 5 borrower accounts, where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period is detailed below:

Amount of loans impacted by RBI Circular (FB+NFB)	Amount of NPA loans as on 31.03.2026 out of (a) (FB+NFB)	Amount of FB NPA loans as on 31.03.2026 out of (b)	Amount of Standard loans as on 31.03.2026 out of (a)	Total Additional Provision held as on 31.03.2025	Additional Provision / (Reversal) made during the year ended 31.03.2026	Total Additional Provision held as on 31.03.2026
(a)	(b)	(c)	(d)	(e)	(f)	(g)
3,401.60	54.22	0.00	3,347.38	1,537.16	(-)346.60	1,190.56

(v) **Divergence in asset classification and provisioning:**

As per RBI Master Direction No. RBI/DOR/2025-26/167/DOR.ACC.REC.No.86 /21.04.018/2025-26 dated November 28, 2025 (updated as on 01.04.2026) on Financial statements – Presentation and Disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

(a) the additional provisioning for non-performing assets (NPAs) assessed by RBI as part of its supervisory process, exceeds 5% of the reported profit before provisions and contingencies for the reference period, and

(b) the additional Gross NPAs identified by the RBI as part of its supervisory process exceeds 5% of reported incremental Gross NPAs for the reference period.

No divergences on the above aspect have been assessed by RBI, hence no disclosure is required with respect to RBI's supervisory process for the year ended March 31, 2025.

(vi) **Disclosure of transfer of loan exposures:**

Details of Loans transferred /acquired during the year ended March 31, 2026 in terms RBI DOR.STR.REC.No.78/21.04.048/2025-26 dated November 28, 2025 - Reserve Bank of India (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025:

a) Details of loans transferred that are not in default or Special Mention Accounts (SMA) during the year ended March 31, 2026 (through assignment, novation and loan participation):

Particulars	2025-26	2024-25
Aggregate amount of loans transferred	NIL	NIL
Weighted Average residual maturity (in months)	NIL	NIL
Weighted Average holding period (in months)	NIL	NIL
Retention of beneficial economic interest by the originator	NIL	NIL
Tangible security Cover (in times)	NIL	NIL

b) Details of loans not in default that are acquired during the year ended March 31, 2026 (through assignment, novation and loan participation):

Direct Assignment

Particulars	2025-26	2024-25
Aggregate amount of loans acquired	4,278.04	3,261.76
Weighted Average residual maturity (in months)	141.65	119.45
Weighted Average holding period (in months)	15.61	13.89
Retention of beneficial economic interest by the originator (in percentage)	15.66	15.74
Tangible security Cover (in times)	2.56	1.98

Co-Lending

Particulars	2025-26	2024-25
Aggregate amount of loans acquired (₹ in crore)	570.60	431.80
Weighted Average residual maturity (in months)	142.24	129.52
Weighted Average holding period (in months)	2.55	1.67
Retention of beneficial economic interest by the originator (in percentage)	20.83	20.64
Tangible security over (in times)	1.98	2.47

Details of Rating-wise distribution of rated loans sold / acquired under (a) & (b) above:

Rating	Loans acquired			Loans Transferred		
	Assignment	Novation	Loan Participation	Assignment	Novation	Loan Participation
The rating of obligors accounts is not applicable as maximum exposure undertaken in the pool of obligors is less than ₹ 25.00.						

c) Details of Stressed loans acquired during the year ended March 31, 2026 (for loans classified as NPA and SMA):

Sr. No.	Particulars	From SCBs, RRBs, Co-operative Banks, AIFIs, SFBs and NBFCs including Housing Finance Companies (HFCs)	From ARCs
a.	Aggregate principal outstanding of loans acquired	NIL	NIL
b.	Aggregate consideration paid	NIL	NIL
c.	Weighted average residual tenor of loans acquired (in months)	NIL	NIL

d) Details of Stressed Loans (NPAs) transferred during the year ended March 31, 2026:

Sr. No.	Particulars	To ARCs	To permitted transferees	Foreign
a.	No. of accounts	6 (6)	1 (1)	0 (0)
b.	Aggregate principal outstanding of loans transferred	693.86 (594.04)	39.37 (82.16)	0.00 (0.00)
c.	Weighted average residual tenor of the loans transferred (in months)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
d.	Net book value of the loans transferred (at the time of transfer)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
e.	Aggregate consideration	228.85 (222.35)	72.07 (53.20)	0.00 (0.00)

Classification: Internal

Sr. No.	Particulars	To ARCs	To permitted transferees	Foreign
f.	Additional consideration realized in respect of accounts transferred in earlier years	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
g.	Quantum of excess provisions reversed to the Profit & Loss account on account of sale of stressed loans	227.18 (173.34)	39.37 (53.20)	0.00 (0.00)

In accordance with RBI circular no. RBI/DOR/2025-26/159 DOR STR REC. No. 78/21.04.048/2025-26 dated November 28, 2025 on Reserve Bank of India (Commercial Banks Transfer and Distribution of Credit Risk) direction, 2025, during the quarter and year ended March 31, 2026 the Bank has credited a net unrealized amount of ₹ 47.18 and ₹ 100.71 respectively to the Profit and Loss account in respect of Security Receipts guaranteed by the Government of India.

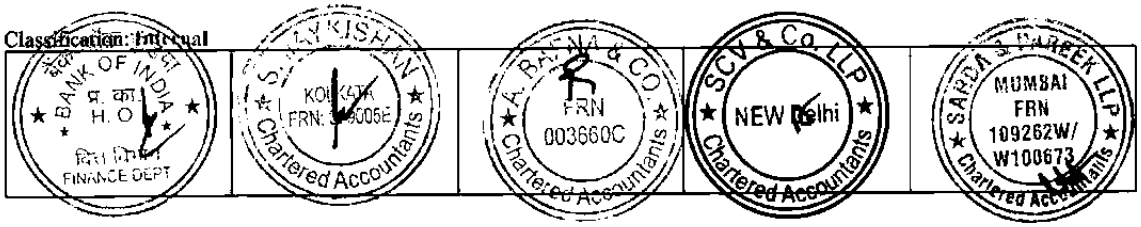
e) Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2026 & March 31, 2025:

Recovery Rating Band	Carrying Value 2025-26	Carrying Value 2024-25
RR1+	32.61	32.61
RR1	333.67	285.60
RR2	0.00	33.95
RR3	0.00	0.00
RR4	0.00	0.00
RR5	0.00	0.00
Rating not applicable	0.00	0.00
Unrated	82.38	45.60
Total	**448.66**	**397.76**

f) **Profit from sale of NPA**

Sr. No.	Particular	2025-26	2024-25
1	Profit booked in respect of sale of NPA	300.92	226.54

Classification: Internal



(vii) Disclosure on Co-Lending Arrangements (CLA)

Details of Co-Lending Arrangements (CLAs) on an aggregate basis as per Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated November 28, 2025 are as under:

Sr. No.	Particulars	2025-26
1	Number of CLA Partners	NIL
2	Quantum of CLAs	NIL
3	Weighted average rate of interest (%)	NIL
4	Fees paid	NIL
5	Broad sectors in which CLA was made	NIL
6	Performance of loans under CLA - Standard - NPA	NIL
7	Details related to default loss guarantee, if any	NIL

(viii) Fraud Accounts

Particulars	2025-26	2024-25
Number of frauds reported	*100	152
Amount involved in fraud	1,826.51	1,449.21
Amount of provision made for such frauds	**1,117.65	1,079.76
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil

* This includes 12 cases pertaining to earlier years, which were deactivated and which were re-reported as fraud cases on re-examination, with amount involved of ₹ 1,094.09 and outstanding balance as on 31st March, 2026 of ₹ 442.75.

** The Bank is holding 100% provision in respect of amount outstanding of ₹ 1,117.65 as on 31st March, 2026.

Classification: Internal

(ix) **Disclosure related to Project Finance:**

For quarter ended 31st December 2025

Sl. No.	Item Description	Number of Accounts	Total Outstanding
1	Projects under implementation accounts at the beginning of the quarter	248	8,145
2	Projects under implementation accounts sanctioned during the quarter	3	301
3	Projects under implementation accounts where DCCO has been achieved during the quarter	17	239
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	234	8,207
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	17	422
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	17	422
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	0	0
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	0	0
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	0	0
8	Out of '4' – accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	0	0
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	0	0

Classification: Internal

Sl. No.	Item Description	Number of Accounts	Total Outstanding
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	0	0
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	0	0

For quarter ended 31st March 2026

Sl. No.	Item Description	Number of Accounts	Total Outstanding
1	Projects under implementation accounts at the beginning of the quarter	234	8,207
2	Projects under implementation accounts sanctioned during the quarter	37	612
3	Projects under implementation accounts where DCCO has been achieved during the quarter	70	1,643
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	201	7,176
5	Out of '4' – accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked.	23	738
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	23	738
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0
6	Out of '5', accounts in respect of which resolution process involving extension in original / extended DCCO, as the case may be, has been invoked due to change in scope and size of the project.	0	0
7	Out of '5', account in respect of which cost overrun associated with extension in original / extended DCCO, as the case may be, was funded	0	0
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	0	0

Sl. No.	Item Description	Number of Accounts	Total Outstanding
8	Out of '4' - accounts in respect of which resolution process not involving extension in original / extended DCCO, as the case may be, has been invoked.	0	0
8.1	Out of '8' - accounts in respect of which Resolution plan has been implemented.	0	0
8.2	Out of '8' - accounts in respect of which Resolution plan is under implementation.	0	0
8.3	Out of '8' - accounts in respect of which Resolution plan has failed.	0	0

(x) In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 –Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under:

(₹ in Crore except number of accounts)

No. of Accounts	Amount as on 31.03.2026
20,100 (33,772)	783.64 (1,151.60)

Classification: Internal

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on September 30, 2025:

Disclosure under resolution framework for COVID-19-related Stress

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e., March 31, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2025	Of (A) amount written off during the half-year ended September 30, 2025	Of (A) amount paid by the borrowers during the half- year ended September 30, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e., September 30, 2025
Personal Loans	3,435.20	113.47	0.08	433.57	3,145.00
Corporate persons*	1,212.68	69.89	0.13	877.90	987.72
Of which MSMEs	1,151.60	69.89	0.13	729.03	936.74
Others	20.30	0.02	0.00	11.98	20.98
Total	**4,667.91**	**183.38**	**0.21**	**1,323.45**	**4,153.70**

The details of resolution plan as on March 31, 2026:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of previous half year, i.e. September 30, 2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2026	Of (A) amount written off during the half-year ended March 31, 2026	Of (A) amount paid by the borrowers during the half- year ended March 31, 2026	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2026
Personal Loans	3,145.00	89.26	0.00	600.35	2,882.09
Corporate persons*	987.72	70.52	0.00	878.45	813.46
Of which MSMEs	936.74	44.22	0.00	776.80	783.64
Others	20.98	0.08	0.00	2.12	10.65
Total	**4,153.70**	**159.86**	**0.00**	**1,480.92**	**3,706.20**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016

Classification: Internal

March 31, 2025

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on September 30, 2024:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e., March 31, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2024	Of (A) amount written off during the half-year ended September 30, 2024	Of (A) amount paid by the borrowers during the half- year ended September 30, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e., September 30, 2024
Personal Loans	4,094.48	185	0.32	495.49	3,700.77
Corporate persons*	2,050.24	158.59	0.82	1,420.15	1,498.23
Of which MSMEs	1,790.69	158.59	0.82	924.47	1,398.96
Others	25.35	0.28	0.00	13.78	23.19
Total	6,170.07	343.87	1.14	1,929.42	5,222.19

The details of resolution plan as on March 31, 2025:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of previous half year, i.e. September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	Of (A) amount written off during the half-year ended March 31, 2025	Of (A) amount paid by the borrowers during the half- year ended March 31, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2025
Personal Loans	3,700.77	159.80	0.23	818.83	3,435.20
Corporate persons*	1,498.23	103.85	0.27	2,277.01	1,212.68
Of which MSMEs	1,398.96	103.85	0.27	1,709.45	1,151.60
Others	23.19	3.38	0.00	30.21	20.03
Total	**5,222.19**	**267.03**	**0.50**	**3,126.05**	**4,667.91**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016

Classification - Internal

5. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

i. Exposure to Real Estate Sector, as compiled by management

Sr. No.	Category	31.03.2026	31.03.2025
1	Direct Exposure	1,04,536.64	86,474.79
	a) Residential Mortgages (include non-fund based (NFB) limits)	95,792.32	80,723.50
	(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	61,509.41	58,443.81
	(ii) Individual housing loans eligible for inclusion in priority sector	34,282.91	22,279.69
	b) Commercial Real Estate-	8,744.32	5,491.70
	Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include NFB limits;	7,026.09	5,491.70
	c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	0.00	259.59
	a) Residential	0.00	10.53
	b) Commercial Real Estate	0.00	249.06
2	Indirect Exposure	28,999.91	22,509.01
	Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies	28,991.91	22,509.01
	Total exposure to Real Estate Sector (1+2)	**1,33,536.55**	**1,08,983.80**

Classification: Internal
Classification: Internal

ii. Exposure to Capital Market

Sr. No	Category	31.03.2026	31.03.2025
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	834.41	885.66
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	4.34	1,167.11
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	55.78	186.10
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	2,033.26	603.37
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	3,071.57	1,982.36
vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new Companies in anticipation of raising resources;	0.00	0.03
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.02
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.00
x)	All exposures to Venture Capital Funds (both registered and unregistered)	141.91	126.51
Total Exposure to Capital Market		**6,141.27**	**4,951.17**

iii. Risk Category-wise Country Exposure:

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table:

Sr. No.	Risk Category	As at 31.03.2026		As at 31.03.2025	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	72,910.52	67.77	64,421.66	47.62
2	Low	42,820.72	10.65	26,003.28	9.48
3	Moderate	793.01	0.00	8,862.82	0.00
4	High	5,158.43	0.00	1,093.00	0.00
5	Very High	647.47	0.00	2,484.50	0.00
6	Restricted	3.29	0.00	1.47	0.00
7	Off Credit	0.00	0.00	211.01	0.00
	Total	**1,22,333.44**	**78.42**	**1,03,077.73**	**57.10**

iv. Unsecured Advances

Particulars	2025-26	2024-25
Total Unsecured Advances of the Bank	1,65,905.80	1,45,653.06
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	0.00	0.00
ii) The estimated value of such intangible securities (as in (i) above)	0.00	0.00

v. Factoring exposures

Particulars	2025-26	2024-25
Outstanding amount under TReDS	9,559.09	6,827.40

vi. Intra-group exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2025-26	2024-25
A	Total amount of intra group exposures	4,909.03	8,385.39
B	Total amount of top 20 intra group exposure	4,909.03	8,385.39
C	% of Intra group Exposure to total exposure on Borrowers/Customers	0.45%	0.88%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

vii. Unhedged Foreign Currency Exposure

Sr. No.	Particulars	2025-26	2024-25
A	Opening balance provisions account	83.23	72.09
B	The quantum of provisions made in the accounting year	0.00	11.14
C	Amount Reverse during the accounting year	28.46	0.00
D	Closing balance in the provisions account	54.77	83.23

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with Unhedged Foreign Currency Exposure (UFCE) which is based on RBI Circulars.

The data related to RWA and Unhedged Foreign Currency exposures have been compiled based on audited certificates received from FGMO/LCB/Branch Auditors. As on 31.03.2026, wherever required in accordance with the policy, the additional RWA on this exposure is ₹ 299.22 (Previous year ₹ 459.19). As against this, additional minimum capital requirement is ₹ 34.41 (Previous Year ₹ 52.81).

viii. Loan against Gold and Silver Collateral

(a) Details of loans extended against eligible gold and silver collateral For FY 2025-26

Particulars	Loan outstanding		Average ticket size (₹ crore)	Average LTV ratio	Gross NPA (%)
	₹ crore	As % of Total Loans			
1. Opening balance of the FY [(a)+(b)]	35,339.01	100%	0.02	72%	0.48%
(a) Consumption loans	2,230.47	6%	0.03	61%	0.66%
of which bullet repayment loans	496.43	1%	0.03	62%	0.68%
(b) Income generating loans	33,108.54	94%	0.02	73%	0.47%
2. New loans sanctioned and disbursed during the FY [(c)+(d)]	54,873.68	100%	0.03	71%	NA
(c) Consumption loans	7,447.82	14%	0.02	59%	NA
of which bullet repayment loans	5,833.87	11%	0.02	61%	NA
(d) Income generating loans	47,425.86	86%	0.03	73%	NA
3. Renewals sanctioned and disbursed during the FY	17,083.88	48%	0.03	65%	NA
4. Top-up loans sanctioned and disbursed during the FY	0.00	0.00	0.00	NA	NA
5. Loans repaid during the FY [(e)+(f)]	36,761.61	100%	0.02	NA	NA
e) Consumption loans	2,324.47	6%	0.02	NA	NA
of which bullet repayment loans	669.71	2%	0.01	NA	NA
f) Income generating loans	34,437.14	94%	0.02	NA	NA
6. Non-Performing Loans recovered during the FY [(g) + (h)]	42.17	100%	0.01	NA	NA
(g) Consumption loans	2.92	7%	0.01	NA	NA
of which bullet repayment loans	0.73	2%	0.01	NA	NA
(h) Income generating loans	39.25	93%	0.01	NA	NA
7. Loans written off during the FY [(i) + (j)]	0.17	100%	0.003	NA	NA
(i) Consumption loans	0.00	0%	0.00	NA	NA

Particulars	Loan outstanding		Average ticket size (₹ crore)	Average LTV ratio	Gross NPA (%)
	₹ crore	As % of Total Loans			
of which bullet repayment loans	0.00	0%	0.00	NA	NA
(j) Income generating loans	0.17	100%	0.003	NA	NA
8. Closing balance at the end of FY [(k) + (l)]	53,408.74	100%	0.03	69%	0.09%
(k) Consumption loans	7,350.90	14%	0.02	58%	0.05%
of which bullet repayment loans	5,659.86	11%	0.02	59%	0.02%
(i) Income generating loans	46,057.84	86%	0.03	71%	0.10%

(b) **Details of gold and silver collateral and auctions**

Sr. no.	Particulars	2025-26
(a)	Unclaimed gold or silver collateral at the end of the financial year (in grams)	8.60
(b)	Number of loan accounts in which auctions were conducted	1,356
(c)	Total outstanding in loan accounts mentioned in (b)	16.86
(d)	Gold or silver collateral acquired during the FY due to default of loans (in grams)	68,341
(e)	Gold or silver collateral auctioned during the FY (in grams)	35,875
(f)	Recovery made through auctions during the FY (in ₹ crore)	17.16
(g)	Recovery percentage:	
(h)	as % of value of gold or silver collateral	91%
(i)	as % of outstanding loan	102%

*Weight of Gold collateral is net weight

Classification: Internal

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits:

Particulars	2025-26	2024-25
Total Deposits of twenty largest depositors	67,750.31	50,527.88
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	7.31%	6.19%

(b) Concentration of advances:

Particulars	2025-26	2024-25
Total Advances to twenty largest borrowers	1,30,150	1,09,733
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	15.76%	15.40%

(c) Concentration of exposures

Particulars	2025-26	2024-25
Total Exposure to twenty largest borrowers/customers	1,35,832	1,14,585
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	12.41%	11.79%

(d) Concentration of NPAs:

Particulars	2025-26	2024-25
Total Exposure to top twenty NPA accounts*	717.00	1,986.00
Percentage of exposure to the twenty largest NPA exposure to total Gross NPAs	4.68%	9.13%

*Net of Prudential Write-off (PWO) and Unrealised Interest (URI)

7. Derivatives

(i) Details of derivative portfolio

Particulars	2025-26			2024-25		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Interest Rate Derivatives						
MTM – Assets	0.00	66.86	0.00	0.00	0.00	0.00
MTM – Liabilities	0.00	69.11	117.46	0.00	10.86	0.00
Net Gain / Loss recognised in Profit &Loss Account	0.00	(-)2.25	(-)117.46	0.00	(-)10.86	0.00
Exchange Rate Derivatives						
MTM – Assets	11,390.57	0.00	5.14	557.33	0.00	0.00
MTM – Liabilities	11,724.15	0.00	703.93	667.14	0.00	0.00
Net Gain / Loss recognised in Profit &Loss Account	(-)333.58	0.00	(-)698.79	(-)109.81	0.00	0.00
Credit Risk Derivatives						
MTM – Assets	0.00	0.00	0.00	0.00	0.00	0.00
MTM – Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Net Gain / Loss recognised in Profit &Loss Account	0.00	0.00	0.00	0.00	0.00	0.00
Other Derivatives (specify)						
MTM – Assets	0.00	0.00	0.00	0.00	0.00	0.00
MTM – Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Net Gain / Loss recognised in Profit &Loss Account	0.00	0.00	0.00	0.00	0.00	0.00

Classification: Internal

(ii) Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
i)	The notional principal of swap agreements	5,465.22	913.80
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	0.00
iii)	Collateral required by the bank upon entering into swaps	0.00	0.00
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year.*	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year.
v)	The fair value of the swap book	(-)119.71	10.86

***Note:** Out of total notional principal of swap arrangements (Point 1) ₹ 838.80 pertains to interbank exposure and balance with CCIL.

(iii) Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2026	As at 31.03.2025
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

Classification: Internal

(iv) Disclosures on risk exposure in derivatives

a) Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.
Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit and Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Classification: Internal

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure Method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instruments.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.25%	1.00%
Over one year to five years	0.50%	5.00%
Over five years	1.50%	7.50%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

b) Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
1	Derivatives (Notional Principal Amount)				
	a) For hedging	7277.04		0.00	
		(5,780.70)		(0.00)	
	b) For trading	452.58		4626.42	
		(337.08)		(75.00)	
2	Marked to Market Positions				
	a) Asset (+)	0.23		0.00	
		(0.13)		(0.00)	
	b) Liability (-)	117.60		2.25	
		(10.80)		(0.22)	
3	Credit Exposure	97.07		89.48	
		(143.71)		(0.75)	
4	Likely impact of one percentage change in interest rate (100*PV01)	0.26		1.77	
	a) On hedging derivatives	0.26		0.00	
		(0.36)		(0.00)	
	b) On trading derivatives	0.00		1.77	
		(0.00)		(0.26)	
5	Maximum & Minimum of 100*PV01 observed during the year	**Max**	**Min**	**Max**	**Min**
	a) On hedging	0.30	0.26	0.00	0.00
		(0.36)	(0.32)	(0.00)	(0.00)
	b) On trading	0.00	0.00	1.93	1.23
		(0.00)	(0.00)	(0.26)	(0.00)

(v) Credit Default Swaps

The Bank has not dealt with any Credit Default Swap in current as well as in the previous year.

8. Disclosures relating to Securitisation

The Bank has not floated any Special Purpose Vehicle (SPV) during the FY 2025-26 as well as during FY 2024-25.

9. Off balance sheet SPVs sponsored

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

बैंक ऑफ़ इंडिया BANK OF INDIA प्र. का. H.O. वित्त विभाग FINANCE DEPT
S. JAYKISHAN KOLKATA FRN: 000005E Chartered Accountants
A. BAFNA & CO. FRN 003660C Chartered Accountants
SCV & Co. LLP NEW Delhi Chartered Accountants
SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

Particulars	2025-26	2024-25
Opening balance of amounts transferred to DEAF	3,754.04	2,949.20
Add : Amounts transferred to DEAF during year	767.89	915.15
Less : Amounts reimbursed by DEAF towards claims	233.15	110.31
Closing balance of amounts transferred to DEAF	**4,298.78**	**3,754.04**

Note: The closing balance of the amount transferred to DEA Fund, as disclosed above is included under Schedule -12 Contingent Liabilities - Other Items.

11. Disclosure of Complaints

(i) Summary information on complaints received by the bank from customers and from the OBOs [Offices of the Banking Ombudsman]

Sr. No		Particulars	2025-26	2024-25
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	1,372	1,030
2		Number of complaints received during the year	2,92,121	3,04,705
3		Number of complaints disposed during the year	2,91,479	3,04,363
	3.1	Of which, number of complaints rejected by the bank	4,983	5,891
4		Number of complaints pending at the end of the year	2,014	1,372
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	5,284	4,505
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1,799	1,484
	5.2	Of 5, number of complaints resolved through conciliation / mediation / advisories issued by BOs	3,463	3,021
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	3	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme 2021 (Previously Banking Ombudsman Scheme, 2006) and covered within the ambit of the Scheme.

(ii) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/ Debit Cards	468 (428)	83020 (118892)	(-)30.17 ((-)7.54)	153 (468)	0 (0)
Internet/ Mobile/ Electronic Banking	628 (315)	112362 (93244)	20.50 (120.01)	921 (628)	1 (0)
Account operation related	253 (36)	80500 (71892)	11.97 (164.05)	927 (253)	33 (7)
Advances/ Credit Related	4 (5)	10158 (7123)	42.61 (72.76)	8 (4)	1 (0)
Levy of charges	3 (3)	4640 (3948)	17.53 (25.69)	4 (3)	1 (0)
Others	16 (243)	1441 (9606)	(-)85.48 ((-)64.17)	1 (16)	0 (0)
Total	**1372** **(1030)**	**292121** **(304705)**		**2014** **(1372)**	**36** **(7)**

12. Disclosure of Penalties imposed by the Reserve Bank of India and other regulators

(i) Disclosure of Penalties imposed by RBI /Overseas Regulators

FY 2025-26

Particulars	Nature of Breach	Domestic		International		Total	
		No of Cases	Amount	No of Cases	Amount	No of Cases	Amount
Penalty imposed by RBI	Regulatory/ Operational	144	0.83	-	0.00	144	0.83
Penalties imposed on Overseas territories by their respective regulators	Regulatory/ Operational	-	0.00	1	0.05	1	0.05

FY 2024-25

Particulars	Nature of Breach	Domestic		International		Total	
		No of Cases	Amount	No of Cases	Amount	No of Cases	Amount
Penalty imposed by RBI	Regulatory/ Operational	163	0.20	0	0.00	163	0.20
Penalties imposed on Overseas territories by their respective regulators	Regulatory/ Operational	0	0.00	4	0.09	4	0.09

(ii) Disclosure of imposition of penalty for bouncing of SGL forms

Year ended	Date of bouncing SGL form	Amount	Remarks
2025-26	-	0.00	-
2024-25	-	0.00	-

(iii) Disclosure of penalty imposed by RBI in a reverse repo transaction:

Year ended	Amount
2025-26	0.00
2024-25	0.00

(iv) Details of any other penalty imposed by RBI under the various provisions of:

Particulars	2025-26	2024-25
(i) Banking Regulation Act, 1949	0.00	1.00
(ii) Payment and Settlement Act, 2007	0.00	0.004
(iii) Government Securities Act, 2006	0.00	0.00

13. Disclosure on remuneration:

(Amount in ₹)

Sr. No	Particulars	2025-26	2024-25
1	Shri Rajneesh Karnatak	62,94,742	52,69,865
2	Shri P. R. Rajagopal	68,16,348	59,42,538
3	Shri M Karthikeyan (superannuated on 31.03.2025)	18,68,640	49,17,186
4	Shri Subrat Kumar	76,93,522	51,40,710
5	Shri Rajiv Mishra	72,54,345	35,65,716
6	Shri Pramod Kumar Dwibedi (from 24.11.2025)	16,36,274	0.00

14. Other Disclosures

(i) Business Ratios

Sr. No.	Particulars	31.03.2026 (in %)	31.03.2025 (in %)
(i)	Interest Income as a percentage to average Working Funds	6.62	6.90
(ii)	Non-interest income as a percentage to average Working Funds	0.87	0.88
(iii)	Cost of Deposits	4.80	4.90
(iv)	Net Interest Margin	2.52	2.82
(v)	Operating Profit as a percentage to average Working Funds	1.50	1.60
(vi)	Return on Assets	0.93	0.90
(vii)	Business per employee (in ₹)	32.18	28.21
(viii)	Profit per employee (in ₹)	0.21	0.18

(ii) Fees, remuneration received from Bancassurance Business:

Particulars	2025-26	2024-25
Life Insurance Business	200.29	223.43
Non-Life Insurance Business	34.03	30.68
Health Insurance Business	14.60	18.72
Total	**248.92**	**272.83**

(iii) Fees, remuneration received from Marketing and Distribution:

Particulars	2025-26	2024-25
Mutual Funds	10.98	8.42
Total	**10.98**	**8.42**

(iv) Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):

Purchased during the year	Sold During the Year
0.00 (7,000.00)	11,980.00 (7,000.00)

Bank has earned ₹253.31 by selling ₹11,980 in Priority Sector Lending Certificate (PSLCs) for Small Farmer & Marginal Farmer portfolio and not purchased any PSLC under Agriculture portfolio. The net earning is ₹253.31.

(v) Provisions and Contingencies:

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2025-26	2024-25
Provision for Non-Performing Investments	0.00	(-)282.09
Provision towards NPA	3,392.67	4,592.72
Provision made towards Income Tax (including Deferred Tax)	3,418.51	3,215.43
Provision towards Standard Assets	99.61	(-)387.06
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	0.00	(-)155.27
• Provision for Country Risk	21.33	10.35
• Other Provisions	(-)410.55	199.01
Total	**6,521.58**	**7,193.09**

Classification: Internal

(vi) Implementation of IFRS converged Indian Accounting Standards (Ind AS):
RBI vide its circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, deferred implementation of Ind AS till further notice as the legislative amendments in Banking Regulation Act, 1949 as recommended by RBI are under consideration of the Government of India. However, RBI requires all banks to submit Proforma Ind AS Financial Statements (PFS) every half year. Accordingly, the Bank has been preparing and submitting to RBI Proforma Ind AS Financial Statements (PFS) half-yearly with effect from September, 2021, after seeking approval of Steering Committee formed for monitoring of implementation of Ind-AS in the Bank. The PFS are also presented to Audit Committee of Board and Board for information and reporting. Recently, the RBI Vide circular No.RBI/DOR/2026-27/398 dated 27.04.2026 has issued guidelines as Reserve Bank of India (Commercial Banks – Asset Classification, Provisioning and Income Recognition) Directions, 2026 for implementation of ECL framework. The directions will be effective from 01.04.2027. The Bank has already appointed the consultant for the same and is in process to implement the ECL framework.

(vii) Payment of DICGC Insurance Premium:
The deposit insurance premium as applicable was paid to DICGC by Bank within the prescribed timelines.

(viii) Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks
Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank recognised the additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022.

Accordingly, Bank has recognised ₹ Nil (Previous Year ₹ 41.21) as an expense in the Profit and Loss account, for the year ended March 31, 2026 towards the said additional liability and the unamortised amount of family pension liability as on the date is ₹ Nil (Previous Year ₹ Nil).

(ix) In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances":

No. of accounts restructured	Amount
7,225 (13,039)	268.92 (367.83)

(x) Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management):

During the year 2025-26, the bank has not issued any Letter of Comfort on behalf of Subsidiaries.

During the year 2010-11, the bank had issued unconditional parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, Bank of India (New Zealand) Ltd. to meet its financial obligations, for the benefits of its creditors.

As on 31.03.2026, no financial obligations have arisen on the above commitments.

(xi) Portfolio-level information on the use of funds raised from green deposits

Particulars	Current Financial Year	Previous Financial Year	Cumulative*
Total green deposits raised (A)	930.08	33.54	963.62
Use of green deposit funds**			
1) Renewable Energy	930.08	33.54	963.62
Solar Energy	0.00	33.54	33.54
Wind Energy	885.61	0.00	885.61
Hybrid (Solar + Wind)	44.47	0.00	44.47
2) Energy Efficiency	0.00	0.00	0.00
3) Clean Transportation	0.00	0.00	0.00
4) Climate Change Adaptation	0.00	0.00	0.00
5) Sustainable Water and Waste Management	0.00	0.00	0.00
6) Pollution Prevention and Control	0.00	0.00	0.00
7) Green Buildings	0.00	0.00	0.00
8) Sustainable Management of Living Natural Resources and Land Use	0.00	0.00	0.00
9) Terrestrial and Aquatic Biodiversity Conservation	0.00	0.00	0.00
Total Green Deposit funds allocated (B = Sum of 1 to 9)	**930.08**	**33.54**	**963.62**
Amount of Green Deposit funds not allocated (C = A – B)	**0.00**	**0.00**	**0.00**
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	0.00	0.00	0.00

BANK OF INDIA FINANCE DEPT
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A. BAFNA & CO. FRN 003660C Chartered Accountants
SCV & Co. LLP NEW Delhi Chartered Accountants
MUMBAI FRN 109262W/ W100673 Chartered Accountants

*This shall contain the cumulative amount since the Bank started offering green deposits. For example, if Bank has commenced raising green deposits from June 1, 2023, the annual financial statement for the period ending March 31, 2026 would contain particulars of deposits raised and allocated from June 1, 2023 till March 31, 2026.

**Under each category, Bank has provided sub-categories based on the funds allocated to each sub-sector.

(xii) **Income Tax:**

(a) Claims against the Bank not acknowledged as debt appearing under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 2,057.06 (previous year ₹ 2,048.01) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

(b) Provision for income tax for the year is arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial precedents on certain disputed issues.

(c) The Bank had exercised the irreversible option to shift from old tax regime to the new tax regime under section 115BAA of the Income Tax Act, 1961, effective from the Assessment Year 2023-24.

(d) The Organisation for Economic Co-operation and Development (OECD) has published the model rules for global minimum tax (Pillar Two model rules). As per the provisions of Pillar Two legislation, the Ultimate parent entity (UPE) of the Group (the Bank, its branches, subsidiaries and / or other constituent entities) has consolidated revenues exceeding the threshold prescribed under the OECD framework.

The Pillar Two legislation is not enacted by Government of India, where the Parent company is incorporated. Pillar Two legislation has been enacted, or substantively enacted, in most of the other jurisdictions where the Group (the Bank, its branches, subsidiaries and / or constituent entities) operates. Based on preliminary assessment, the Bank does not expect a material financial impact from the application of Pillar Two legislation on its financial statements as on reporting date. The evaluation of the exposure is based on broad review of the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. In the jurisdiction with lower corporate tax rate i.e. United Arab Emirates, the Bank has recognized

and disclosed separately, current tax expense towards the domestic minimum top-up taxes under the local Pillar Two legislation.

The Bank has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two Income Taxes as mandated by AS-22 (amended). This exception applies immediately and retrospectively.

(xiii) Details of Number of Investors complaints received and disposed-off during the quarter ended March 31, 2026:

i)	Pending at the beginning of the year	00
ii)	Received during the year	32
iii)	Resolved during the year	32
iv)	Pending at the end of the year	00

(xiv) Pursuant to Gazette Notification No. CG-DL-E-07042025-262329 dated April 7, 2025, the following Regional Rural Banks (RRBs), sponsored by Bank of India, have been amalgamated and the sponsor bank has been changed in respect of two RRBs with effect from May 1, 2025. The Bank's investments in these RRBs are included in its financial statements as at March 31, 2025.

(a) The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by Bank of India are as below:

Sr. No.	State	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs
1	Maharashtra	Vidharbha Konkan Gramin Bank	Bank of India	Maharashtra Gramin Bank	Bank of Maharashtra
		Maharashtra Gramin Bank	Bank of Maharashtra		
2	Uttar Pradesh	Aryavart Bank	Bank of India	Uttar Pradesh Gramin Bank	Bank of Baroda
		Baroda UP Gramin Bank	Bank of Baroda		

(b) The details of amalgamation of RRBs, where the transferee RRB is sponsored by Bank of India are as below:

Sr. No.	State	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs
1	Madhya Pradesh	Madhyanchal Gramin Bank	State Bank of India	Madhya Pradesh Gramin Bank	Bank of India
		Madhya Pradesh Gramin Bank	Bank of India		

Accordingly, during the year ended March 31, 2026, the Bank has subscribed an additional amount of ₹ 329.45 towards the share capital of Madhya Pradesh Gramin Bank, being the sponsor bank of the Amalgamated RRB. During the year, the Bank has received a capital redemption of ₹ 450.46 in case of Vidharbha Konkan Gramin Bank and ₹ 205.90 in case of Aryavart Bank, being the face value of its investment in the RRB.

Further, in case of Vidharbha Konkan Gramin Bank and Aryavart Bank, the Bank has debited / credited its Consolidated Profit and Loss Account by ₹ 330.38 (Credit) and ₹ 849.18 (Debit) respectively towards reversal of difference between the carrying value of investments as on 01.05.2025 and the proceeds received for capital redemption and the same has been shown under exceptional item in the Consolidated Financial Results.

On account of amalgamation of Madhyanchal Gramin Bank into Madhya Pradesh Gramin Bank, where the Bank is the Sponsor Bank of the Amalgamated RRB, the carrying amount of bank investment in associate as on 01.05.2025 has been adjusted by ₹ 171.87 in opening Reserves and Surplus of Consolidated Financial Results, in accordance with Accounting Standard 23 - 'Accounting for Investments in Associates in Consolidated Financial Statements'.

(xv) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2026, Bank holds 100% provision of the aggregate outstanding value of ₹ 2,905.38 (Previous year ₹ 3,033.86).

(xvi) In terms of Bank's approved revaluation policy, during the year ended March 31, 2025 the immovable properties are revalued based on the revaluation reports of Bank's approved valuers and the surplus arising from revaluation amounts to ₹1,580.24 has been added to "Revaluation Reserve".

Classification: Internal

(xvii) Bank has raised Infrastructure Bonds amounting to ₹ 10,000 on Dec 26, 2025 at coupon rate of 7.23%.

(xviii) The Government of India has notified four New Labour Codes subsuming 29 legislations relating thereto effective November 21, 2025. Based on the broad assessment carried out by the management, the Bank continues to comply with the major provisions having financial impact. The rules relating to said Labour Codes are yet to be notified and any resultant impact arising out of the same shall be taken care on such notification

(xix) Other Income includes commission and brokerage income, fee and other charges, profit/ loss on sale of fixed assets (net), profit/ loss on revaluation of investments (net) (FVTPL and HFT), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

(xx) The Board of Directors has recommended a dividend of ₹ 4.65 per equity share (46.50%) for the year ended March 31, 2026 subject to requisite approvals.

(xxi) Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall unadjusted impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

(xxii) Other Income / Expenditure exceeding 1% of total income

Other Income: Other Income includes below income exceeding 1% of the total income of the Bank.

Particulars	2025-26	2024-25
Recovery in written off accounts	2,673.94	2,365.46

Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:

During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:

There is no change in the Significant Accounting Policies followed during the year ended March 31, 2026 as compared to those followed in the previous financial year ended March 31, 2025.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No.	Particulars	FY 2025-2026		FY 2024-2025	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	7.87%	7.16%	6.99%	6.71%
	Rate of Return on Plan Assets	7.74%	7.41%	6.94%	7.52%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing changes in Present value of Defined Benefit Obligation :**				
	Liability at the beginning of the year	2475.11	21,915.55	2,289.02	20,430.10
	Interest Cost	167.35	1,393.67	157.30	1,386.02
	Current Service Cost	137.85	1,164.75	126.39	1,128.23
	Past Service Cost	0.00	0.00	0.00	41.21
	Benefit Paid	161.70	2,290.88	220.72	2,413.01
	Actuarial (gain)/loss on Obligation	61.31	441.87	123.12	1,343.00
	Liability at the end of the year	2,679.92	22,624.96	2,475.11	21,915.55
	Unrecognised past service cost	0.00	0.00	0.00	0.00
	Total Defined Benefit obligation	**2,679.92**	**22,624.96**	**2,475.11**	**21,915.55**
(iii)	**Table showing changes in Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the year	2,430.49	21,388.63	2,223.34	19,922.68
	Expected return on Plan Assets	190.15	1,566.94	154.72	1,485.37
	Contributions	214.11	1,806.30	232.88	2,072.14

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SARDA & PAREEK LLP MUMBAI FRN 109262W/ W100673 Chartered Accountants

Sr. No.	Particulars	FY 2025-2026		FY 2024-2025	
		Gratuity	Pension	Gratuity	Pension
	Benefit Paid	161.70	2,290.88	220.72	2,413.01
	Actuarial gain/(loss) on Plan Assets	(-)0.63	(-)415.27	40.27	321.46
	Fair Value of Plan Assets at the end of the year	**2,672.42**	**22,055.73**	**2,430.49**	**21,388.63**
	Total Actuarial Gain/(Loss) recognised	**(-)61.94**	**(-)857.14**	**(-)82.85**	**(-)1,021.55**
(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	190.15	1,566.94	154.72	1,485.37
	Actuarial gain/(loss) on Plan Assets	(-)0.63	(-)415.27	40.27	321.46
	Actual return on Plan Assets	**189.52**	**1,151.67**	**194.99**	**1,806.82**
(v)	**Amount recognised in the Balance Sheet**				
	Liability at the end of the year	2,679.92	22,624.96	2,475.11	21,915.55
	Fair Value of Plan Assets at the end of the year	2,672.42	22,055.73	2,430.49	21,388.63
	Unrecognised past service cost	0.00	0.00	0.00	0.00
	Amount Recognised in the Balance Sheet	**7.50**	**569.23**	**44.62**	**526.92**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	137.85	1,164.75	126.39	1,128.23
	Interest Cost	167.35	1,393.67	157.30	1,386.02
	Expected Return on Plan Assets	(-)190.15	(-)1,566.94	(-)154.72	(-)1,485.37
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Past Service Cost	0.00	0.00	0.00	41.21
	Actuarial (Gain) or Loss	61.94	857.14	82.85	1,021.55
	Expense Recognised in P & L	**176.99**	**1,848.62**	**211.82**	**2,091.64**
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	44.62	526.92	65.68	507.42
	Expenses as above	176.99	1,848.62	211.82	2,091.64
	Employer's Contribution	(-)214.11	(-)1,806.30	(-)232.88	(-)2,072.14
	Additional Past Service Cost	0.00	0.00	0.00	0.00
	Amount Recognised in Balance Sheet	**7.50**	**569.23**	**44.62**	**526.92**
(viii)	**Category of Assets :**				
	Central Government of India Securities	5.10	2,442.70	10.21	2,569.54
	Equity	0.00	1,136.52	0.00	1,071.34
	Corporate Bonds	0.00	5,914.39	35.04	5,911.16
	State Government Securities	0.00	4,446.44	0.00	3,986.63
	Insurance	2,468.15	7.655.92	2203.68	6,931.40
	Other	199.17	459.76	181.56	918.56
	Total	**2,672.42**	**22,055.73**	**2,430.49**	**21,388.63**
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/Loss	321.93	1,174.08	41.01	(-)545.48
	On Plan Asset (Loss)/Gain	(-)0.63	(-)415.27	40.27	321.46

Other long term employee benefits*:

Particulars	31.03.2026		31.03.2025	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,357.79	78.36	1,279.43	73.07
Leave Travel Concession	63.34	0.17	63.17	0.34
Resettlement Benefits	9.43	0.36	9.07	0.47
Milestone Awards	4.92	0.04	4.88	0.24
Sick Leave**	5.01	0.73	4.28	1.20
Medical Benefits (Whole Time Directors)	7.05	7.05	0.00	0.00

* The actuarial assumptions for Other Long term employee benefits are same which are used for Gratuity.

The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 565.64 (Previous Year ₹ 544.39) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leave by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 1857.57 (Previous Year ₹ 2,064.09) and towards Gratuity is ₹ 29.58 (Previous Year ₹ 27.61).

Classification: Internal

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY 2025-26**	**FY2024-25**	**FY2023-24**	**FY2022-23**	**FY2021-22**
Defined benefit obligation	2,679.92	2,475.11	2,289.02	2,070.55	1,898.52
Plan assets	2,672.42	2,430.49	2,223.34	2,055.47	1,887.32
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)7.50	(-)44.62	(-)65.68	(-)15.09	(-)11.20
Experience Adjustment On Plan Liability (Gain)/Loss	321.93	41.01	124.29	240.77	152.27
Experience Adjustment On Plan Asset (Loss)/Gain	(-)0.63	40.27	11.51	(-)5.88	(-)42.37

	Pension Plan				
Particular	**FY 2025-26**	**FY2024-25**	**FY2023-24**	**FY2022-23**	**FY2021-22**
Defined benefit obligation	22,624.96	21,915.55	20,471.32	19,180.02	18,379.20
Plan assets	22,055.73	21,388.63	19,922.68	18,459.42	17,604.64
Unrecognised Transitional liability	0.00	0.00	41.22	183.62	489.67
Surplus/(deficit)	(-)569.23	(-)526.92	(-)507.42	(-)536.99	(-)284.88
Experience Adjustment On Plan Liability (Gain)/Loss	1,174.08	(-)545.48	410.04	843.92	1,092.69
Experience Adjustment On Plan Asset (Loss)/Gain	(-)415.27	321.46	(-)31.29	(-)45.52	(-)694.35

6.4 Accounting Standard 17 - Segment Reporting

Part A: Business Segment

Business Segment	Treasury Operations (1)		Wholesale Banking Operations (2)		Retail Banking Operations (3)		Digital Banking (3) (i)		Other Retail Banking (3)(ii)		(*)Other Banking Operations (4)		Total (1+2+3+4)	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue	23,267.62	22,741.41	29,011.27	26,838.20	32,910.75	31,053.26	0.62	0.63	32,910.13	31,052.63	0.00	0.00	85,189.64	80,632.86
Unallocated revenue													645.09	263.70
Less: Inter segment revenue													799.19	1,076.64
Total Revenue													85,035.54	79,819.92
Results	6,826.92	6,082.48	2,810.23	1,894.43	7,281.57	7,220.81	(-)0.58	(-)0.46	7,282.15	7,221.26	0.00	0.00	16,918.72	15,197.71
Unallocated Expenses													(-)2973.06	(-)2,763.27
Profit/(Loss) Before Tax													13,945.66	12,434.44
Income Tax													3,418.51	3,215.42
Extraordinary Profit/ (Loss)														
Net Profit/(Loss)													10,527.15	9,219.02
Other Information :														
Segment Assets	3,66,468.14	3,51,187.63	4,27,115.58	3,80,856.80	3,40,935.46	2,82,218.80	11.10	6.65	3,40,924.36	2,82,212.13	0.00	0.00	11,34,519.18	10,14,263.2
Unallocated Assets													28,913.61	28,318.75
Total Assets													11,63,432.79	10,42,581.95
Segment Liabilities	3,45,070.81	3,31,339.32	4,06,786.94	3,65,429.45	3,16,131.27	2,59,782.50	11.10	7.10	3,16,120.17	2,59,775.38	0.00	0.00	10,67,989.02	9,56,551.25
Unallocated Liabilities													7,453.55	7,429.25
Total Liabilities													10,75,442.57	9,63,980.50
Capital Employed	21,397.33	19,848.30	20,328.64	15,427.35	24,804.19	22,436.30	0.00	(-)0.46	24,804.19	22,436.76			66,530.16	57,711.95
Unallocated Capital Employed													21,460.06	20,889.50
Total Capital Employed													87,990.22	78,601.45

(*) The Bank does not have any significant "Other Banking Operations".

Classification: Internal
Classification: Internal

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Revenue	75,347.76	70,276.73	9,687.78	9,543.19	85,035.54	79,819.92
Assets	9,91,566.63	8,81,584.35	1,71,866.16	1,60,997.60	11,63,432.79	10,42,581.95

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury**: 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.

b) **Wholesale Banking**: Wholesale Banking includes all lending activities to trust, partnership firms and companies which are not included Retail Banking.

c) **Retail Banking**:
Retail Banking segment comprises of Digital Banking and Other Retail Banking.
Digital Banking includes digital banking products acquired by DBUs.
Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to ₹ 7.50.

Pricing of Inter-Segmental transfers
Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits and borrowings incurred by it.

Allocation of Assets & Liabilities
a) Assets & Liabilities directly attributed to particular segment are allocated to the relative segment.
b) Assets & Liabilities not directly attributable to specific segment are allocated in proportion Earning Assets.

Allocation of Costs:
a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments
a) Domestic Operations
b) International Operations

Classification: Internal
Classification: Internal

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel :

Managing Director & CEO :	Shri Rajneesh Karnatak
Executive Directors :	Shri P R Rajagopal Shri Subrat Kumar Shri Rajiv Mishra Shri Pramod Kumar Dwibedi (from 24.11.2025)

b. Subsidiaries:

i. BOI Services Limited (erstwhile BOI Shareholding Limited)
ii. Bank of India Investment Managers Pvt Ltd. (erstwhile BOI AXA Investment Managers Private Limited)
iii. Bank of India Trustee Services Pvt Ltd. (erstwhile BOI AXA Trustee Services Private Limited)
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates:

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. Regional Rural Banks sponsored by the Bank:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank (ownership transferred w.e.f. 01st May 2025)
iii. Aryavart Bank (ownership transferred w.e.f. 01st May 2025)

e. Joint Venture:

i. Star Union Dai-Ichi Life Insurance Co. Limited

Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2026	Year ended 31.03.2025	Year ended 31.03.2026	Year ended 31.03.2025	Year ended 31.03.2026	Year ended 31.03.2025
Transactions during the period						
Interest Received	0.00	0.00	0.00	0.00	0.00	0.00
Interest Paid	487.00	423.22	0.00	0.00	487.00	423.22
Dividend received	16.87	19.25	0.00	0.00	16.87	19.25
Other Income	208.84	229.56	0.00	0.00	208.84	229.56
Sale of Govt. Securities/Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of Govt. Securities/Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of Corporate Bonds and Other money market instruments	0.00	0.00	0.00	0.00	0.00	0.00
Deposits accepted	8.73	14.07	0.00	0.00	8.73	14.07
Matured Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Loans Provided	0.00	0.00	0.00	0.00	0.00	0.00
Loans Repaid	0.00	0.00	0.00	0.00	0.00	0.00
Sale of NPA	0.00	0.00	0.00	0.00	0.00	0.00
Investments made	0.00	0.00	0.00	0.00	0.00	0.00
Equity shares issued under Employee's Stock Purchase Scheme (ESPS)	0.00	0.00	0.00	0.00	0.00	0.00

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2026	Year ended 31.03.2025	Year ended 31.03.2026	Year ended 31.03.2025	Year ended 31.03.2026	Year ended 31.03.2025
Outstanding						
Payable	0.00	0.00	0.00	0.00	0.00	0.00
Deposits accepted	141.41	132.69	0.00	0.00	141.41	132.69
Borrowing	0.00	0.00	0.00	0.00	0.00	0.00
Loans given	10.00	10.00	0.00	0.00	10.00	10.00
Placement of the Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Other Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Receivables (Advances)	0.00	0.00	0.00	0.00	0.00	0.00
Investments	180.51	180.51	0.00	0.00	180.51	180.51
Non Funded Commitment	0.00	0.00	0.00	0.00	0.00	0.00
Leasing / HP arrangements availed	0.00	0.00	0.00	0.00	0.00	0.00
Leasing / HP arrangements provided	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Other Assets	5.16	5.49	0.00	0.00	5.16	5.49

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

Classification: Internal

6.6 Accounting Standard 19 – Leases: - Operating leases are cancellable at the option of the Bank. The amount of lease expenses recognized in the Profit & Loss Account for such operating lease is ₹ 819.35 (Previous Year: ₹ 748.44).

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2025-26	2024-25
1.	Basic EPS	23.12	20.25
2.	Diluted EPS	23.12	20.25

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2025-26	2024-25
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	10,527.15	9,219.02
(B)	Weighted Average Number of Equity shares (in crore)	455.27	455.27
(C)	Basic Earnings per Share (A/B) (₹)	23.12	20.25
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	455.27	455.27
(E)	Dilutive Earnings per Share (A/D) (₹)	23.12	20.25
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

6.8.1 The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr. No.	Particulars	31.03.2026	31.03.2025
	Deferred Tax Assets		
i)	On account of provision for doubtful debt and advances	1,039.81	2,044.96
ii)	On account of timing difference towards other provisions	104.63	200.61
iii)	On account of Foreign Currency Translation Reserve (FCTR)	565.61	244.46
iv)	On account of Foreign Offices	105.58	118.06
v)	DTA on account of Fair Valuation of ZCB vide RBI Master Direction dated September 12, 2023	355.95	355.95
vi)	DTA on valuation of Investment - AFS Portfolio	78.71	--
vii)	Others	233.00	218.08

	Total Deferred Tax Assets	**2,483.29**	**3,182.12**
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	157.69	179.79
ii)	On account of interest accrued but not due	1,054.12	957.68
iii)	On account of Deduction u/s 36(1)(viii) of the Income Tax Act, 1961 *	659.40	659.40
iv)	On account of Foreign Offices	13.45	--
v)	Others	58.65	81.67
	Total Deferred Tax Liabilities	**1,943.31**	**1,878.54**
	Net Deferred Tax Assets / (Liabilities)	**539.98**	**1,303.58**

* ₹ 431.67 out of past reserves and balance out of profit

6.8.2 Amount of Provisions made for Income-tax during the year

Particulars	**2025-26**	**2024-25**
Current Tax	2,515.93*	1,343.51
Deferred Tax	902.58**	1,871.92
Total Tax Expense	**3,418.51**	**3,215.43**

*Includes the domestic minimum top-up taxes under Pillar Two legislation of ₹ 2.47 crore. The current tax expense has been arrived at after giving effect to the reversal of earlier years tax provision of ₹ 95.02 crore.

** Deferred tax includes tax of Domestic as well as Foreign branches.

6.9 Accounting Standard 24 - Discontinuing Operations:

There are no discontinuing operations during the financial year 2025-26.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 98.17 (Previous year ₹ 98.17) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	98.17	India	27.48%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2026	31.03.2025
Liabilities		
Capital & Reserves	516.41	507.62
Deposits		
Borrowings	34.24	34.35
Other Liabilities & Provisions	10,097.12	8,018.40
Total	**10,647.87**	**8,560.37**
Assets		
Cash and Balances with Reserve Bank of India	202.25	180.85
Balances with Banks and Money at call and short notice	0.00	0.00
Investments	10,028.00	8,210.49
Advances	36.58	24.86
Fixed Assets	34.10	25.61
Other Assets	346.94	118.56
Total	**10,647.87**	**8,560.37**
Capital Commitments	0.00	0.00
Other Contingent Liabilities	61.12	36.61
Income		
Interest Earned	26.94	24.07
Other Income	89.90	70.87
Total	**116.84**	**94.94**
Expenditure		
Interest Expended	2.66	2.66
Operating Expenses	105.44	68.55
Provisions & Contingencies	(-)0.15	1.17
Total	**107.95**	**72.38**
Profit / (Loss)	**8.89**	**22.56**

6.11 Accounting Standard 26 - Intangible Assets:

Particulars	Useful Life(No. of Years)	Amortization rates used	Amortisation Method
Software	5	20.00%	Straight Line Method

Gross block as on 31/03/2025	Additions during year ended 31/03/2026			Deductions during year ended 31/03/2026			Gross block closing bal. as on 31/03/2026
	Purchases	Transfers from Branches	Due to MOC	Sales/ write off	Transfers to branches	Due to MOC	
858.32	92.85	0.00	0.00	13.57	0.00	0.00	937.60

Accumulated Depreciation as on 31/03/2025	Additions during year ended 31/03/2026			Deductions during year ended 31/03/2026			Gross block closing bal. as on 31/03/2026
	From profit & loss a/c	Transfers from Branches	Due to MOC	Sales/ write off	Transfers to branches	Due to MOC	
439.90	133.11	0.00	0.00	3.88	0.00	0.00	569.13

Gross block as on 31/03/2024	Additions during year ended 31/03/2025			Deductions during year ended 31/03/2025			Gross block closing bal. as on 31/03/2025
	Purchases	Transfers from Branches	Due to MOC	Sales/ write off	Transfers to branches	Due to MOC	
642.56	218.45	0.00	0.00	2.69	0.00	0.00	858.32

Accumulated Depreciation as on 31/03/2024	Additions during year ended 31/03/2026			Deductions during year ended 31/03/2026			Gross block closing bal. as on 31/03/2025
	From profit & loss a/c	Transfers from Branches	Due to MOC	Sales/ write off	Transfers to branches	Due to MOC	
344.88	95.02	0.00	0.00	0.00	0.00	0.00	439.90

6.12 Impairment of Assets (Accounting Standard 28):

In terms of Bank's approved revaluation policy, the immovable properties are revalued based on the revaluation reports of Bank's approved valuers in March 31, 2025 and the impairment of Fixed Assets year ended March 31, 2026 as per AS-28 is "NIL".

6.13 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2025-26	2024-25
Opening Balance	103.10	88.60
Provided during the year	4.21	27.23
Amounts reversed/used during the year	11.80	12.73
Closing Balance	95.51	103.10
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals and the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

15. Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

S. Jaykishan	A. Bafna & Co.
Chartered Accountants 12, Ho Chi Minh Sarani, Suite 2D, Kolkata 700071	Chartered Accountants K-2, Keshav Path, Near Ahinsa Circle, C – Scheme, Jaipur – 302 001
SCV & Co. LLP	**SARDA & PAREEK LLP**
Chartered Accountants B-41, Panchsheel Enclave, New Delhi-110017	Chartered Accountants Mahavir Apartment, Third Floor, 598, M. G. Road, Near Suncity Cinema, Vile Parle East, Mumbai – 400057

INDEPENDENT AUDITORS' REPORT

To
The Members of
Bank of India

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Bank of India ('the Bank'), which comprise the Balance Sheet as at March 31, 2025, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:
   (i) 20 Domestic branches, Treasury Branch and 14 other offices (Head-office and 13 FGMO Offices) audited by us;
   (ii) 1843 domestic branches and processing centres audited by respective Statutory Branch Auditors and
   (iii) 22 Foreign branches audited by respective local Auditors.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Profit and Loss Account and Cash Flow Statement are the returns from 4328 domestic branches and Nil foreign branch which have not been subjected to audit. These unaudited branches account for 15.92 % of advances, 33.54 % of deposits, 12.07% of interest income and 27.10 % of interest expenses.

   In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 in the manner so required for the bank and are in conformity with accounting principles generally accepted in India and:
   a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at March 31, 2025;
   b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit; and
   c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the ICAI Accounting Standards, as amended from time to time subject to Directions/Guidelines issued by the Reserve Bank of India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance

with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

Sr	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
1	Compliance of Income Recognition, Asset Classification and Provisioning Norms on advances and investments as per guidelines issued by Reserve Bank of India (IRAC Norms) Advances: Bank has to classify the accounts as performing advances or non-performing advances based on the guidelines/ circulars and directives issued by Reserve Bank of India. The guidelines issued by Reserve Bank of India is for all credit facilities given by the bank and is to be mandatorily followed for the purpose of Income Recognition, Asset Classification and Provisioning. Identification of performing and non-performing advances is system driven. The software used by the bank identifies the accounts for classification and provisioning as per the guidelines issued by Reserve Bank of India. The income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank. The bank has implemented IRAC Automation software for identification and classifying of NPA accounts through the software. Investments: Bank has to classify the investments as performing or non-performing based on the guidelines/circulars and directives issued by Reserve Bank of India. Identification of performing and non-performing investments is generally system driven. The valuation is done as per the guidelines issued by Reserve Bank of India and the valuations are done based on the price quoted on BSE/NSE, FIMDA /FBIL rates etc.	We have carried out the audit of the advances and investments based on the IRAC Norms/Circulars and directives issued by Reserve Bank of India and the policy of the Bank. Advances: Our audit procedure included: a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of advances. b) Testing on sample basis whether the classification of advances as performing or non-performing and provisioning have been carried out as per the guidelines of Reserve Bank of India. c) Communication to the Statutory Branch Auditors (SBAs) to verify the compliance of IRAC Norms and procedures and the policies adopted by the bank and reliance on the audit reports furnished by the SBAs. d) Carrying out substantive test on major advances including Specially Mentioned Accounts (SMA) and also verification of security by checking the valuation reports in respect of the audit of branches conducted by us. e) Reliance on the internal audit reports, concurrent audit reports, credit audit, system audit and special audits conducted by the bank. Investments: Our audit procedure included: a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of investments. b) Testing on sample basis whether the classification and valuation of investments is

	The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank. Advances and Investments constitute 62.31% and 24.85% respectively of total assets of the bank. As advances and investments form part of a major portion of the business of the bank and the regulatory compliances are involved, we have considered this aspect as Key Audit Matter.	carried out as per the guidelines of Reserve Bank of India. c) Verification on sample basis whether proper provision for depreciation in the value of investments is made as per RBI guidelines. d) Reliance made on the internal audit reports, concurrent audit reports and system audit conducted by the bank.
2	Evaluation of uncertain tax litigations and contingent liabilities The Bank has various litigations including Income-tax litigations, involving disputed claims against those litigations, which are pending at various courts / forums and are at various stages in the judicial process. Bank has also disputes regarding availability of input credits / applicability of Reverse Charge Mechanism on certain payments under Indirect Tax.	Our audit procedure included: a) Understanding the current status of the litigations / tax assessments. Also obtained details of completed tax assessments and latest orders, communication received from various tax authorities and the appeals filed till the year ended March 31, 2025, from the management. b) Evaluating the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. This includes considering the legal precedence and other rulings in evaluating management's position on these uncertain tax positions.
3	Assessment of Information Technology (IT): a. IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC norms, preparing financial statements and reporting of compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	Our audit procedure included: a) Obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit. b) Reviewed the Reports of various IS Auditors / Consultants appointed by the Bank and discussed with IT Department on compliance with key IT controls, including IRAC Automation Controls. c) Reviewed the design, implementation and operating effectiveness of the Bank's IT controls including application, access controls that are critical to financial reporting on test check basis. d) Where we identified the need to perform additional procedures, we placed reliance on manual compensating controls; such as reconciliations between systems and other information sources or performing additional testing; extended our sample sizes, to obtain adequate and appropriate audit evidence.

Other Matter

4. We did not audit the financial statements / financial information of 1787 branches and processing centres including 22 foreign branches included in the Standalone Financial Statements of the Bank whose financial statements/financial information reflects total assets of Rs.234960.07 Crore at March 31, 2025 and total revenue of Rs.19251.13 Crore for the year ended on that date as considered in the Standalone Financial Statements. These branches and processing centres cover 31.67% of advances, 47.18% of deposits and 30.13 % of Non-performing assets as on March 31, 2025 and 24.84 % of revenue for the period April 1, 2024 to March 31, 2025.The Financial statements/financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches and processing centres, are solely based on the report of such branch auditors.

   In conduct of our audit, we have taken note of the unaudited returns in respect of 4328 domestic branches and Nil foreign branch certified by the respective branch's management. These unaudited branches cover 15.92 % of advances, 33.54 % of deposits and 16.63% of non-performing assets as on March 31, 2025 and 12.74 % of revenue for the period April 1, 2024 to March 31, 2025.

   The accompanying Standalone Financial Statements includes comparative figures for the year ended March 31, 2024, which have been audited by an earlier set of four audit firms as joint auditors, who have expressed unmodified opinion vide their audit report dated May 10, 2024, and three of those four audit firms are continuing audit firms.

   Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditors Report thereon

5. The Bank's Board of Directors is responsible for the preparation of the Other Information. The other information comprises the information included in the Management report and Chairman's Statement (including annexures in the Annual Report) but does not include the Standalone Financial Statements and our Auditor's report thereon, which is expected to be made available for us after the date of this Auditors' Report.

   Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under Basel III Disclosure and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

6. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally

accepted in India, including the Accounting Standards issued by the ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

7. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

   As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. As required by the RBI letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended), we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
   - Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone

Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

8. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

9. Subject to the limitations of the audit indicated in paragraphs on Auditor's Responsibilities (para 7), Management Responsibilities (para 6) and Other matters (para 4) above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:
   a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;
   b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and
   c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

10. As required by letter No. DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks-Reporting obligations for SCAs from FY: 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

    a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

    b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

    c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

    d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

    e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting as required by the RBI Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) is given in **Annexure A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting as at March 31, 2025.

11. We further report that:

    a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches and processing centres not visited by us;

    b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches and processing centres not visited by us;

    c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

S. Jaykishan Chartered Accountants	A. Bafna & Co. Chartered Accountants
SCV & Co. LLP Chartered Accountants	SARDA & PAREEK LLP Chartered Accountants

d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India.

For S. Jaykishan
Chartered Accountants
(FRN: 309005E)

Nemai Gorai
Partner // ICAI M. No. 057892
UDIN: 25057892BMHYOI5401

For A. Bafna & Co.
Chartered Accountants
(FRN: 003660C)

Vivek Gupta
Partner // ICAI M. No. 400543
UDIN: 25400543BMLIFJ9974

For SCV & Co. LLP
Chartered Accountants
(FRN:000235N / N500089)

Ashish Agarwal
Partner // ICAI M. No. 093790
UDIN: 25093790BMJKLV1520

For SARDA & PAREEK LLP
Chartered Accountants
(FRN:109262W/W100673)

Giriraj Soni
Partner // ICAI M. No. 109738
UDIN: 25109738BMHWMY1247

Place: Mumbai
Date: May 9, 2025

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 10(e) of the Independent Auditors' Report of even date to the members of Bank of India on the Standalone Financial Statements for the year ended March 31, 2025

Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

Opinion

1. We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of Bank of India ("the Bank") as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting with reference to Standalone Financial Statements of the Bank's branches.

2. In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the "Other Matters" paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements and such Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements were operating effectively as at March 31, 2025, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI").

Management's Responsibility for Internal Financial Controls

3. The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

7. A Bank's internal financial controls over financial reporting with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

S. Jaykishan Chartered Accountants	A. Bafna & Co. Chartered Accountants
SCV & Co. LLP Chartered Accountants	SARDA & PAREEK LLP Chartered Accountants

Other Matters

9. Our aforesaid report, insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 1843 domestic branches and processing centres and 22 foreign branches is based on the corresponding reports of the respective branch auditors of those branches.

   Our opinion is not modified in respect of this matter

For S. Jaykishan
Chartered Accountants
(FRN: 309005E)

Nemai Gorai
Partner // ICAI M. No. 057892
UDIN: 25057892BMHYOI5401

For A. Bafna & Co.
Chartered Accountants
(FRN: 003660C)

Vivek Gupta
Partner // ICAI M. No. 400543
UDIN: 25400543BMLIFJ9974

For SCV & Co. LLP
Chartered Accountants
(FRN:000235N / N500089)

Ashish Agarwal
Partner // ICAI M. No. 093790
UDIN: 25093790BMJKLV1520

For SARDA & PAREEK LLP
Chartered Accountants
(FRN:109262W/W100673)

Giriraj Soni
Partner // ICAI M. No. 109738
UDIN: 25109738BMHWMY1247

Place: Mumbai
Date: May 9, 2025

Bank of India

BALANCE SHEET AS AT 31st MARCH, 2025

(000's Omitted)

	Schedule No	As at 31-03-2025 ₹	As at 31-03-2024 ₹
CAPITAL AND LIABILITIES			
Capital	1	4,55,34,070	4,55,34,070
Reserves and Surplus	2	74,04,80,346	64,32,72,643
Deposits	3	8,16,54,14,874	7,37,92,02,058
Borrowings	4	1,23,85,64,269	80,92,40,678
Other Liabilities and Provisions	5	23,58,25,907	24,87,29,799
TOTAL		10,42,58,19,466	9,12,59,79,248
ASSETS			
Cash and balances with Reserve Bank of India	6	51,73,04,253	38,55,62,687
Balances with Banks and money at call and short notice	7	48,55,04,826	44,38,08,637
Investments	8	2,59,11,18,048	2,27,14,44,677
Advances	9	6,49,65,70,414	5,63,14,46,654
Fixed Assets	10	11,93,87,144	10,22,64,640
Other Assets	11	21,59,34,781	29,14,51,953
TOTAL		10,42,58,19,466	9,12,59,79,248
Contingent Liabilities	12	6,43,64,94,068	4,47,59,15,977
Bills for Collection		27,99,73,822	28,55,27,054
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form `A' of the Third Schedule to the Banking Regulation Act, 1949.

B Kumar
General Manager &
Chief Financial Officer

Rajesh B Jingle
Chief General Manager

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Manoj Muttathil Ayyappan

Ashok Narain

V V Shenoy

Jamuna Ravi

In terms of our report of even date attached

For S.Jaykishan	For A. Bafna & Co	For SCV & Co. LLP	For Sarda & Pareek
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN: 309005E)	(FRN: 003660C)	(FRN: 000235N/N500089)	(FRN:109262W/W100673)
Nemai Gorai	Vivek Gupta	Ashish Agarwal	Siriraj Soni
Partner	Partner	Partner	Partner
M. No. 057892	M. No. 500543	M. No. 093790	M. No. 109738

Place: Mumbai
Date : May 9, 2025

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2025

(000's Omitted)

	Schedule No.	For the Year ended 31-03-2025 ₹	For the Year ended 31-03-2024 ₹
INCOME			
Interest earned	13	70,82,62,982	60,70,94,904
Other income	14	8,99,36,226	6,09,48,538
TOTAL		79,81,99,208	66,80,43,442
EXPENDITURE			
Interest expended	15	46,43,23,503	37,65,65,746
Operating expenses	16	16,97,54,609	15,07,91,633
Provisions and Contingencies		7,19,30,897	7,75,06,897
TOTAL		70,60,09,009	60,48,64,276
PROFIT/(LOSS)			
Net Profit/(Loss) for the year		9,21,90,199	6,31,79,166
Add: Profit/(Loss) brought forward		7,27,81,447	3,66,26,670
TOTAL		16,49,71,646	9,98,05,836
APPROPRIATIONS			
Transfer to Statutory Reserve		2,30,50,000	1,58,00,000
Transfer to Investment Fluctuation Reserve		-	20,63,554
Transfer to Investment Reserve Account		-	2,57,803
Transfer to Revenue Reserve		-	-
Transfer to Capital Reserve		21,30,200	6,95,900.00
Transfer to Revenue & Other Reserves		-	-
Dividend paid		1,27,47,470	82,07,132
Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	-
Balance in Profit and Loss Account		12,70,43,976	7,27,81,447
TOTAL		16,49,71,646	9,98,05,836
Significant accounting policies	17		
Notes to Accounts	18		
Earnings Per Share (Basic and Diluted) ₹		20.25	14.90

B Kumar
General Manager &
Chief Financial Officer

Rajesh S Ingle
Chief General Manager

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Manoj Muttathil Ayyappan

Ashok Narain

V V Shenoy

Jamuna Ravi

In terms of our report of even date attached

For S.Jaykishan	For A. Bafna & Co	For SCV & Co. LLP	For Sarda & Pareek
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN: 309005E)	(FRN: 003660C)	(FRN: 000235N/N500089)	(FRN:109262W/W100673)
Nemai Goral	Vivek Gupta	Ashish Agarwal	Giriraj Soni
Partner	Partner	Partner	Partner
M. No. 057892	M. No. 400543	M. No. 093790	M. No. 109738

Place: Mumbai
Date : May 9, 2025

(₹ In 000's)

	As at 31-03-2025	As at 31-03-2024
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹10 each	**6,00,00,000**	**6,00,00,000**
ISSUED CAPITAL		
Equity Shares 455,38,44,966 (Previous year 455,38,44,966) of ₹10 each	4,55,38,450	4,55,38,450
TOTAL	**4,55,38,450**	**4,55,38,450**
SUBSCRIBED AND PAID-UP CAPITAL		
455,26,67,866 Equity Shares (Previous year 455,26,67,866) of ₹10 each	4,55,26,679	4,55,26,679
Add: Shares forfeited	7,391	7,391
TOTAL *	**4,55,34,070**	**4,55,34,070**
* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹ 10 each fully paid up amounting to ₹3,34,08,617 (Previous year ended ₹ 3,34,08,617) is held by Central Government		
SCHEDULE - 2 : RESERVES AND SURPLUS		
I. Statutory Reserve :		
Opening Balance	11,06,58,842	9,48,58,842
Additions during the year	2,30,50,000	1,58,00,000
TOTAL (I)	**13,37,08,842**	**11,06,58,842**
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	6,81,87,030	6,89,60,298
Add: Addition during the year on Revaluation of Premises	1,58,02,420	0
Less: Adjustments during the year	(1,97,238)	(84,156)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	15,20,174	8,57,424
Total of (A)	**8,26,66,513**	**6,81,87,030**
B) Others		
i) Capital Reserve (Sale of Investment in Subsidiary/Associate/Joint Venture)		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Sub-total of (i)	-	-
ii) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	3,42,16,579	3,35,20,679
Additions during the year	21,30,200	6,95,900
Sub-total of (ii)	**3,63,46,779**	**3,42,16,579**
iii) Foreign Currency Translation Reserve		
Opening Balance	2,28,54,918	2,36,08,337
Add/ (Less) : Additions / adjustments during the year (Net)	27,10,438	(7,53,419)
Sub-total of (iii)	**2,55,65,356**	**2,28,54,918**
iv) Capital Reserve (Sale of equity under AFS)		
Opening Balance	-	-
Additions during the year	-	-
Deductions during the year	-	-
Sub-total of (iv)	-	-
Total of (B)	**6,19,12,135**	**5,70,71,497**
TOTAL (II)	**14,45,78,648**	**12,52,58,527**
III. Share Premium :		
Opening Balance	20,28,55,883	16,25,45,324
Add : Additions during the year	-	4,05,08,982
Less : Deductions/Utilization during the year	-	1,98,423
TOTAL (III)	**20,28,55,883**	**20,28,55,883**

(₹ in 000's)

	As at 31-03-2025	As at 31-03-2024
SCHEDULE - 2 : RESERVES AND SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	8,85,98,555	8,77,44,906
Add: Additions during the year	23,70,630	8,53,649
Less: Deductions during the year	-	-
Sub-total of IV(i)	**9,09,69,185**	**8,85,98,555**
ii) Investment Reserve Account :		
Opening Balance	40,65,618	38,07,815
Add: Additions during the year	-	2,57,803
Less: Transfer to Revenue Reserve	40,65,618	-
Sub-total of IV(ii)	-	**40,65,618**
iii) Investment Fluctuation Reserve :		
Opening Balance	1,28,53,771	1,07,90,217
Add: Additions during the year	-	20,63,554
Less: Deductions during the year	-	-
Sub-total of IV(iii)	**1,28,53,771**	**1,28,53,771**
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,62,00,000	2,62,00,000
Additions during the year	-	-
Sub-total of IV(iv)	**2,62,00,000**	**2,62,00,000**
TOTAL (IV)	**13,00,22,956**	**13,17,17,944**
V. AFS Reserve :		
Opening Balance	-	-
Add: Additions during the year	22,70,041	-
Less: Deductions during the year		-
Total	**22,70,041**	-
VI. Balance in Profit and Loss Account :	**12,70,43,976**	**7,27,81,447**
TOTAL (I TO VI)	**74,04,80,346**	**64,32,72,643**
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
I) From Banks	54,84,792	69,80,450
II) From Others	38,35,55,624	36,23,46,157
TOTAL (I)	**38,90,40,416**	**36,93,26,607**
II. Savings Bank Deposits	2,45,56,15,000	2,37,40,40,532
III. Term Deposits :		
i) From Banks	48,85,60,194	46,15,06,285
ii) From Others	4,83,21,99,264	4,17,43,28,634
TOTAL (III)	**5,32,07,59,458**	**4,63,58,34,919**
TOTAL A (I, II, III)	**8,16,54,14,874**	**7,37,92,02,058**
B. i) Deposits of branches in India	7,00,29,79,918	6,29,71,71,298
ii) Deposits of branches outside India	1,16,24,34,956	1,08,20,30,760
TOTAL (B)	**8,16,54,14,874**	**7,37,92,02,058**

(₹ in 000's)

	As at 31-03-2025	As at 31-03-2024
SCHEDULE - 4 : BORROWINGS		
I. Borrowings in India :		
i) Reserve Bank of India	30,00,00,000	14,50,00,000
ii) Other Banks		
a. Tier I Capital Bonds	74,90,000	77,40,000
b. Tier II Capital Bonds	90,90,000	63,40,000
c. Others	2,40,08,797	-
Total (ii)	**4,05,88,797**	**1,40,80,000**
iii) Other Institutions and Agencies		
a. Tier I Capital Bonds	2,10,30,000	2,07,80,000
b. Tier II Capital Bonds	8,39,10,000	6,16,60,000
c. Others	55,35,98,552	48,72,32,170
Total (iii)	**65,85,38,552**	**56,96,72,170**
Total (I)	**99,91,27,349**	**72,87,52,170**
II. Borrowings outside India		
a. Tier I Capital Bonds	-	-
b. Tier II Capital Bonds	-	-
c. Others	23,94,36,920	8,04,88,508
Total (II)	**23,94,36,920**	**8,04,88,508**
Total (I, II)	**1,23,85,64,269**	**80,92,40,678**
Secured borrowings included in I & II above	**73,04,98,552**	**21,38,70,541**
SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,60,76,630	1,65,76,093
II. Inter-office adjustments (net)	29,64,920	-
III. Interest accrued	3,64,35,935	3,18,06,765
IV. Deferred Tax Liabilities	-	-
V. Others (Including Provisions)*	18,03,48,422	20,03,46,941
TOTAL	**23,58,25,907**	**24,87,29,799**

* Includes provision for Standard Assets ₹ 4,47,42,846 (Previous Year ₹ 4,69,76,713)

(₹ In 000's)

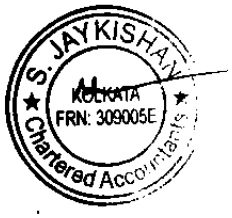
	As at 31-03-2025	As at 31-03-2024
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	1,75,14,475	2,12,70,221
II. Balances with Reserve Bank of India :*		
i) In Current Account	39,86,11,207	36,42,16,414
ii) In Other Accounts	10,11,78,571	76,052
TOTAL (II)	**49,97,89,778**	**36,42,92,466**
TOTAL (I, II)	**51,73,04,253**	**38,55,62,687**
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	4,53,221	2,90,740
b) In Other Deposit Accounts	1,70,95,000	2,41,04,045
ii) Money at call and short notice		
a) With Banks	71,51,000	10,20,300
b) With Other Institutions	-	-
TOTAL (i and ii)	**2,46,99,221**	**2,54,15,085**
II. Outside India :		
i) In Current Accounts	1,08,04,245	61,31,102
ii) In Other Deposit Accounts	22,98,77,390	24,72,09,947
iii) Money at call and short notice	22,01,23,970	16,50,52,503
TOTAL (i, ii and iii)	**46,08,05,605**	**41,83,93,552**
TOTAL (I, II)	**48,55,04,826**	**44,38,08,637**
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	2,22,69,82,408	1,99,99,90,694
ii) Other approved Securities	-	-
iii) Shares	1,56,82,840	71,57,950
iv) Debentures and Bonds	15,17,05,700	11,07,26,870
v) Subsidiaries and/or Joint ventures (including Associates)	1,61,93,802	1,45,36,931
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	3,96,07,537	2,64,61,809
TOTAL (I)	**2,45,01,72,287**	**2,15,88,74,254**
Gross	2,44,56,15,372	2,19,97,03,730
Add/Less: Appreciation/Depreciation and Amortisation	45,56,915	4,08,29,476
Net	**2,45,01,72,287**	**2,15,88,74,254**
II. Investments outside India :		
i) Government Securities (including local authorities)	10,21,45,390	7,57,68,923
ii) In Subsidiaries and/or joint ventures abroad	2,34,60,525	2,29,65,905
iii) Other Investments (Debentures, Bonds etc.)	1,53,39,846	1,38,35,595
TOTAL (II)	**14,09,45,761**	**11,25,70,423**
Gross	14,10,63,383	11,63,08,983
Add/Less: Appreciation/Depreciation and Amortisation	(1,17,622)	37,38,560
Net	**14,09,45,761**	**11,25,70,423**
TOTAL (I, II)	**2,59,11,18,048**	**2,27,14,44,677**

(₹ In 000's)

	As at 31-03-2025	As at 31-03-2024
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	43,73,10,953	42,90,32,826
ii) Cash Credits, Overdrafts and Loans repayable on demand	2,55,48,98,307	2,12,31,89,127
III) Term Loans	3,50,43,61,154	3,07,92,24,701
TOTAL (A)	**6,49,65,70,414**	**5,63,14,46,654**
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	4,66,01,59,039	3,94,32,03,635
ii) Covered by Bank/Government Guarantees	37,98,80,735	55,28,71,419
iii) Unsecured	1,45,65,30,640	1,13,53,71,600
TOTAL (B)	**6,49,65,70,414**	**5,63,14,46,654**
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,99,57,08,036	1,68,91,73,691
ii) Public Sector	1,25,74,28,680	1,30,20,94,408
iii) Banks	14,65,83,097	14,22,31,724
iv) Others	2,07,49,57,783	1,56,85,62,170
TOTAL (C-I)	**5,47,46,77,596**	**4,70,20,61,993**
II. Advances outside India :		
i) Due from Banks	36,78,70,788	38,07,31,883
ii) Due from others		
a) Bills Purchased and Discounted	7,42,42,311	10,28,26,124
b) Syndicated Loans	40,88,06,675	23,75,77,531
c) Others	17,09,73,044	20,82,49,123
TOTAL (C-II)	**1,02,18,92,818**	**92,93,84,661**
TOTAL (C - I, C - II)	**6,49,65,70,414**	**5,63,14,46,654**
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	2,13,28,479	2,11,15,362
Additions / Adjustments during the year	2,74,884	2,13,117
Less:Deductions / Adjustments during the year	707	-
Sub-total	**2,16,02,656**	**2,13,28,479**
Add: Additions to date on account of revaluation	8,32,68,793	7,02,41,372
Less : Depreciation to date (including on account of revaluation)	59,05,690	69,82,477
TOTAL -(I)	**9,89,65,759**	**8,45,87,374**
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	5,46,21,068	4,77,86,619
Additions / Adjustments during the year	71,85,284	70,07,891
Less:Deductions / Adjustments during the year	4,14,821	1,73,442
Sub-total	**6,13,91,531**	**5,46,21,068**
Less: Depreciation to date	4,27,58,063	3,84,20,304
TOTAL (II)	**1,86,33,468**	**1,62,00,764**
III. CAPITAL WORK IN PROGRESS	**17,87,917**	**14,76,502**
TOTAL (I, II, III)	**11,93,87,144**	**10,22,64,640**

(₹ In 000's)

	As at 31-03-2025	As at 31-03-2024
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	0.00	3,77,18,785
II. Interest accrued	6,41,13,656	5,55,00,099
III. Tax paid in advance/tax deducted at source	4,01,69,245	5,53,42,554
IV. Stationery and Stamps	1,58,959	1,31,912
V. Deferred Tax Assets (Net)	1,30,35,844	2,87,98,233
VI. Others *	9,84,57,077	11,39,60,370
TOTAL	**21,59,34,781**	**29,14,51,953**
* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 2,43,01,210 (Previous Year ₹ 4,32,65,948)		
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	3,92,41,584	4,12,31,772
II. Liability for partly paid Investments	5,24,446	8,86,789
III. Liability on account of outstanding forward exchange contracts	5,88,06,95,554	3,91,50,70,219
IV. Guarantees given on behalf of Constituents :		
a) In India	26,41,34,763	24,69,54,054
b) Outside India	2,77,47,972	3,55,23,950
V. Acceptances, endorsements and other obligations	17,43,05,732	19,68,32,952
VI. Derivative contracts other than listed at III above	91,38,000	59,00,000
VII. Other items for which the Bank is contingently liable	4,07,06,017	3,35,16,241
TOTAL	**6,43,64,94,068**	**4,47,59,15,977**



SCHEDULES TO PROFIT AND LOSS ACCOUNT

(₹ in 000's)

	For the Year ended 31-03-2025	For the Year ended 31-03-2024
SCHEDULE - 13 : INTEREST EARNED		
I. Interest/Discount on advances/bills	50,04,49,392	42,88,10,103
II. Income on Investments	17,20,50,348	14,12,26,796
III. Interest on balances with Reserve Bank of India and other inter-bank funds	3,19,52,901	2,89,08,924
IV. Others	38,10,341	81,49,081
TOTAL	**70,82,62,982**	**60,70,94,904**

SCHEDULE - 14 : OTHER INCOME				
I. Commission, exchange and brokerage		1,99,45,794		1,74,96,075
II. Profit on sale of Investments	1,71,36,596		71,47,711	
Less : Loss on sale of Investments	-		16,171	
		1,71,36,596		71,31,540
III. Profit on revaluation of Investments	30,41,540		5,00,169	
Less : Loss on revaluation of Investments	14,48,263		13,54,152	
		15,93,277		(8,53,983)
IV. Profit on sale of land, buildings and other assets	20,38,836		2,91,287	
Less : Loss on sale of land, buildings and other assets	8,819		6,718	
		20,30,017		2,84,569
V Profit on exchange transactions	43,06,458		51,25,977	
Less : Loss on Exchange Transactions	(1)		335	
		43,06,459		51,25,642
VI Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/in India		3,60,826		1,54,276
VII Miscellaneous Income *		4,45,63,257		3,16,10,419
TOTAL		**8,99,36,226**		**6,09,48,538**

* Includes Recoveries made in write-off accounts amounting to ₹ 2,36,54,591 (Previous Year ₹ 1,46,70,443)

	For the Year ended 31-03-2025	(₹ in 000's) For the Year ended 31-03-2024
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	37,76,59,689	31,24,19,921
II. Interest on Reserve Bank of India / Inter-bank borrowings	7,31,49,871	5,62,50,429
III. Others *	1,35,13,943	78,95,396
*(Includes Interest on Tier I, Tier II and other Bonds ₹ 1,30,24,745 (Previous Year ₹ 72,21,456)		
TOTAL	**46,43,23,503**	**37,65,65,746**
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	10,29,96,025	9,18,84,722
II. Rent, Taxes and Lighting	99,00,745	92,42,571
III. Printing and Stationery	10,27,739	9,72,045
IV. Advertisement and Publicity	3,95,523	4,10,156
V. Depreciation on Bank's property	59,40,916	49,85,907
VI. Directors' fees, allowances and expenses	15,415	11,355
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	8,88,876	9,93,937
VIII. Law Charges	5,78,460	4,26,546
IX. Postage, Telegrams, Telephones, etc.	32,84,544	28,64,075
X. Repairs and Maintenance	10,40,513	9,16,027
XI. Insurance	91,50,064	83,05,286
XII. Other Expenditure	3,45,35,789	2,97,79,006
TOTAL	**16,97,54,609**	**15,07,91,633**

Bank of India

Statement of Standalone Cash Flow for the Year ended 31st March, 2025

(₹ in '000)

Particulars	Year ended	Year ended
	31.03.2025	31.03.2024
A. Cash Flow from Operating Activities:		
Net Profit before taxes	**124,344,442**	**100,990,706**
Adjustments for:		
Amortisation/Depreciation on Investments	(2,960,644)	2,256,935
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	(1,593,278)	853,983
Depreciation on Fixed Assets	5,940,916	4,985,907
(Profit)/Loss on sale of Fixed Asset	(2,030,017)	(284,569)
Provision for NPAs	45,927,180	41,094,906
Provision for Standard Assets	(3,870,612)	(4,060,333)
Provision for Other items	541,030	1,939,446
Interest on AT 1 & Tier II Bonds (treated separately)	13,024,745	7,941,056
Dividend received from Subsidaries/Joint Ventures/Associates	(360,826)	(154,276)
Adjustments for:		
Increase /(Decrease) in Deposits	786,212,816	683,344,345
Increase /(Decrease) in Borrowings	404,323,591	154,450,446
Increase / (Decrease) in Other Liabilities and Provisions	(8,981,290)	30,209,476
(Increase) / Decrease in Investments	(310,834,360)	(219,149,254)
(Increase)/ Decrease in Advances	(911,050,940)	(813,545,208)
(Increase) / Decrease in Other Assets	44,581,473	(32,870,735)
Direct Taxes (Paid)/Refund	(796,114)	12,664,140
Net Cash Flow from Operating Activities (A)	**182,418,113**	**(29,333,029)**
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(6,969,448)	(8,302,669)
Sale of Fixed Assets	415,528	173,442
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	(2,015,049)	(10,927,270)
Dividend received from Subsidiaries, Joint Venture & Associates	360,827	154,276
Net Cash Flow from Investing Activities (B)	**(8,208,142)**	**(18,902,221)**
C. Cash Flow from Financing Activities:		
Share Capital	-	4,491,018
Share Premium	-	40,310,559
Issue/(redemption) of Tier II Capital bonds (Net)	25,000,000	5,000,000
Dividend (Interim & Final) paid	(12,747,470)	(8,207,132)
Interest on AT 1 & Tier II Bonds	(13,024,745)	(7,941,056)
Net Cash Flow from Financing Activities (C)	**(772,215)**	**33,653,389**
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**173,437,756**	**(14,581,861)**
Cash and Cash Equivalents as at the beginning of the year	**829,371,324**	**843,953,185**
Cash and Cash Equivalents as at the end of the year	**1,002,809,079**	**829,371,324**

Contd...

BANK OF INDIA H.O. FINANCE DEPT.

S. JAYKISHAN Chartered Accountants KOLKATA FRN: 309005E

A. BAFNA & CO. Chartered Accountants FRN 003660C

SCV & Co. LLP Chartered Accountants NEW Delhi

SARDA & PAREEK LLP Chartered Accountants MUMBAI FRN 109202W/W100675

(₹ in '000)

Particulars	Year ended	Year ended
	31.03.2025	31.03.2024
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	517,304,253	385,562,687
Balances with Banks and money at call and short notice (Schedule 7)	485,504,826	443,808,637
Cash and Cash Equivalents as at the end of the period	**1,002,809,079**	**829,371,324**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

B Kumar
General Manager &
Chief Financial Officer

Rajesh S Ingle
Chief General Manager

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

P R Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Manoj Muttathil Ayyappan

Ashok Narain

K V Shenoy

Jamuna Ravi

In terms of our report of even date attached

For S.Jaykishan
Chartered Accountants
(FRN: 309005E)

Nemal Goral
Partner
M. No. 057892

For A. Bafna & Co
Chartered Accountants
(FRN: 003660C)

Vivek Gupta
Partner
M. No. 400543

For SCV & Co. LLP
Chartered Accountants
(FRN: 000235N/N500089)

Ashish Agarwal
Partner
M. No. 093790

For Sarda & Pareek
Chartered Accountants
(FRN:109262W/W100673)

Giriraj Soni
Partner
M. No. 109738

Place: Mumbai
Date : May 9, 2025

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. The actual results could differ from the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION: (AS 9 - Revenue Recognition)

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee (BG) and Letter of Credit (LC) is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

e. Income is recognized on accrual basis for Government Securities, bonds and debentures where interest is serviced regularly and is not in arrears.

f. Income from units of Mutual funds, AIFs and other such pooled/collective investment funds is recognized on cash basis.

Classification: Internal

g. Discount or Premium on all securities is amortized over the remaining life of the instruments on constant yield method. The amortized amount is shown under the head "Income on Investments".

h. Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

i. Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

j. Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

k. Profit or loss on sale of investments under "Held to maturity" (HTM) is recognised in the Profit and Loss Account under the head "Other Income". In case of profit on sale of investments under 'Held to Maturity' category, an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account' from Profit and Loss Account

l. On sale or maturity of a debt instrument in AFS category, the accumulated gain/loss for that security in AFS Reserve is transferred from AFS Reserve to Profit and Loss Account.

m. On sale or maturity of an equity instrument designated under AFS category, the accumulated gain/loss for that security in AFS Reserve is transferred from AFS Reserve to Capital Reserve.

n. The gain/profit on reclassification/sale of an investment in a subsidiary, associate or joint venture is first recognised in the Profit and Loss Account and then appropriated to the Capital Reserve Account'.

o. Dividend Income is recognised when the right to receive the dividend is established.

p. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

q. <u>Appropriation of recoveries in NPA accounts:</u>
In respect of NPA account, recoveries effected except through a.) Compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's are to be made in the following order:

- Charges debited to the account;
- Expenses/out of pocket expenses incurred but not debited;
- Unrealised interest;
- Uncharged interest; and
- Principal

Classification: Internal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

Further, in case of borrowers who are having multiple accounts:

Recovery made in one account is apportioned by the system in the above mentioned order i.e. Expenditure, interest and Principal outstanding of the said account. Surplus recovery amount, if any, takes care of Expenditure, Interest and Principal outstanding of other account(s) of the same customer.

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions (on the Outstanding Advances) are made at the rates given as under:

Category of NPAs	**Provision % on net outstanding advance**
Sub Standard:	
Exposures, which are unsecured ab-initio (i.e. where realizable value of security is not more than 10% ab-initio)	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

Classification: Internal*

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. Escalated provisions in case of specific accounts/scheme/sector etc. are maintained with approval of the appropriate authority.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset. However, in case of Security Receipts (SRs) that are guaranteed by Government of India, the excess provision is reversed to Profit and Loss Account in the year of transfer if the sale consideration comprises only of cash and SRs guaranteed by Government of India.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

Classification: Internal

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

Bank follows Settlement date accounting for recording purchase and sale of transactions in all Securities.

A. Classification:

i. Investments are classified under the following categories:
   a. Held to Maturity (HTM)
   b. Available for Sale (AFS)
   c. Fair Value through Profit and Loss (FVTPL)
      (Held for Trading (HFT) is a separate investment category under FVTPL)
   d. Subsidiaries, Associates and Joint Ventures

ii. Investments for the purpose of disclosure in the Balance Sheet (under Schedule 8) are classified under the following categories:

Investments in India	Investments outside India
Government Securities	Government Securities (including local authorities)
Other approved Securities	Subsidiaries and/or Joint ventures
Shares	Others
Debentures and Bonds	
Subsidiaries and/or Joint ventures	
Others	

iii. Investments for the purpose of valuation are classified under the following categories:
   a. Level 1
   b. Level 2
   c. Level 3

Level 1/Level 2/ Level 3 are as follows:

Level 1: In the context of inputs used for valuation of a financial instrument are those inputs which are quoted prices (unadjusted) in active markets for identical instruments that the bank can access at the measurement date. In reference to

Classification: Internal

the valuation of an instrument, it refers to a valuation that is substantively based on Level 1 inputs and does not have any significant Level 2 or Level 3 inputs

Level 2: In the context of inputs used for valuation of a financial instrument are those inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. In reference to the valuation of an instrument, it refers to a valuation that is based on Level 1 and Level 2 inputs and does not have any significant Level 3 inputs

Level 3: In the context of inputs used for valuation of a financial instrument are unobservable inputs. In reference to the valuation of an instrument, it refers to a valuation in which there is a significant Level 3 input.

Basis of Classification

Classification of an investment is done at the time of its acquisition.

i. **Held to Maturity (HTM)**
   a. Investments acquired with an intention and objective to hold till maturity for collecting contractual cash flows.
   b. Investments that meet SPPI (Solely payment of principal and Interest on Principal outstanding) criteria.
   c. Investments in securitization notes (other than equity tranche) is classified under HTM if the underlying pool of financial instruments also meets the SPPI Criteria.

ii. **Available for Sale (AFS)**
   a. Investments are classified under this category if the security are obtained with an objective that is achieved by both collecting contractual cash flows and selling securities and contractual terms meet SPPI (Solely payment of principal and Interest on Principal outstanding) criteria
   b. On Initial recognition, Bank has irrevocable election to classify an equity instrument under AFS that is not held with an objective of trading.

iii. **Fair Value through Profit and Loss (FVTPL)**
   a. Investments that do not qualify for inclusion in HTM or AFS are classified under FVTPL.
   b. Investments with compulsorily, optionally or contingently convertible features and Investments with Contractual loss absorbency features.
   c. Held for Trading (HFT) is a sub-category of FVTPL.

iv. **Subsidiaries, Associates and Joint Ventures**
   a. Investments made in Subsidiaries, Associates and Joint Ventures are classified under this category.

Classification: Internal *

B. Initial Recognition:

i. All Investments are measured at fair value on initial recognition unless the fair value is materially different from the acquisition cost.

ii. In respect of Government securities acquired through auction, switch operations and open market operations, the price at which the security is allotted shall be the fair value.

iii. Day 1 gain/loss on securities which are quoted/fair value is determined based on market observable inputs are recognized in Profit and Loss Account.

iv. Day 1 loss arising from Level 3 investments are recognized immediately in Profit and Loss Account while Day 1 gains are deferred. In case of Debt instruments Day 1 gain is amortized on a straight-line basis up to the maturity date while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognized.

C. Subsequent Measurement:

i. Held to Maturity (HTM)

a. Upon initial recognition, Investments held under this category are carried at cost and not at mark-to-market.

ii. Available for Sale (AFS)

a. Investments under this category, are fair valued at least on a quarterly basis.

b. The valuation gains and losses across all performing investments, irrespective of classification held under AFS are aggregated and the net appreciation or depreciation is directly credited or debited to AFS Reserve.

iii. Fair Value through Profit and Loss (FVTPL)

a. Investments under this category are fair valued on quarterly basis and the net gain or loss arising on such valuation are directly credited or debited to the Profit and Loss Account.

b. Investments under HFT category are fair valued on daily basis and the net gain or loss arising on such valuation are directly credited or debited to the profit and loss account.

iv. Subsidiaries, Associates and Joint Ventures

a. Investments under this category are held at acquisition cost.

b. Bank will evaluate Investments under this category for impairment on a quarterly basis.

Classification: Internal

D. Method of valuation:

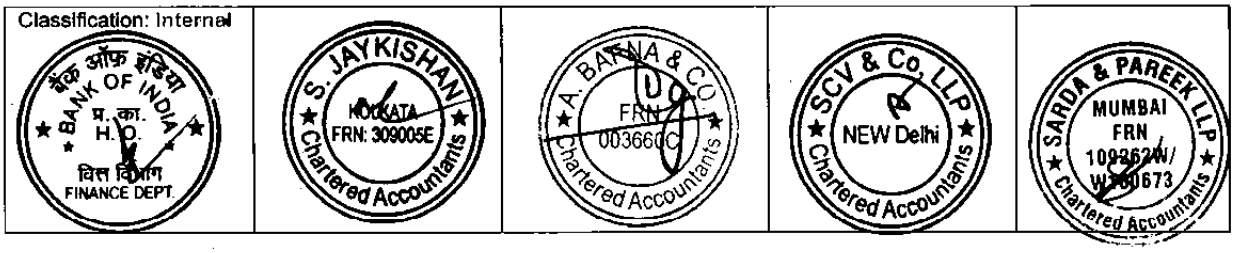
Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Type of Instrument	Basis of Valuation/Methodology
Quoted Securities (including Quoted AIF)	Prices declared by FBIL/Recognized stock exchanges/ FIMMDA
Unquoted SLR Securities	On Yield to Maturity basis published by FIBIL
Other approved securities/ Special Securities issued by GoI(Non-SLR)	On Yield to Maturity basis by marking up by 25 basis points above yields put out by FIBIL
Unquoted debentures and bonds	On Yield to Maturity basis with appropriate mark up
Zero Coupon Bonds	At market value If market value not available, Present value of ZCB using 'Zero coupon yield curve'
Equity Shares (Not listed/illiquid)	At break-up value (Level 3) as per the latest Balance Sheet (not more than 18 months old), otherwise Rs.1 per company
Preference Shares	Quoted: Max. Traded price Unquoted: on Yield to Maturity basis with appropriate mark up
Commercial Paper/Certificate of Deposit/Treasury Bills	At carrying cost
PSU/Corporate Bonds	On Yield to Maturity basis with appropriate mark up over G-sec rate
Units of Mutual Funds	At the latest repurchase price/NAV declared by the fund in respect of each scheme If NAV not available, at Cost
Alternate Investment Funds (AIF) (Unquoted)	Declared NAV by AIF

E. Reclassification of Investments between Categories:

i. Reclassification of Investments between various categories is done only upon prior approval from Board and RBI.
ii. If such an approval is obtained by the Bank, Bank will reclassify the investments as per applicable RBI guidelines.
iii. Reclassification to be applied prospectively from the reclassification date.

Classification: Internal



F. Non-performing Investments (NPIs) and valuation thereof:

i. In respect of domestic offices investments are classified as performing and non-performing, based on the guidelines issued by the RBI.

ii. In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

iii. The provision on NPI investments is not netted against the valuation gains and losses of performing investments.

iv. Provision made is higher of provision required as per IRCAP norms and depreciation on the Investment. The provision for NPI (irrespective of category) are recognized in Profit and Loss Account.

v. In case of AFS investment, the provision required is created by charging the same to AFS-Reserve to the extent of such available gains and in case of losses in AFS reserve, the cumulative losses shall be transferred from AFS-Reserve to the Profit and Loss Account. Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

vi. In respect of foreign offices, classification and provisions for non-performing investments (NPI) are made as per the local regulations or as per the norms of RBI, whichever are stringent.

G. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be.

Balance in Repo Account / Marginal Standing facility including those under Liquidity Adjustment facility is classified as Borrowings.

All type of Reverse Repos with RBI including those under Liquidity Adjustment Facility/Standing Deposit Facility are presented under sub item (ii) 'In Other Accounts' of item (II) Balances with RBI under Schedule 6 'Cash and balances with RBI'.

Classification: Internal

Reverse Repos with banks and other institutions having original tenors up to and inclusive of 14 daysare classified as Money at Call & Short Notice under Schedule 7 "Balance with Banks and Money at call & short notice" in the Balance sheet.

Reverse Repo with banks and other institutions having original tenors more than 14 days shall be shown under Schedule 9 "Advances" under following head: A.(ii) 'Cash credits, overdrafts and loans repayable on demand" B.(i) 'Secured by tangible assets' C.(I). (iii) Banks (iv) 'Others' (as the case may be).

Borrowing cost of repo transactions and revenue on reverse repo transactions, with RBI or others, is accounted for as interest expense and interest income, respectively.

H. Investment in Security Receipts (SRs) backed by assets: -

The Bank has valued SRs under securitization in line with RBI guidelines issued vide circular no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021 and RBI/DOR/2023/24/104 dated September 12, 2023, and in terms of RBI circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/21.04.048/2024-25 dated March 29, 2025.

i. Investments in SRs / PTCs / other securities issued by ARCs are valued periodically at the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

   Investments in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by the Bank to the ARC, are carried in the Bank's books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of transfer.

   When the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans, the valuation of such SRs is at lower of face value of the SRs reduced by the notional provisioning rate applicable if the underlying loans continued in the books of the Bank or NAV of the SRs. However, SRs guaranteed by the Government of India is valued periodically by reckoning the NAV declared by the ARC.

ii. SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) are treated as loss asset and fully provided for.

iii. The valuation, classification and other norms applicable to investment in Non-SLR instruments prescribed by RBI from time to time are applicable to bank's investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realization of the financial assets

Classification: Internal

assigned to the instruments in the concerned scheme, the bank reckons the NAV obtained from ARC from time to time, for valuation of such investments.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

i. The hedge/non hedge (market making) transactions are recorded separately.

ii. Income/expenditure on hedging derivatives are accounted on accrual basis.

iii. All Derivative contracts are recognised on the Balance Sheet date and measured at fair value.

iv. Wherever, hedge accounting is not opted, derivatives are accounted at fair value with changes in fair value being recognised in the Profit and Loss Account.

v. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

vi. Option fees/premium is amortised over the tenor of the option contract.

vii. Fair value in the context of derivative contracts represents the 'exit price'.

viii. Netting of Derivative assets and Derivative liabilities is not carried out.

9. FIXED ASSETS: (AS 10 PROPERTY, PLANT & EQUIPMENT)

i. Fixed assets are stated at historical cost less accumulated depreciation/amortisation and impairment losses, if any. Assets which have been periodically revalued are stated at revalued amount less accumulated depreciation. The appreciation on revaluation is credited to Revaluation Reserve.

ii. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

iii. The rates of depreciation and method of charging depreciation is given below:

Classification: Internal

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

iv. In respect of leasehold land, the lease premium, if any, is amortised over the period of lease.

v. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

vi. Computer Software, not forming integral part of computer hardware is classified as intangible asset and amortised over a period of 5 years.

vii. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

viii. The revalued asset is depreciated over the balance useful life of the asset as assessed at the time of revaluation. Such depreciation is charged to Profit & Loss Account and an equivalent amount is transferred from the Revaluation Reserve to

Classification: Internal

Revenue Reserve. The revaluation of Bank's own properties is carried out every 3 years.

ix. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss Account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss Account.

Classification: Internal

B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS: (AS 15 Employee Benefits)

A. Short Term Employee Benefits:
The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

B. Long Term Employee Benefits:

a. <u>Defined Benefit Plan: -</u>

i. Gratuity:
The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days' basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii. Pension:
The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The

Classification: Internal

pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. Defined Contribution Plan:

i. Provident Fund:

The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii. Pension:

All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long Term Employee Benefit:

All eligible employees are entitled to the following-

i. Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii. Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii. In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING: (AS 17 Segment reporting)

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

Classification: Internal

13. LEASE TRANSACTIONS: (AS 19 LEASES)

Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease payments on such lease are recognised in Profit & Loss Account on straight line basis over the lease term.

14. EARNINGS PER SHARE: (AS 20 Earnings per Share)

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15. TAXES ON INCOME: (AS 22 Accounting for taxes on Income)

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the Profit and Loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

16. IMPAIRMENT OF ASSETS: (AS 28 Impairment of Assets)

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of

Classification: Internal

Assets". However, an impairment loss on a revalued asset is recognized directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

17. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS: (AS 29 Provisions, Contingent Liabilities and Contingent Assets)

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent Assets are not recognised in the financial statements.

18. SHARE ISSUE EXPENSES

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

Classification: Internal

SCHEDULE 18

All figures are in ₹ Crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

The following information is disclosed in terms of guidelines issued by RBI:

1. Capital (As per BASEL-III):

(a) Composition of Regulatory Capital:

S.No.	Particulars	31.03.2025	31.03.2024
i)	Common Equity Tier 1 capital (CET 1)	66,193.86	58,660.28
ii)	Additional Tier 1 capital	2,801.65	2,852.00
iii)	Tier 1 capital (i + ii)	68,995.52	61,512.28
iv)	Tier 2 capital	10,244.05	8,394.53
v)	Total capital (Tier 1+Tier 2)	79,239.57	69,906.81
vi)	Total Risk Weighted Assets (RWAs)	4,45,961	4,12,078
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	14.84%	14.24%
viii)	Tier I Capital ratio (%)	15.47%	14.93%
ix)	Tier II Capital ratio (%)	2.30%	2.04%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	17.77%	16.96%
xi)	Leverage Ratio	6.23%	6.45%
xii)	Percentage of the shareholding of Government of India	73.38%	73.38%
xiii)	Amount of paid-up equity capital raised during the year	0.00	4,500.00
xiv)	Share application money pending for allotment	0.00	0.00
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	0.00	0.00
	b) Basel III complaint Perpetual Additional Tier-I Debt Instruments	0.00	0.00
xvi)	Amount of Tier 2 capital raised during the year, *of which*	2,500.00*	2,000.00
	a) Perpetual Cumulative Preference Shares	0.00	0.00
	b) Basel III Compliant redeemable Tier-II Bond	2,500.00*	2,000.00

The computation of Capital to Risk weighted asset Ratio & Leverage ratio as on March 31, 2024 is arrived at after considering the effect of Net Present Value of non-interest

bearing recapitalization bond infused as capital by the Government of India during the FY ended 31.03.2021.

Pursuant to RBI Circular No. DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios.

*The Bank has raised Tier 2 Bonds of ₹ 2,500 during September 2024 (Coupon rate: 7.49%).

(a1) Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:

As on 31.03.2025

Raised during the Financial year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
2022-23	Additional Tier 1	1,500.00	1,500.00
	Total	**2,852.00**	**2,852.00**

(a2) Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

As on 31.03.2025

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2015-16	Tier-II	3,000.00	0.00
2020-21	Tier-II	1,800.00	1,800.00
2023-24	Tier-II	2,000.00	2,000.00
2024-25	Tier II	2,500.00	2,500.00
	Total	**9,300.00**	**6,300.00**

Bank has redeemed Tier II Bonds Series X & Series XI amounting to ₹ 1,000 & ₹ 500 on September 25, 2023 and September 30, 2023 respectively.

Bank has raised Basel III Complaint Tier II Bonds Series XVI amounting to ₹ 2,000 on September 15, 2023.

Bank has raised Basel III Complaint Tier II Bonds Series XVII amounting to ₹ 2,500 on September 26, 2024.

(b) Draw down from Reserves:

During the year ended March 31, 2025, there has been no drawdown from reserves to the Profit and Loss Account.

2. Asset Liability Management

(a) **Maturity pattern of certain items of assets and liabilities as on 31st March, 2025**

Details	Day 1	2to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and up to 5years	Over 5 years	TOTAL (1 TO 10)
Deposits$	24,983.57	24,616.51	15,285.96	23,463.27	43,965.05	41,244.76	54,887.10	74,539.81	94,948.92	80,013.49	3,38,593.04	8,16,541.49
	(9,775.46)	(13,539.73)	(13,828.73)	(15,032.43)	(29,326.33)	(31,425.89)	46,051.04)	(47,227.88)	(53,037.26)	(42,534.90)	(4,36,140.58)	(7,37,920.21)
Advances#	23,547.69	8,153.88	8,057.40	15,865.04	16,934.50	18,119.14	31,203.10	38,077.72	2,78,383.39	65,633.77	1,45,681.41	6,49,657.04
	(16,593.69)	(6,791.71)	(7,769.95)	(15,329.67)	(16,888.05)	(18,083.48)	(26,146.71)	(39,381.37)	(2,22,060.13)	(58,512.27)	(1,35,587.64)	(5,63,144.67)
Investments	114.97	1,464.95	0.00	1,163.89	3,985.42	2,240.38	7,699.14	2,952.27	28,149.22	39,776.52	1,71,565.05	2,59,111.80
	(200.68)	(2,143.41)	(1,577.50)	(2,885.21)	(523.08)	(564.32)	(4,473.23)	(4,993.62)	(17,872.31)	(32,402.84)	(1,59,508.26)	(2,27,144.47)
Borrowings	2,474.17	30,289.73	232.25	653.21	676.38	2,923.76	12,114.38	33,552.74	19,429.84	8,802.30	12,707.67	1,23,856.43
	(8.59)	(22,289.64)	(308.04)	(80.47)	(10,957.70)	(5,852.26)	(11,990.93)	(9,818.03)	(13,199.42)	(6,419.00)	(0.00)	(80,924.07)
Foreign Currency Assets##	3,586.40	9,386.78	1,151.29	16,185.28	18,629.89	20,261.29	21,525.73	9,284.04	32,943.63	23,532.40	10,287.59	1,66,774.32
	(1,652.46)	(3,547.51)	(1,627.08)	(9,524.27)	(9,917.85)	(11,118.86)	(15,745.47)	(12,466.81)	(23,593.31)	(17,992.02)	(9,501.57)	(1,16,687.23)
Foreign Currency Liabilities$$	4,625.14	11,622.27	2,811.39	10,709.84	13,898.84	12,954.58	24,019.04	37,173.87	20,905.02	15,027.87	140.49	1,53,888.34
	(1,753.01)	(4,320.33)	(6,716.39)	(6,541.70)	(16,480.77)	(16,952.48)	(24,584.71)	(12,354.49)	(17,016.65)	(12,182.31)	(4,263.47)	(1,23,166.32)

$ including deposits in Foreign Currency

including advances in Foreign Currency

Foreign Currency on Balance Sheet Assets represent Advances and Investments

$$ Foreign Currency on Balance Sheet Liabilities represent Borrowings and Deposits

Note: The maturity pattern of Deposits, Borrowings, Advances and Investment as of 31st March 2025 is based on the following:

- RBI Guidelines on ALM
- Behavioural studies of Assets & Liabilities which do not have definite maturity and for embedded optionality

(b) Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

		FY 2024-25*		FY 2023-24*	
	AMOUNT IN RS CRS	Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		1,77,088.23		1,55,585.17
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	5,08,561.04	39,505.95	5,18,171.71	45,101.08
(i)	Stable deposits	2,27,003.04	11,350.15	1,34,321.76	6,716.09
(ii)	Less stable deposits	2,81,558.00	28,155.80	3,83,849.94	38,384.99
3	Unsecured wholesale funding of which:	1,80,279.42	1,07,686.92	1,01,480.07	57,036.96
(i)	Operational deposits (all counterparties)	-	-	-	-
(ii)	Non-operational deposits (all counterparties)	1,20,987.50	48,395.00	74,071.86	29,628.74
(iii)	unsecured debts	59,291.92	59,291.92	27,408.21	27,408.21
4	Secured wholesale funding		1,243.16		208.94
5	Additional requirements, of which	1,07,379.97	27,983.99	76,157.78	18,813.14
(i)	Outflows related to derivative exposures and other collateral requirement	10,194.61	10,194.61	6,826.93	6,826.93
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	97,185.36	17,789.38	69,330.85	11,986.21
6	Other contractual funding obligations	20,147.32	20,147.32	17,974.56	17,974.56
7	Other contingent funding obligations	40,641.41	1,219.24	34,733.24	1,042.00
8	TOTAL CASH OUTFLOWS		1,97,786.59		1,40,176.67
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	4,011.36	2,657.96	3,595.18	2,421.74
10	Inflows from fully performing exposurs	33,369.69	25,766.48	26,038.22	20,583.85
11	Other cash inflows	22,707.41	20,076.36	16,835.62	15,562.34
12	TOTAL CASH INFLOWS	60,088.47	48,500.80	46,469.03	38,567.94
13	TOTAL HQLA		1,77,088.23		1,55,585.17
14	TOTAL NET CASH OUTFLOWS		1,49,285.79		1,01,608.74
15	LIQUIDITY COVERAGE RATIO(%)		118.62		153.12

Note:-

*On consolidated basis (including domestic operations, overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2025 as well as 31.03.2024 has been done by taking simple averages of daily observations over previous 4 quarters (i.e. average for the FY 2024-25 & FY 2023-24 respectively). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. The LCR, a global standard, is also used to measure your Bank's liquidity position. LCR seeks to ensure that the Bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. The LCR helps in improving the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. Based on Basel III norms, your Bank's average LCR stood at 118.62 per cent on a consolidated basis for financial year 2024-25 as against the regulatory threshold at 100 per cent.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\textbf{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.
Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively.

- Net cash outflows are excess of total outflow over total inflow under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors. In order to determine cash outflows, the Bank segregates its deposits into various customer segments, viz., Retail (which include deposits from individuals), Small Business Customers (those with deposits upto ₹ 7.5), and Wholesale (which would cover all residual deposits). Within Wholesale, deposits that are attributable to clearing, custody, and cash management services are classified as Operational Deposits. Other contractual funding, including a portion of other liabilities which are expected to run down in a 30 day time frame are included in the cash outflows. These

classifications, based on extant regulatory guidelines, are part of the Bank's LCR framework, and are also submitted to the RBI.

- Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows. In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR, Securities under MSF and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of Average HQLA for the financial year ended March 2025 of disclosure is given below:

Cash in hand	2.01%
Excess CRR balance	3.14%
Government securities in excess of minimum SLR Requirement	22.22%
Government securities within the mandatory SLR Requirement, to the extent of allowed by RBI under MSF (presently to the extent of 2 percent of NDTL as allowed for MSF)	7.87%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.13%
Facility to Avail Liquidity for Liquidity Coverage Ratio	61.77%
Level 2 Assets	0.67%
Adjustment in HQLA to reflect liquidity transfer restrictions	(-)0.81%

Concentration of funding sources: Majority of Bank's funding sources are from retail customers & small business customers therefore the stressed outflows are comparatively lower. Bank does not have significant funding concentration from any counterparty. In the Indian context, the run-off factors for the stressed scenarios are prescribed by the RBI, for various categories of liabilities (viz., deposits, unsecured and secured wholesale borrowings), undrawn commitments, derivative-related exposures, and offset with inflows emanating from assets maturing within the same time period. Given below is a table of run-off factors for deposits:

Particulars	Run-off factors
Retail Deposits	5% - 10%
Small Business Customers	5% - 10%
Operational deposits	5% - 25%
Non-financial corporates, sovereigns, central banks, multilateral development banks, and PSEs	40%
Other legal entities	100%

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. In our case, USD is the only significant currency.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO at regular intervals. The entire liquidity management process of the Bank is being governed by Global ALM Policy of the Bank. Liquidity for the Bank's domestic banking operations is directly managed at the Head Office. The overseas branches and offshore unit of the Bank independently manage their liquidity requirements with support from the Head Office. Similarly, the Bank's subsidiaries independently manage their liquidity requirements under guidance of the R.COM, which, along with senior management of the subsidiaries, reviews the risk assessment of material risks at the subsidiaries. Further, the Bank maintains suitable systems and processes to monitor liquidity requirements in other currencies as appropriate.

The average LCR based on daily average for the financial year ended March 31, 2025 was at 118.62% as against 153.12% for the financial year ended March 31, 2024 and this is well above the present prescribed minimum regulatory requirement of 100%. The average HQLA for the financial year ended March 31, 2025 was ₹ 1,77,088.23 with 100.14% being Level 1 Assets whereas Level 2A and level 2 B assets constitute 0.56% and 0.11% respectively. The adjustment in average HQLA is (0.81%). During the financial year, the weighted average HQLA level has increased by ₹ 21,503.06 primarily on account of increase in excess SLR balance. Further, weighted average net cash outflows position has increased by ₹ 47,677.05 during the financial year, mainly on account of increase in cash outflows under the head unsecured wholesale funding.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future commitments.

(c) Net Stable Funding Ratio:

		Unweighted value by residual maturity				Weighted value
	Amount in (Rs. Crores)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	77,032.15	0.00	0.00	18,990.00	96,022.15
2	*Regulatory capital*	77,032.15	0.00	0.00	6,300.00	83,332.15
3	*Other capital instruments*	0.00	0.00	0.00	12,690.00	12,690.00
4	Retail deposits and deposits from small business customers: (5+6)	2,36,682.80	75,665.48	1,16,093.34	0.00	3,95,833.14
5	*Stable deposits*	1,42,497.80	25,429.89	36,786.07	0.00	1,94,478.07
6	*Less stable deposits*	94,185.00	50,235.59	79,307.27	0.00	2,01,355.07
7	Wholesale funding: (8+9)	34,189.05	57,078.51	96,738.41	0.00	94,002.98
8	*Operational deposits*	0.00	0.00	0.00	0.00	0.00
9	*Other wholesale funding*	34,189.05	57,078.51	96,738.41	0.00	94,002.98
10	Other liabilities: (11+12)	11,779.61	1,55,801.47	854.75	1,65,670.98	1,15,228.66
11	*NSFR derivative liabilities*		201.77	0.00	0.00	0.00
12	*All other liabilities and equity not included in the above categories*	11,779.61	1,55,599.70	854.75	1,65,670.98	1,15,228.66
13	Total ASF (1+4+7+10)					7,01,086.93
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					8,074.99
15	Deposits held at other financial institutions for operational purposes	45.32	0.00	0.00	0.00	22.66
16	Performing loans and securities: (17+18+19+21+23)	0.00	2,20,376.69	1,99,571.09	2,57,902.79	3,79,623.08
17	*Performing loans to financial institutions secured by Level 1 HQLA*	0.00	0.00	0.00	0.00	0.00
18	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0.00	17,729.06	33,598.21	0.00	19,458.46
19	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	0.00	2,02,647.63	1,65,972.88	1,96,440.47	3,12,545.89
20	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	0.00	2,02,647.63	1,65,972.88	1,96,440.47	3,12,545.89
21	*Performing residential mortgages, of which:*	0.00	0.00	0.00	23,621.24	15,353.80
22	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	0.00	0.00	0.00	23,621.24	15,353.80
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0.00	0.00	0.00	37,841.08	32,164.92
24	Other assets: (sum of rows 25 to 29)	9,796.81	20,106.78	0.00	1,45,561.87	1,67,849.43
25	*Physical traded commodities, including gold*	0.00				0.00
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0.00	0.00	0.00	0.00
27	*NSFR derivative assets*		14,113.62	0.00	659.66	14,773.29
28	*NSFR derivative liabilities before deduction of variation margin posted*		323.16	0.00	0.00	323.16
29	*All other assets not included in the above*	9,796.81	5,670.00	0.00	1,44,902.21	1,52,752.99
30	Off-balance sheet items		54,603.83	50,533.01	46,669.25	6,657.93
31	Total RSF					5,62,128.09
32	NSFR %					124.72%

#Items to be reported in the 'no maturity' time bucket do not have a stated maturity.

These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR guidelines ensure reduction in funding risk over a longer term horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$NSFR = \frac{Available\ Amount\ of\ Stable\ Funding\ (ASF)}{Required\ Amount\ of\ Stable\ Funding\ (RSF)} \geq 100\%$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is computed at Bank's standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factors / weights according to the nature and maturity of liabilities viz. liabilities having maturity of 1 year or more receiving 100% weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 14%, retail deposits (including deposits from small sized business customers) formed 56% and wholesale funding formed 13% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 68% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 1% of the Required Stable Funding after applying the relevant weights. Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 31% of the Required Stable Funding.

Bank's NSFR comes to 124.72% at consolidated basis as on 31st March 2025 and is above the minimum regulatory requirement of 100% set out by RBI. As on 31st March 2025, the weighted Available Stable Funding (ASF) position stood at ₹ 7,01,086.93 and weighted Required Stable Funding (RSF) position stood at ₹ 5,62,128.09.

3. Investments

(a) Composition of Investment Portfolio

Investments as at 31.03.2025#

	Investments in India						Investments Outside India						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total investments in India	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total investments outside India	Total Investments
Held to Maturity													
Gross	1,80,366.02	0.00	0.00	3,216.45	0.00	1,83,582.47	3,502.83	0.00	0.00	0.00	153.32	3,656.15	1,87,238.62
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for (Depreciation)/ Appreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1,80,366.02	0.00	0.00	3,216.45	0.00	1,83,582.47	3,502.83	0.00	0.00	0.00	153.32	3,656.15	1,87,238.62
Available For Sale													
Gross	25,971.07	0.00	0.00	8,629.17	2,000.62	36,600.86	5,521.33	0.00	0.00	0.00	1,164.43	6,685.76	43,286.62
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for (Depreciation)/ Appreciation	205.36	0.00	0.00	34.09	0.00	239.44	(-)40.62	0.00	0.00	0.00	(-)7.21	(-)47.82	191.62
Net	26,176.43	0.00	0.00	8,663.26	2,000.62	36,840.31	5,561.95	0.00	0.00	0.00	1,171.64	6,733.58	43,573.89
FVTPL-HFT													

	Investments in India						Investments Outside India						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total investments in India	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total investments outside India	Total Investments
Gross	16,109.41	0.00	271.87	2,036.48	927.26	19,345.02	712.96	0.00	0.00	0.00	0.00	712.96	20,057.98
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for (Depreciation)/ Appreciation	46.37		(-)24.89	5.48	(-)0.27	26.70	3.97	0.00	0.00	0.00	0.00	3.97	30.67
Net	16,155.78	0.00	246.98	2,041.96	926.99	19,371.72	708.99	0.00	0.00	0.00	0.00	708.99	20,080.70
FVTPL-NHFT													
Gross	0.00	0.00	1,157.44	1,250.00	1,006.37	3,413.80	438.86	0.00	0.00	0.00	266.54	705.40	4,119.20
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for (Depreciation)/ Appreciation	0.00	0.00	163.86	(-)1.09	26.78	189.55	-1.91	0.00	0.00	0.00	57.49	55.58	245.13
Net	0.00	0.00	1,321.30	1,248.91	1,033.15	3,603.35	440.77	0.00	0.00	0.00	209.05	649.81	4,253.17
Subsidiaries & Joint Ventures													
Gross	0.00	0.00	1,619.38	0.00	0.00	1,619.38	0.00	0.00	2,346.05	0.00	0.00	2,346.05	3,965.43
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

	Investments in India						Investments Outside India						
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total investments in India	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Others	Total investments outside India	Total Investments
Provision for (Depreciation)/ Appreciation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	0.00	0.00	1,619.38	0.00	0.00	1,619.38	0.00	0.00	2,346.05	0.00	0.00	2,346.05	3,965.43
Total Investments	2,22,446.50	0.00	3,048.69	15,132.09	3,934.25	2,44,561.54	10,175.98	0.00	2,346.05	0.00	1,584.29	14,106.32	2,58,667.85
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Provision for (Depreciation)/ Appreciation	251.73	0.00	138.97	38.48	26.51	455.69	(-)38.55	0.00	0.00	0.00	50.28	11.73	467.43
Net	2,22,698.24	0.00	3,187.66	15,170.57	3,960.76	2,45,017.23	10,214.53	0.00	2,346.05	0.00	1,534.00	14,094.59	2,59,111.81

Investments as at 31.03.2024#

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	162,669.92	0.00	1.11	805.21	1,496.06	61.66	165,033.95	0.00	2,298.46	0.00	2,298.46	167,332.41
Less: Provision for non-performing investments (NPI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.86	0.00	1.86	1.86
Net	162,669.92	0.00	1.11	805.21	1,496.06	61.66	165,033.95	0.00	2,296.60	0.00	2,296.60	167,330.55
Available for Sale												
Gross	36,056.78	0.00	1,676.47	11,839.68	0.00	4,077.28	53,650.21	7,875.06	0.00	1,457.38	9,332.44	62,982.65
Less: Provision for depreciation and NPI	0.00	0.00	805.33	694.12	0.00	1,099.97	2,599.42	0.00	0.00	0.00	0.00	2,599.42
Net	36,056.78	0.00	871.14	11,145.56	0.00	2,977.31	51,050.79	7,875.06	0.00	1,457.38	9,332.44	60,383.23
Held for Trading												
Gross	1,273.76	0.00	2.47	9.97	0.00	0.00	1,286.20	0.00	0.00	0.00	0.00	1,286.20
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1,273.76	0.00	2.47	9.97	0.00	0.00	1,286.20	0.00	0.00	0.00	0.00	1,286.20

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Total Investments	200,000.46	0.00	1,680.05	12,654.86	1,496.06	4,138.93	219,970.36	7,875.06	2,298.46	1,457.38	11,630.90	231,601.26
Less: Provision for nonperforming investments	0.00	0.00	805.33	694.12	0.00	1,099.97	2,599.42	0.00	1.86	0.00	1.86	2,601.28
Less: Provision for depreciation and NPI	1.39*	0.00	159.26	930.42	42.38	350.08	1,483.52	298.17	0.00	73.82	371.99	1,855.51
Net	199,999.07	0.00	715.46	11,030.32	1,453.68	2,688.88	215,887.42	7,576.89	2,296.60	1,383.56	11,257.05	227,144.47

Note: RBI vide its Master Direction dated September 12, 2023 changed the classification norms for Investment Portfolio, as per which, Bank has reclassified its investment portfolio as on April 01, 2024 and onwards. For details, refer Note 6.1 (ii) (a) for change in Accounting Policy. Accordingly, disclosure for Financial Year 2024-25 is not comparable with disclosure for Financial Year 2023-24.

(i) Government Securities (Face Value) amounting to ₹ 54,267.64 (previous year ₹ 35,489.39) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) Bank's Joint Venture Star Union Dai-Ichi Life Insurance Company Limited has issued 1,82,72,424 fully paid equity shares, face value of ₹ 10 each at premium of ₹ 291 per share on right basis to existing shareholders. However, the Bank did not subscribe to any additional shares, which has resulted in reduction of Bank's stake from 28.96% to 27.48%. Accordingly, Bank's share in the reserves of said joint venture has reduced by ₹ 22.10.

(iii) During the year ended March 31, 2025, the Bank has been allotted proportionate equity share capital by one of its existing associate Regional Rural Bank, namely Aryavart Bank of ₹ 152.04 against pending share application money made in FY 2022-23.

(iv) Bank was also allotted shares for the additional investment of ₹ 49.46 in one of its wholly owned subsidiary, namely, Bank of India (Uganda) Limited.

(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	As at 31.03.2025	As at 31.03.2024
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	4,456.81	4,433.13
Less: Transfer to general Reserve due to new RBI Circular	4,456.81	0.00
New Opening Balance (As on 1st April , 2024)*	0.00	0.00
b) Add: Provisions made during the year	461.38	939.93
c) Less: Write off / write back of excess provisions during the year	905.31	871.11
d) Add/(Less): Adjustments on account of exchange difference	0.00	(-)45.14
e) Closing balance	(-)443.93	4,456.81
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	1,285.38	1,079.02
b) Add: Amount transferred during the year	0.00	206.36
c) Less: Drawdown	0.00	0.00
d) Closing balance	1,285.38	1,285.38
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.03%	2.00%

*In Compliance with RBI Master Directions on Classification, Valuation and Operation of Investment portfolio of Commercial Bank (Directions) 2023, the Depreciation held in books as on 31.03.2024 has been transferred to General Reserve during reclassification of Investment portfolio.

(c) Sale and transfers to/from HTM categories during the financial year 2024-25:

The total value of sale of securities from HTM category during April 1, 2024 to March 31, 2025 has not exceeded 5% of the opening carrying value of investments held in HTM category as on April 1, 2024 in compliance with RBI Master Directions on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2023 dated September 12, 2023.

Further as per the above Master Directions, Banks shall not reclassify investments between categories without approval of their Board of Directors and subsequent approval from Department of Supervision, RBI.

Sale of Securities from HTM during FY 2024-25 (Other than one time Shifting & sale under OMO)	6,650.82	Sale in % (<5%) =4.04%
Opening carrying value of securities held in HTM Category as on 01.04.2024	164,668.00	

(d) Non-SLR investment portfolio

i. Non-performing non-SLR investments

Sr. No.	Particulars	2024-25	2023-24
(a)	Opening balance	2,601.29	3,016.60
(b)	Additions during the year	0.00	233.83
(c)	Less: Reductions during the above period*	2,601.29	649.14
(d)	Closing balance	**0.00**	**2,601.29**
(e)	Total provisions held	0.00	2,601.29

*Reduction is due to new RBI master direction dated September 12, 2023.

ii. Issuer Composition of non-SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	3,412.73	2,897.99	0.00	410.80	0.00
		(1,628.73)	(30.50)	(0.00)	(469.81)	(469.81)
ii.	FIs	6,257.87	6,257.87	0.00	0.00	0.00
		(6,378.58)	(422.56)	(0.00)	(0.00)	(0.00)
iii.	Banks	3,569.73	2,650.29	0.00	0.00	0.00
		(1,426.99)	(1.15)	(0.00)	(1.15)	(631.74)
iv.	Private Corporates	548.21	398.09	0.00	0.00	0.00
		(1,878.57)	(1,427.10)	(884.75)	(948.18)	(1,427.10)
v.	Subsidiaries/ Joint Ventures#	3,965.43	3,965.43	0.00	0.00	3,965.43
		(3,794.53)	(3,794.53)	(0.00)	(0.00)	(3,794.53)
vi.	Others *$	41,387.20	31,661.21	0.00	25,818.49	1,635.34
		(41,192.41)	(24,961.08)	(0.00)	(24,699.00)	(24,709.00)
	Total	59,591.17	47,830.89	0.00	26,229.29	5,600.77
		(56,299.82)	(30,636.92)	(884.75)	(26,118.14)	(31,032.18)
vii.	Less: Provision held towards Depreciation	(-)192.20	(-)203.96	0.00	0.00	0.00
		(4,455.41)	(4,083.42)	(732.98)	(0.00)	(0.00)
	Net	59,783.37	48,034.85	0.00	26,229.29	5,600.77
		(51,844.40)	(26,553.50)	(151.77)	(26,118.14)	(31,032.18)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates/RRBs have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ Include investment in GOI Non-SLR Re-capitalisation Bonds of ₹ 23,369.81 (previous year ₹ 24,699).

iii. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2025
Securities sold under repo:				
i) Government Securities	1.03 (0.00)	34,376.00 (22,089.60)	1,238.64 (4,692.40)	30,000.00 (15,374.38)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo:				
i) Government Securities	5.14 (0.00)	2,043.78 (745.00)	123.38 (105.17)	0.00 (0.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

iv. Government Security Lending (GSL) transactions (in market value terms)

As at 31st March 2025

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2024
Securities lent through GSL transactions	Nil				
Securities borrowed through GSL transactions	Nil				
Securities placed as collateral under GSL Transactions	Nil				
Securities received as collateral under GSL Transactions	Nil				

As at 31st March 2024

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2023
Securities lent through GSL transactions	Nil				
Securities borrowed through GSL transactions Securities	Nil				
Securities placed as collateral under GSL Transactions	Nil				
Securities received as collateral under GSL Transactions	Nil				

(e) Matured Investment (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particulars	2024-25	2023-24
(i) Gross Value of Investments	2,690.07	1,857.75
(a) In India	2,168.32	1,348.14
(b) Outside India	521.75	509.61
(ii) Provision for Depreciation	2,690.07	1,857.75
(a) In India	2,168.32	1,348.14
(b) Outside India	521.75	509.61
(iii) Net Value of Investments		
(a) In India	0.00	0.00
(b) Outside India	0.00	0.00

(ii) Movement of provisions held towards depreciation on investments:

Particulars	2024-25	2023-24
Opening Balance	1,857.75	1,854.36
Add: Provisions made during the year	829.27	140.47
Sub-total	2,687.02	1,994.83
Less: Write off/ write-back of excess provision during the year	9.09	143.57
Add/(Less): Adjustments on account of Exchange Difference	12.14	6.49
Closing Balance*	2,690.07	1,857.75

* Value of NPI is shown at cost

Note: ₹ 10 transferred to General Reserve being amount of Standard Matured Investment (Inditrade)

(f) Non performing Investments (Including Matured Investments):

Particulars	2024-25	2023-24
(i) Net NPIs to Net Investment (%)	**0.00**	**0.00**
(ii) Movement of NPIs (Gross)		
Opening balance	4,449.04	4,870.97
Additions during the year	841.41	370.79
Reductions during the year	4,768.70	792.72
Closing balance	521.75	4,449.04
(iii) Movement Provision for NPIs		
Opening balance	4,449.04	4,870.97
Additions during the year	841.41	370.79
Reductions during the year	4,768.70	792.72
Closing balance	521.75	4,449.04
Movement of NPIs (Net)		
a) Opening balance	0.00	0.00
b) Provisions made during the year	0.00	0.00
c) Write-off/write-back of excess provisions	0.00	0.00
d) Closing balance	0.00	0.00

Note: ₹ 10 transferred to General Reserve being amount of Standard Matured Investment (Inditrade)

4. Asset Quality

(a) Classification of Advances and Provisions held

As on 31.03.2025

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	5,56,412.13	4,633.65	12,401.91	12,147.21	29,182.77	5,85,594.90
Add: Additions during the year					7,588.56	
Less: Reductions during the year*					15,022.44	
Closing balance	6,44,298.55	4,484.69	9,178.43	8,085.77	21,748.89	6,66,047.44
*Reductions in Gross NPAs due to:						
Upgradation					1302.94	
Recoveries (excluding recoveries from upgraded accounts)					5962.93	
Technical/ Prudential Write-offs					5074.05	
Write-offs other than those under (iii) above					2682.52	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held		923.21	9,267.09	12,147.21	22,337.51	
Add: Fresh provisions made during the year					4,593.00	
Less: Excess provision reversed/ Write-off loans					10,540.11	
Closing balance of provisions held		1,229.08	7,075.55	8,085.77	16,390.40	
Net NPAs						
Opening Balance		3,710.44	3,134.82	0.00	6,845.26	
Add: Fresh additions during the year					2,995.56	
Less: Reductions during the year					4,482.33	
Closing Balance		3,255.61	2,102.88	0.00	5,358.49	

Note: Opening and closing balances of provisions for NPAs include ECGC claims received (FY 2024-25 ₹ 1,041.70 / FY 2023-24 ₹ 1,149.02), part payment received and kept in suspense account (FY 2024-25 ₹ 141.66 / FY 2023-24 ₹ 106.23) and balance in sundries account in respect of NPA accounts (FY 2024-25 ₹ 777.26 /FY 2023-24 ₹ 860.96).

Floating Provisions as on 31.03.2025

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2025

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off						43,571.09
Add: Technical/ Prudential write-offs during the year*						8,853.38
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						3,779.33
Closing balance						48,645.14

*including exchange difference

As on 31.03.2024

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	4,78,166.92	4,984.33	15,105.96	17,595.27	37,685.56	5,15,852.48
Add: Additions during the year					7,550.76	
Less: Reductions during the year*					16,053.55	
Closing balance	5,56,412.13	4,633.65	12,401.91	12,147.21	29,182.77	5,85,594.90
*Reductions in Gross NPAs due to:						
Upgradation					1,043.61	
Recoveries (excluding recoveries from upgraded accounts)					5,260.89	
Technical/ Prudential16 Write-offs					3,218.84	
Write-offs other than those under (iii) above					6,530.21	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held		1,392.48	10,644.20	17,595.27	29,631.95	
Add: Fresh provisions made during the year					4,109.49	
Less: Excess provision reversed/ Write-off loans					3,184.95	
Closing balance of provisions held		923.21	9,267.09	12,147.21	22,337.51	
Net NPAs						
Opening Balance		3,591.85	4,461.76	0.00	8,053.61	
Add: Fresh additions during the year					3,441.27	
Less: Reductions during the year					12,868.60	
Closing Balance		3,710.44	3,134.82	0.00	6,845.26	

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2023-24 ₹ 1,149.02/ FY 2022-23 ₹ 1,048.64) part payment received and kept in suspense account (FY 2023-24 ₹ 106.23 / FY 2022-23 ₹ 64.51), balance in sundries account in respect of NPA accounts (FY 2023-24 ₹ 860.96 /FY 2022-23 ₹ 877.02) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2023-24 ₹ 42.55 /FY 2022-23 ₹ 51.87)

Floating Provisions as on 31.03.2024

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						0.00
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2024

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off						40,352.25
Add: Technical/ Prudential write-offs during the year*						8,136.04
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						4,917.20
Closing balance						43,571.09

Ratios

Particulars	2024-25	2023-24
Gross NPA to Gross Advances (in %)	3.27	4.98
Net NPA to Net Advances (in %)	0.82	1.22
Provision coverage ratio (in %)	92.39	90.59

(b) **Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)**

Sr. No	Sector	2024-25			2023-24		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	**Priority sector**						
1	Agriculture and allied activities	98,338.13	9,387.68	9.55	84,554.77	9,672.78	11.44
2	Advances to industries sector eligible as priority sector lending	27,707.09	2,410.53	8.70	27,270.73	3,301.62	12.11
3	Services	61,998.73	5,265.37	8.49	47,078.04	5,768.04	12.25
4	Personal loans	22,752.52	781.75	3.44	22,678.67	922.40	4.07
	Sub-total (A)	2,10,796.47	17,845.33	8.47	1,81,582.21	19,664.84	10.83
B	**Non Priority Sector**						
1	Agriculture and allied activities	25.62	0.00	0.00	45.54	0.01	0.02
2	Industry	1,52,474.48	769.23	0.50	1,45,063.01	3,767.23	2.60
3	Services	1,89,576.67	2,008.63	1.06	1,66,889.13	4,382.07	2.63
4	Personal loans	1,13,174.20	1,125.70	0.99	92,015.03	1,368.62	1.49
	Sub-total (B)	4,55,250.97	3,903.56	0.86	4,04,012.70	9,517.93	2.36
	Total (A+B)	6,66,047.44	21,748.89	3.27	5,85,594.91	29,182.77	4.98

(c) **Overseas Assets, NPAs and Revenue:**

Sr. No.	Particulars	2024-25	2023-24
1	Total Assets	1,60,997.60	1,30,485.16
2	Total NPAs	6,712.90	6,799.87
3	Total Revenue	9,543.19	8,554.65

(d) **Particulars of resolution plan and restructuring**

As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2025, Bank holds Provision of ₹ 1,537.16 in respect of 12 borrower accounts (exposure ₹ 5,467.11), where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period.

(e) **Divergence in asset classification and provisioning:**

As per RBI Master Direction No. RBI/DOR/2021-22/83/DOR.ACC.REC.No.45 /21.04.018/2021-22 dated August 30, 2021 (updated as on 01.04.2024) on Financial statements - Presentation and Disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

(a) the additional provisioning for non-performing assets (NPAs) assessed by RBI as part of its supervisory process, exceeds 5% of the reported profit before provisions and contingencies for the reference period, and
(b) the additional Gross NPAs identified by the RBI as part of its supervisory process exceeds 5% of reported incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to Divergence in Asset Classification and Provisioning for NPAs with respect to RBI's supervisory process for the year ended March 31, 2024.

(f) **Disclosure of transfer of loan exposures:**

Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

a. The Bank has not transferred any loans not in default or Special Mention Accounts (SMA) during the year ended March 31, 2025 (through assignment, novation and loan participation).

b. Details of loans not in default acquired through pool buyout via assignment are given below:

Particulars	2024-25	2023-24
Aggregate amount of loans acquired (₹ in crore)	3261.76	1,440.85
Weighted average residual maturity (in months)	119.45	102.28
Weighted average holding period by the originator (in months)	13.89	9.01
Retention of beneficial economic interest by the originator	15.74%	11.04%
Tangible security coverage (in times)	1.98	1.98

Note: The loans are not rated as these are not corporate borrowers.

c. Details of loans not in default acquired through Loan Participation (Co-lending) are given below:

Particulars	2024-25
Aggregate amount of loans acquired (₹ in crore)	431.80
Weighted average residual maturity (in months)	129.52
Weighted average holding period by the originator (in months)	1.67
Retention of beneficial economic interest by the originator (in percentage)	20.64
Tangible security cover (in times)	2.47

Note: The loans are not rated as these are not corporate borrowers.

d. During the year ended March 31, 2025 the Bank has not acquired any stressed (Non-Performing) Assets.

e. Details of Stressed Loans (NPAs) transferred during the year ended March 31, 2025:

Sr. No.	Particulars	To ARCs	To permitted transferees	To other transferees
a.	No. of accounts	6 (12)	1 (0.00)	0.00 (0.00)
b.	Aggregate principal outstanding of loans transferred	594.04 (1,759.92*)	82.16 (0.00)	0.00 (0.00)
c.	Weighted average residual tenor of the loans transferred	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
d.	Net book value of the loans transferred (at the time of transfer)	0.00 (188.87)	0.00 (0.00)	0.00 (0.00)
e.	Aggregate consideration	222.35 (498.21)	53.20 (0.00)	0.00 (0.00)
f.	Additional consideration realized in respect of accounts transferred in earlier years	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
g.	Quantum of excess provisions reversed to the Profit & Loss account on account of sale of stressed loans	173.34 (84.66)	53.20 (0.00)	0.00 (0.00)

*includes Investment exposure of ₹ 280.02

f. Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2025:

Recovery Rating Band	Carrying Value 2024-25
RR1+	32.61
RR1	285.60
RR2	33.95
RR3	0.00
RR4	0.00
RR5	0.00
Ratings Withdrawn	0.00
Unrated	45.60
Total	**397.76**

(fa) **Profit from sale of NPA**

Sr. No.	Particular	2024-25	2023-24
1	Profit booked in respect of sale of NPA	226.54	84.66

(g) **Fraud Accounts**

Particulars	2024-25	2023-24
Number of frauds reported	*152	209
Amount involved in fraud	*1,449.21	866.70
Amount of provision made during this year for such frauds	71.91	32.64
Amount of provision made for such frauds	*1,079.76	*653.73
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil

*This includes 5 cases pertaining to earlier years, which were deactivated by RBI and which were re-reported as fraud cases on re-examination, with amount involved of ₹ 375.72 and outstanding balance as on 31st March, 2025 of ₹ 185.36. The Bank is holding 100% provision in this regard and this includes outstanding in Non-Fund based exposure of ₹ 28.45 as on 31.03.2025.

(h) In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 –Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under:

(₹ in Crore except number of accounts)

No. of Accounts	Amount as on 31.03.2025	Provision Held
33,772	1,151.60	74.46

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on September 30, 2024:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e., March 31, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2024	Of (A) amount written off during the half-year ended September 30, 2024	Of (A) amount paid by the borrowers during the half- year ended September 30, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e., September 30, 2024
Personal Loans	4,094.48	185	0.32	495.49	3,700.77
Corporate persons*	2,050.24	158.59	0.82	1,420.15	1,498.23
Of which MSMEs	1,790.69	158.59	0.82	924.47	1,398.96
Others	25.35	0.28	0.00	13.78	23.19
Total	6,170.07	343.87	1.14	1,929.42	5,222.19

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2025:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of previous half year, i.e. September 30, 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2025	Of (A) amount written off during the half-year ended March 31, 2025	Of (A) amount paid by the borrowers during the half- year ended March 31, 2025	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2025
Personal Loans	3,700.77	159.80	0.23	818.83	3,435.20
Corporate persons*	1,498.23	103.85	0.27	2,277.01	1,212.68
Of which MSMEs	1,398.96	103.85	0.27	1,709.45	1,151.60
Others	23.19	3.38	0.00	30.21	20.03
Total	**5,222.19**	**267.03**	**0.50**	**3,126.05**	**4,667.91**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016

March 31, 2024

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on September 30, 2023:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e., March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2023	Of (A) amount written off during the half-year ended September 30, 2023	Of (A) amount paid by the borrowers during the half- year ended September 30, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e., September 30, 2023
Personal Loans	4,974.07	236.86	0.94	209.62	4,499.18
Corporate persons*	2,840.70	339.18	2.15	262.61	2,631.84
Of which MSMEs	2,446.74	339.18	2.15	212.64	2,252.25
Others	25.87	0.44	0.00	3.99	27.54
Total	7,840.64	576.48	3.09	476.23	7,158.56

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2024:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of previous half year, i.e. September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half- year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2024
Personal Loans	4,499.18	181.48	0.74	529.51	4,094.48
Corporate persons*	2,631.84	225.05	1.12	408.44	2,050.24
Of which MSMEs	2,252.25	225.05	1.12	349.65	1,790.69
Others	27.54	0.18	0.00	2.31	25.35
Total	**7,158.56**	**406.71**	**1.86**	**940.26**	**6,170.07**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016.

5. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

i. Exposure to Real Estate Sector, as compiled by management

Sr. No.	Category		31.03.2025	31.03.2024
1	Direct Exposure		86,474.79	64,376.66
	a)	Residential Mortgages (include non-fund based (NFB) limits)	80,723.50	59,299.09
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	58,443.81	41,952.77
		(ii) Individual housing loans eligible for inclusion in priority sector	22,279.69	17,346.32
	b)	Commercial Real Estate-	5,491.70	4,828.94
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include NFB limits;	5,491.70	4,828.89
	c)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures	259.59	248.63
		a) Residential b) Commercial Real Estate	10.53 249.06	0.00 248.63
2	Indirect Exposure		22,509.01	17,067.95
	Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies		22,509.01	17,067.95
Total exposure to Real Estate Sector (1+2)			1,08,983.80	81,444.61

ii. Exposure to Capital Market

Sr. No	Category	31.03.2025	31.03.2024
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	885.66	683.43
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	1,167.11	791.32
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	186.10	1.45
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	603.37	1.75
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,982.36	902.04
vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new Companies in anticipation of raising resources;	0.03	0.12
vii)	Bridge loans to Companies against expected equity flows/issues;	0.02	0.00
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.00
x)	All exposures to Venture Capital Funds (both registered and unregistered)	126.51	228.17
Total Exposure to Capital Market		**4,951.17**	**2,608.28**

iii. Risk Category-wise Country Exposure:

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table:

Sr. No.	Risk Category	As at 31.03.2025		As at 31.03.2024	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	64,421.66	47.62	54,110.54	38.34
2	Low	26,003.28	9.48	18,610.70	8.41
3	Moderate	8,862.82	0.00	7,321.81	0.00
4	High	1,093.00	0.00	228.84	0.00
5	Very High	2,484.50	0.00	2,580.82	0.00
6	Restricted	1.47	0.00	0.00	0.00
7	Off Credit	211.01	0.00	21.84	0.00
	Total	**1,03,077.73**	**57.10**	**82,874.55**	**46.75**

iv. Unsecured Advances

Particulars	2024-25	2023-24
Total Unsecured Advances of the Bank	1,45,653.06	1,13,537.16
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	0.00	0.00
ii) The estimated value of such intangible securities (as in (i) above)	0.00	0.00

v. Factoring exposures:

Bank has not taken any Export Factoring on non-recourse basis exposure during the financial year 2024-25.

vi. **Intra-group exposures** (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2024-25	2023-24
A	Total amount of intra group exposures	8,385.39	5,210.97
B	Total amount of top 20 intra group exposure	8,385.39	5,210.97
C	% of Intra group Exposure to total exposure on Borrowers/Customers	0.88%	0.62%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

vii. **Unhedged Foreign Currency Exposure**

Sr. No.	Particulars	2024-25	2023-24
A	Opening balance provisions account	72.09	70.58
B	The quantum of provisions made in the accounting year	11.14	16.77
C	Amount Reverse during the accounting year	0.00	15.27
D	Closing balance in the provisions account	83.23	72.09

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2025, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional Risk Weighted Assets on this exposure is ₹ 459.19 (Previous Year ₹ 535.49). As against this, additional minimum capital requirement is ₹ 52.81 (Previous Year ₹ 61.58).

viii. Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2025
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
2.	Group Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits:

Particulars	2024-25	2023-24
Deposits of twenty largest depositors	50,527.88	44,030.38
Percentage of Deposits of twenty largest depositors to Deposits of the Bank	6.19%	5.97%

(b) Concentration of advances:

Particulars	2024-25	2023-24
Total Advances to twenty largest borrowers	1,09,733	1,02,423
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	15.40%	16.17%

(c) Concentration of exposures

Particulars	2024-25	2023-24
Total Exposure to twenty largest borrowers/customers	1,14,585	1,02,688
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	11.79%	11.87%

(d) Concentration of NPAs:

Particulars	2024-25	2023-24
Total Exposure to top twenty NPA accounts*	1,986	3,310
Percentage of exposure to the twenty largest NPA exposure to total Gross NPAs	9.13%	11.34%

*Net of Prudential Write-off (PWO) and Unrealised Interest (URI)

7. Derivatives

(a) Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
i)	The notional principal of swap agreements	913.80	590.00
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.00	0.22
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year
v)	The fair value of the swap book	10.86	0.22

(b) Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2025	As at 31.03.2024
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/Reverse Repo transactions and in RRC Account with RBI during the Financial year 2024-25.

(c) Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board. These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit and Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure Method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instruments.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	5,780.70	0.00
		(7467.49)	(0.00)
	b) For trading	337.08	75.00
		(0.25)	(590.00)
2	Marked to Market Positions		
	a) Asset (+)	0.13	0.00
		(29.30)	(0.00)
	b) Liability (-)	(-)10.80	0.22
		(38.91)	(0.22)
3	Credit Exposure	143.71	0.75
		(170.99)	(6.12)
4	Likely impact of one percentage change in interest rate (100*PV01)		

Sr. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
	a) On hedging derivatives	36.00		0.00	
		(0.00)		(0.00)	
	b) On trading derivatives	0.00		26.00	
		(0.00)		(22.48)	
5	Maximum & Minimum of 100*PV01 observed during the year	**Max**	**Min**	**Max**	**Min**
	a) On hedging	36.00	32.00	0.00	0.00
		(0.00)	(0.00)	(0.00)	(0.00)
	b) On trading	0.00	0.00	26.00	0.00
		(0.00)	(0.00)	(22.48)	(2.07)

(d) Credit Default Swaps

The bank has not dealt with any Credit Default Swap in current as well as in the previous year.

8. Disclosures relating to Securitisation

The Bank has not floated any Special purpose Vehicle (SPV) during the FY 2024-25 as well as during FY 2023-24.

9. Off balance sheet SPVs sponsored

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

Particulars	2024-25	2023-24
Opening balance of amounts transferred to DEAF	2,949.20	2,599.00
Add : Amounts transferred to DEAF during year	915.15	629.84
Less : Amounts reimbursed by DEAF towards claims	110.31	279.64
Closing balance of amounts transferred to DEAF	**3,754.04**	**2,949.20**

11. Disclosure of Complaints

(a) Summary information on complaints received by the bank from customers and from the OBOs [Offices of the Banking Ombudsman]

Sr. No		Particulars	2024-25	2023-24
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	1,030	1,517
2		Number of complaints received during the year	3,04,705	2,32,265
3		Number of complaints disposed during the year	3,04,363	2,32,752
	3.1	Of which, number of complaints rejected by the bank	5,891	12,963
4		Number of complaints pending at the end of the year	1,372	1,030
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	4,505	4,602
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1,484	1,514
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3,021	3,088#
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in RBIO Scheme 2021 and covered within the ambit of the Scheme.

#Out of this, one Award was issued in one case but not against the Bank as the same was resolved through Advisory before the passing of Award.

(b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/ Debit Cards	428 (1195)	118892 (128585)	(-)7.54 ((-)33.90)	468 (428)	0 (0)
Internet/ Mobile/ Electronic Banking	315 (114)	93244 (42382)	120.01 (248.59)	628 (315)	0 (0)
Account operation related	36 (126)	71892 (27227)	164.05 (107.52)	253 (36)	7 (0)
Advances/ Credit Related	5 (36)	7123 (4123)	72.76 (50.14)	4 (5)	0 (0)
Levy of charges	3 (2)	3948 (3141)	25.69 (58.95)	3 (3)	0 (0)
Others	243 (44)	9606 (26807)	(-)64.17 (173.23)	16 (243)	0 (0)
Total	**1030** **(1517)**	**304705** **(232265)**	**(+)31.19** **((-)0.89)**	**1372** **(1030)**	**7** **(0)**

12. Disclosure of Penalties imposed by the Reserve Bank of India and other regulators

a. Disclosure of Penalties imposed by RBI /Overseas Regulators

FY 2024-25

Particulars	Nature of Breach	Domestic		International		Total	
		No of Cases	Amount	No of Cases	Amount	No of Cases	Amount
Penalty imposed by RBI	Regulatory/ Operational	163	0.20	0	0.00	163	0.20
Penalties imposed on Overseas territories by their respective regulators	Regulatory/ Operational	0	0.00	4	0.09	4	0.09

FY 2023-24

Particulars	Nature of Breach	Domestic		International		Total	
		No of Cases	Amount	No of Cases	Amount	No of Cases	Amount
Penalty imposed by RBI	Regulatory/ Operational	189	0.27	1	0.03	190	0.30
Penalties imposed on Overseas territories by their respective regulators	Regulatory/ Operational	0	0.00	3	0.04	3	0.04

b. Disclosure of imposition of penalty for bouncing of SGL forms

Year ended	Date of bouncing SGL form	Amount	Remarks
2024-25		0.00	
2023-24		0.00	

c. Disclosure of penalty imposed by RBI in a reverse repo transaction (Applicable for Defaulting participant

Year ended	Amount
2024-25	0.00
2023-24	0.00

d. Details of any other penalty imposed by RBI under the various provisions of:

Particulars	2024-25	2023-24
(i) Banking Regulation Act, 1949	1.00	1.41
(ii) Payment and Settlement Act, 2007	0.004	0.004
(iii) Government Securities Act, 2006	0.00	0.00

13. Disclosure on remuneration:

(Amount in ₹)

Sr. No	Particulars	2024-25	2023-24
1	Shri Rajneesh Karnatak	52,69,865	33,70,597
2	Shri P. R. Rajagopal	59,42,538	41,86,980
3	Shri M Karthikeyan	49,17,186	33,34,464
4	Shri Swarup Dasgupta	0	30,29,208
5	Shri Subrat Kumar	51,40,710	34,84,956
6	Shri Rajiv Mishra	35,65,716	2,81,400

14. Other Disclosures

(a) **Business Ratios**

Sr. No.	Particulars	31.03.2025 (in %)	31.03.2024 (in %)
(i)	Interest Income as a percentage to average Working Funds	6.90	6.68
(ii)	Non-interest income as a percentage to average Working Funds	0.88	0.67
(iii)	Cost of Deposits	4.90	4.51
(iv)	Net Interest Margin	2.82	2.97
(v)	Operating Profit as a percentage to average Working Funds	1.60	1.55
(vi)	Return on Assets	0.90	0.70
(vii)	Business per employee (in ₹)	28.21	25.87
(viii)	Profit per employee (in ₹)	0.18	0.123

(b) **Fees, remuneration received from Bancassurance Business:**

Particulars	2024-25	2023-24
Life Insurance Business	223.43	154.76
Non-Life Insurance Business	30.68	23.32
Health Insurance Business	18.72	17.42
Total	**272.83**	**195.50**

(c) **Fees, remuneration received from Marketing and Distribution:**

Particulars	2024-25	2023-24
Mutual Funds	8.42	4.62
Total	**8.42**	**4.62**

(d) **Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):**

Purchased during the year	Sold During the Year
7,000.00 (3,000.00)	7,000.00 (4,800.00)

Bank has earned ₹ 136.18 by selling ₹ 7,000 in Priority Sector Lending Certificate (PSLCs) for Small Farmer & Marginal Farmer and purchased ₹ 7,000 in PSLC Agriculture with total expenses of ₹ 24.92. The net earning is ₹ 111.26.

(e) **Provisions and Contingencies:**

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2024-25	2023-24
Provision for Non-Performing Investments	(-)282.09	72.13
Provision towards NPA	4,592.72	4,109.49
Provision made towards Income Tax (including Deferred Tax)	3,215.43	3,781.15
Provision towards Standard Assets	(-)387.06	(-)406.03
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)155.27	(-)217.48
• Provision for Country Risk	10.35	(-)30.64
• Other Provisions	199.01	442.07
Total	**7,193.09**	**7,750.69**

(f) **Implementation of IFRS converged Indian Accounting Standards (Ind AS):**
RBI vide its circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, deferred implementation of Ind AS till further notice as the legislative amendments in Banking Regulation Act, 1949 as recommended by RBI are under consideration of the Government of India. However, RBI requires all banks to submit Proforma Ind AS Financial Statements (PFS) every half year. Accordingly, the Bank has been preparing and submitting to RBI Proforma Ind AS Financial Statements (PFS) half-yearly with effect from September-2021, after seeking approval of Steering Committee formed for monitoring of implementation of Ind-AS in the Bank. The PFS are also presented to Audit Committee of Board and Board for information and reporting.

(g) **Payment of DICGC Insurance Premium:**

Sr. No.	Particulars	2024-25	2023-24
i)	Payment of DICGC Insurance Premium	873.69	808.25
ii)	Arrears in payment of DICGC premium	Nil	Nil

(h) **Facilities granted to Directors and their relatives:**
Applicable only to UCBs

(i) **Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks**
Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank recognised the additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022.

Accordingly, Bank has recognised ₹ 41.21 (Previous Year ₹ 142.42) as an expense in the Profit and Loss account, for the year ended March 31, 2025 towards the said additional liability and the unamortised amount of family pension liability as on the date is ₹ Nil (Previous Year ₹41.21).

(j) In accordance with RBI circular no.DBRNo.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, on "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances", as amended from time to time, the details of MSME restructured accounts as on March 31, 2025 is as under:

No. of accounts restructured	Amount	Provision held
13,039 (19,844)	367.83 (530.71)	18.39 (26.54)

(k) **Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management):**
During the year 2024-25, the bank has not issued any Letter of Comfort on behalf of Subsidiaries.

During the year 2010-11, the bank had issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, Bank of India (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2025, no financial obligations have arisen on the above commitments.

(l) **Portfolio-level information on the use of funds raised from green deposits**

Particulars	**Current Financial Year**	**Previous Financial Year**	**Cumulative***
Total green deposits raised (A)	33.54		33.54
Use of green deposit funds**			
1) Renewable Energy	33.54		33.54
Solar Energy	33.54		33.54
2) Energy Efficiency	0.00		0.00
3) Clean Transportation	0.00		0.00
4) Climate Change Adaptation	0.00		0.00
5) Sustainable Water and Waste Management	0.00		0.00
6) Pollution Prevention and Control	0.00		0.00
7) Green Buildings	0.00		0.00
8) Sustainable Management of Living Natural Resources and Land Use	0.00		0.00
9) Terrestrial and Aquatic Biodiversity Conservation	0.00		0.00
Total Green Deposit funds allocated (B = Sum of 1 to 9)	**33.54**		**33.54**

Amount of Green Deposit funds not allocated (C = A - B)	**0.00**		**0.00**
Details of the temporary allocation of green deposit proceeds pending their allocation to the eligible green activities/projects	-		-

*This contains the cumulative amount since the Bank started offering green deposits. For example, if bank has commenced raising green deposits from June 1, 2023, the annual financial statement for the period ending March 31, 2025 would contain particulars of deposits raised and allocated from June 1, 2023 till March 31, 2025.

**Under each category, Bank has provided sub-categories based on the funds allocated to each sub-sector.

(m) **Income Tax:**

i. Claims against the Bank not acknowledged as debt appearing under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 2,048.01 (previous year ₹ 2,909.92) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

ii. Provision for taxes for the year is arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

(n) Details of Number of Investors complaints received and disposed-off during the quarter ended March 31, 2025:

i)	Pending at the beginning of the year	01
ii)	Received during the year	48
iii)	Resolved during the year	49
iv)	Pending at the end of the year	00

(o) Pursuant to Gazette Notification No. CG-DL-E-07042025-262329 dated April 7, 2025, the following Regional Rural Banks (RRBs), sponsored by Bank of India, have been amalgamated and the sponsor bank has been changed in respect of two RRBs with effect from May 1, 2025. The Bank's investments in these RRBs are included in its financial statements as at March 31, 2025.

(a) The details of amalgamation of RRBs, where the transferee RRBs are not sponsored by Bank of India are as below:

Sr. No.	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs
1	Vidharbha Konkan Gramin Bank	Bank of India	Maharashtra Gramin Bank	Bank of Maharashtra
	Maharashtra Gramin Bank	Bank of Maharashtra		
2	Aryavart Bank	Bank of India	Uttar Pradesh Gramin Bank	Bank of Baroda
	Baroda UP Gramin Bank	Bank of Baroda		

(b) The details of amalgamation of RRBs, where the transferee RRB is sponsored by Bank of India are as below:

Sr. No.	Name of transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs
1	Madhyanchal Gramin Bank	State Bank of India	Madhya Pradesh Gramin Bank	Bank of India
	Madhya Pradesh Gramin Bank	Bank of India		

(p) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2025, Bank holds 100% provision of the outstanding value of ₹ 3,033.86

(q) In terms of Bank's approved revaluation policy, during the year ended March 31, 2025 the immovable properties are revalued based on the revaluation reports of Bank's approved valuers and the surplus arising from revaluation amounts to ₹1,580.24 crore (Domestic ₹1,449.27 crore and Foreign ₹130.97 crore) has been added to "Revaluation Reserve".

(r) Other Income includes commission and brokerage income, profit/loss on sale of assets, profit/loss on revaluation of investments (net) (including depreciation on performing investments), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

(s) The Board of Directors has recommended a dividend of ₹ 4.05 per equity share (40.50%) for the year ended March 31, 2025 subject to requisite approvals.

(t) Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall unadjusted impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

(u) **Other Income / Expenditure exceeding 1% of total income**

Other Income: Other Income includes below income exceeding 1% of the total income of the Bank.

Particulars	**2024-25**	**2023-24**
Recovery in written off accounts	2,365.46	1,467.04

15. Details of Sales made out of HTM as on March 31, 2025 :

Sr. No.	**Particulars**	**Amount**
A	Opening Carrying Value of Securities in HTM	1,64,668.00
B	Carrying Value of all HTM Securities sold during the year	17,013.01
C	Less: Carrying Value of securities sold under situations exempted from regulatory limit	10,362.20
D	Carrying Value of Securities Sold (D= B-C)	6,650.82
E	Securities Sold as a Percentage of opening Carrying value of Securities in HTM (E= D/A)	**4.04%**

16. Details of Carrying value of Investment and Fair Value as on March 31, 2025

Particulars	March 31, 2025						
	HTM		AFS	FVTPL		Subsidiaries Associates & JVs	
	At Cost	Fair Value		HFT	Non-HFT	At Cost	Fair Value
I. Investments in India							
(i) Government Securities (including recapitalization bonds	1,80,366.02	1,81,928.47	26,176.43	16,155.79	0.00	0.00	0.00
(ii) Other Approved Securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Shares	0.00	0.00	0.00	246.98	1,321.30	0.00	0.00
(iv) Debentures and Bonds	3,216.45	3,251.32	8,663.26	2,041.96	1,248.91	0.00	0.00
(v) Subsidiaries, associates and Joint Venture	0.00	0.00	0.00	0.00	0.00	1,619.38	1,619.38
(vi) Others	0.00	0.00	2,000.62	926.99	1,033.14	0.00	0.00
Total	1,83,582.47	1,85,179.79	36,840.31	19,371.72	3,603.35	1,619.38	1,619.38
Less: Provisions for Impairment/NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1,83,582.47	1,85,179.79	36,840.31	19,371.72	3,603.35	1,619.38	1,619.38
II. Investments Outside India							
(i) Government Securities (including Local Authorities)	3,502.83	3,658.71	5,521.33	712.97	438.86	0.00	0.00
(ii) Subsidiaries, associates and Joint Venture	0.00	0.00	0.00	0.00	0.00	2,346.05	2,346.05
(iii) Other Investments	153.32	153.67	1,164.44	0.00	266.54	0.00	0.00
Total	3,656.15	3,812.38	6,685.77	712.97	705.40	2,346.05	2,346.05
Less: Provisions for Impairment/NPI	0.00	0.00	(-)47.82	3.97	55.61	0.00	0.00
Net	3,656.15	3,812.38	6,733.59	708.99	649.78	2,346.05	2,346.05
Total Investments (I+II)	1,87,238.62	1,88,992.17	43,573.90	20,080.71	4,253.14	3,965.43	3,965.43

Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:
During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:
There is no change in the Significant Accounting Policies followed during the year ended March 31, 2025 as compared to those followed in the previous financial year ended March 31, 2024 except the following:

(a) The RBI, vide its Master Direction dated September 12, 2023 issued revised norms for the classification, valuation and operation of the investment portfolio of banks, which became applicable from April 01, 2024. While hitherto the investment portfolio was classified under the held to maturity (HTM) , available for sale (AFS) and held for trading (HFT) categories, the revised norms bring in a principle-based classification of investment portfolio and a symmetric treatment of fair value gains and losses. In accordance with the revised norms and the Bank's Board approved policy, the Bank has classified its investment portfolio as on April 01, 2024, under the categories of held to maturity (HTM), available for sale (AFS), fair value through profit and loss (FVTPL) and held for trading (HFT) as a sub category of FVTPL, and from that date, measures and values the investment portfolio under the revised framework.

On transition to the framework on April 01, 2024, the Bank has recognised a net gain of ₹ 127.46, net of taxes, (including transfer of Investment Reserve ₹ 406.56), which has been credited to revenue reserve in accordance with the said norms. The impact of the revised framework for the previous period (FY 2023-24) is not ascertainable and as such the profit or loss from the investments for the year ended March 31, 2025 are not comparable with that of the previous year.
(b) In terms of RBI circular No. RBI/DOR/2024-25/135 DOR.STR.REC.72 /21.04.048/2024-25 dated March 29, 2025 on revised norms for Government Guaranteed Security Receipts (SRs), banks are permitted to reverse any excess provision to the profit and loss Account in the year of transfer of loan to Asset reconstruction company (ARC) for the value higher than the net book value (NBV), provided the consideration consists solely of cash and SRs guaranteed by the Government of India. Such SRs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments. On account of the same, appreciation to the extent of bank's share

amounting to ₹ 397.76 towards unrealized MTM Gain and the excess provision has been reversed to P&L account during the year ended 31.03.2025.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No.	Particulars	FY 2024-2025		FY 2023-2024	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	6.99%	6.71%	7.22%	7.21%
	Rate of Return on Plan Assets	6.94%	7.52%	7.77%	7.47%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing changes in Present value of Defined Benefit Obligation :**				
	Liability at the beginning of the year	2,289.02	20,430.10	2,070.55	18,996.40
	Interest Cost	157.30	1,386.02	146.40	1,329.95
	Current Service Cost	126.39	1,128.23	116.97	1,051.76
	Past Service Cost	0.00	41.21	0.00	326.05
	Benefit Paid	220.72	2,413.01	242.18	1,999.69
	Actuarial (gain)/loss on Obligation	123.12	1,343.00	197.28	725.63
	Liability at the end of the year	2,475.11	21,915.55	2,289.02	20,430.10
	Unrecognised past service cost	0.00	0.00	0.00	41.22
	Total Defined Benefit obligation	**2,475.11**	**21,915.55**	**2,289.02**	**20,471.32**
(iii)	**Table showing changes in Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the year	2,223.34	19,922.68	2,055.47	18,459.42
	Expected return on Plan Assets	154.72	1,485.37	159.58	1,383.08
	Contributions	232.88	2,072.14	238.96	2,111.16
	Benefit Paid	220.72	2,413.01	242.18	1,999.69
	Actuarial gain/(loss) on Plan Assets	40.27	321.46	11.51	(-)31.29
	Fair Value of Plan Assets at the end of the year	**2,430.49**	**21,388.63**	**2,223.34**	**19,922.68**
	Total Actuarial Gain/(Loss) recognised	**(-)82.85**	**(-)1,021.55**	**(-)185.76**	**(-)756.92**
(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	154.72	1,485.37	159.58	1,383.08
	Actuarial gain/(loss) on Plan Assets	40.27	321.46	11.51	(-)31.29
	Actual return on Plan Assets	**194.99**	**1,806.82**	**171.09**	**1,351.79**

Sr. No.	Particulars	FY 2024-2025		FY 2023-2024	
		Gratuity	Pension	Gratuity	Pension
(v)	**Amount recognised in the Balance Sheet**				
	Liability at the end of the year	2,475.11	21,915.55	2,289.02	20,471.32
	Fair Value of Plan Assets at the end of the year	2,430.49	21,388.63	2,223.34	19,922.68
	Unrecognised past service cost	0.00	0.00	0.00	41.22
	Amount Recognised in the Balance Sheet	**44.62**	**526.92**	**65.68**	**507.42**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	126.39	1,128.23	116.97	1,051.76
	Interest Cost	157.30	1,386.02	146.40	1,329.95
	Expected Return on Plan Assets	(-)154.72	(-)1,485.37	(-)159.58	(-)1,383.08
	Expenses recognized relating to prior years	0.00	0.00	0.00	0.00
	Past Service Cost	0.00	41.21	0.00	142.42
	Actuarial (Gain) or Loss	82.85	1,021.55	185.76	756.92
	Expense Recognised in P & L	**211.82**	**2,091.64**	**289.55**	**1,897.97**
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	65.68	507.42	15.09	536.98
	Expenses as above	211.82	2,091.64	289.55	1,897.97
	Employer's Contribution	(-)232.88	(-)2,072.14	(-)238.96	(-)2,111.16
	Additional Past Service Cost	0.00	0.00	0.00	183.63
	Amount Recognised in Balance Sheet	**44.62**	**526.92**	**65.68**	**507.42**
(viii)	**Category of Assets :**				
	Central Government of India Securities	10.21	2,569.54	15.24	2,597.01
	Equity	0.00	1,071.34	0.00	813.33
	Corporate Bonds	35.04	5,911.16	42.26	6,158.30
	State Government Securities	0.00	3,986.63	0.00	3,064.92
	Insurance	2203.68	6,931.40	2,090.00	6,740.13
	Other	181.56	918.56	75.84	548.99
	Total	**2,430.49**	**21,388.63**	**2,223.34**	**19,922.68**
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/Loss	41.01	(-)545.48	124.29	410.04
	On Plan Asset (Loss)/Gain	40.27	321.46	11.51	(-)31.29

Other long term employee benefits*:

Particulars	31.03.2025		31.03.2024	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,279.43	73.07	1,206.35	5.31
Leave Travel Concession	63.17	0.34	62.83	0.25
Resettlement Benefits	9.07	0.47	8.60	0.53
Milestone Awards	4.88	0.24	4.64	0.05
Sick Leave**	4.28	1.20	3.08	0.08

* The actuarial assumptions for other long term employees' benefits are same which are used for Gratuity.

The Bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the Bank has contributed ₹ 544.39 (Previous Year ₹ 445.17) towards such fund which is a defined contribution plan.

** The Bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leave by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 2,064.09 (Previous Year ₹ 2,356.36) and towards Gratuity is ₹ 27.61 (Previous Year: ₹ 25.38).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2024-25**	**FY2023-24**	**FY2022-23**	**FY2021-22**	**FY2020-21**
Defined benefit obligation	2,475.11	2,289.02	2,070.55	1,898.52	1,935.33
Plan assets	2,430.49	2,223.34	2,055.47	1,887.32	1,930.63
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	(-)44.62	(-)65.68	(-)15.09	(-)11.20	(-)4.70
Experience Adjustment On Plan Liability (Gain)/Loss	41.01	124.29	240.77	152.27	315.39
Experience Adjustment On Plan Asset (Loss)/Gain	40.27	11.51	(-)5.88	(-)42.37	86.25

	Pension Plan				
Particular	**FY2024-25**	**FY2023-24**	**FY2022-23**	**FY2021-22**	**FY2020-21**
Defined benefit obligation	21,915.55	20,471.32	19,180.02	18,379.20	16,837.05
Plan assets	21,388.63	19,922.68	18,459.42	17,604.64	16,531.02
Unrecognised Transitional liability	0.00	41.22	183.62	489.67	0.00
Surplus/(deficit)	(-)526.92	(-)507.42	(-)536.99	(-)284.88	(-)306.03
Experience Adjustment On Plan Liability (Gain)/Loss	(-)545.48	410.04	843.92	1,092.69	791.71
Experience Adjustment On Plan Asset (Loss)/Gain	321.46	(-)31.29	(-)45.52	(-)694.35	(-)620.28

6.4 Accounting Standard 17 - Segment Reporting
Part A: Business Segment

Business Segment	Treasury Operations (1)		Wholesale Banking Operations (2)		Retail Banking Operations (3)		Digital Banking (3) (i)		Other Retail Banking (3)(ii)		(*)Other Banking Operations (4)		Total (1+2+3+4)	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Revenue	22,741.41	18,170.64	26,838.20	23,097.82	31,053.26	25,955.95	0.63	0.26	31,052.63	25,955.69	0.00	0.00	80,632.86	67,224.41
Unallocated revenue													263.70	646.53
Less: Inter segment revenue													1,076.64	1,066.60
Total Revenue													79,819.92	66,804.34
Results	6,082.48	4,706.80	1,894.43	784.06	7,220.81	6,759.91	(-)0.46	(-)0.75	7,221.26	6,760.66	0.00	0.00	15,197.71	12,250.77
Unallocated Expenses													(-)2,763.27	(-)2,151.70
Profit/(Loss) Before Tax													12,434.44	10,099.07
Income Tax													3,215.42	3,781.15
Extraordinary Profit/ (Loss)														
Net Profit/(Loss)													9,219.02	6,317.92
Other Information :														
Segment Assets	3,51,187.63	3,08,765.24	3,80,856.8	3,33,854.50	2,82,218.80	2,52,894.05	6.65	7.16	2,82,212.13	227,710.31	0.00	0.00	10,14,263.2	895,513.79
Unallocated Assets													28,318.75	17,084.13
Total Assets													1042,581.95	912,597.92
Segment Liabilities	3,31,339.32	287,690.56	3,65,429.45	319,774.68	2,59,782.50	227,748.20	7.10	7.89	2,59,775.38	227,740.31	0.00	0.00	956,551.25	835,213.44
Unallocated Liabilities													7,429.25	8,503.81
Total Liabilities													963,980.50	843,717.25

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Revenue	70276.73	58,249.70	9543.19	8,554.64	79819.92	66,804.34
Assets	881584.35	782,112.76	160997.60	130,485.16	1042581.95	912,597.92

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury**: 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.

b) **Wholesale Banking**: Wholesale Banking includes all lending activities which are not included under Retail Banking.

c) **Retail Banking**: Retail Banking segment comprises of Digital Banking and Other Retail Banking.

Digital Banking includes digital banking products acquired by DBUs.

Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to ₹ 7.50.

Pricing of Inter-Segmental transfers
Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits and borrowings incurred by it.

Allocation of Costs:
a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments
a) Domestic Operations
b) International Operations

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel :

Managing Director & CEO :	Shri Rajneesh Karnatak
Executive Directors :	Shri P R Rajagopal Shri M. Karthikeyan (superannuated on 31.03.2025) Shri Subrat Kumar Shri Rajiv Mishra

b. Subsidiaries:

i. BOI Shareholding Limited
ii. Bank of India Investment Managers Pvt Ltd. (erstwhile BOI AXA Investment Managers Private Limited)
iii. Bank of India Trustee Services Pvt Ltd. (erstwhile BOI AXA Trustee Services Private Limited)
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates:

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. Regional Rural Banks sponsored by the Bank:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

i. Star Union Dai-Ichi Life Insurance Co. Limited

Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024
Transactions during the period						
Interest Received	0.00	0.00	0.00	0.00	0.00	0.00
Interest Paid	423.22	698.96	0.00	0.00	423.22	698.96
Dividend received	19.25	8.61	0.00	0.00	19.25	8.61
Other Income	229.56	394.44	0.00	0.00	229.56	394.44
Sale of Govt. Securities/Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of Govt. Securities/Treasury Bills	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of Corporate Bonds and Other money market instruments	0.00	0.00	0.00	0.00	0.00	0.00
Deposits accepted	14.07	(-)18.04	0.00	0.00	14.07	(-)18.04
Matured Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Loans Provided	0.00	0.00	0.00	0.00	0.00	0.00
Loans Repaid	0.00	0.00	0.00	0.00	0.00	0.00
Sale of NPA	0.00	0.00	0.00	0.00	0.00	0.00
Investments made	0.00	0.00	0.00	0.00	0.00	0.00
Equity shares issued under Employee's Stock Purchase Scheme (ESPS)	0.00	0.00	0.00	0.00	0.00	0.00

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024	Year ended 31.03.2025	Year ended 31.03.2024
Outstanding	As on 31.03.2025	As on 31.03.2024	As on 31.03.2025	As on 31.03.2024	As on 31.03.2025	As on 31.03.2024
Payable	0.00	0.00	0.00	0.00	0.00	0.00
Deposits accepted	132.69	118.61	0.00	0.00	132.69	118.61
Borrowing	0.00	0.00	0.00	0.00	0.00	0.00
Loans given	10.00	10.00	0.00	0.00	10.00	10.00
Placement of the Deposits	0.00	0.00	0.00	0.00	0.00	0.00
Other Liabilities	0.00	0.00	0.00	0.00	0.00	0.00
Receivables (Advances)	0.00	0.00	0.00	0.00	0.00	0.00
Investments	180.51	180.51	0.00	0.00	180.51	180.51
Non Funded Commitment	0.00	0.00	0.00	0.00	0.00	0.00
Leasing / HP arrangements availed	0.00	0.00	0.00	0.00	0.00	0.00
Leasing / HP arrangements provided	0.00	0.00	0.00	0.00	0.00	0.00
Purchase of fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00	0.00
Other Assets	5.49	7.16	0.00	0.00	5.49	7.16

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

6.6 Accounting Standard 19 – Leases: - Operating leases are cancellable at the option of the Bank. The amount of lease expenses recognized in the Profit & Loss Account for such operating lease is ₹ 748.44 (Previous Year: ₹ 717.00).

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2024-25	2023-24
1.	Basic EPS	20.25	14.90
2.	Diluted EPS	20.25	14.90

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2024-25	2023-24
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	9,219.02	6,317.92
(B)	Weighted Average Number of Equity shares (in crore)	455.27	424.10
(C)	Basic Earnings per Share (A/B) (₹)	20.25	14.90
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	455.27	424.10
(E)	Dilutive Earnings per Share (A/D) (₹)	20.25	14.90
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

6.8.1 The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr. No.	Particulars	31.03.2025	31.03.2024
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	2,044.96	3,716.83
ii)	On account of timing difference towards other provisions/items	200.61	234.23
iii)	On account of Foreign Currency Translation Reserve (FCTR)	244.46	176.22
iv)	Others	692.09	394.70
	Total Deferred Tax Assets	**3,182.12**	**4,521.98**

Sr. No.	Particulars	31.03.2025	31.03.2024
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	179.79	151.25
ii)	On account of interest accrued but not due on investments	957.68	831.51
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	659.40	659.40
iv)	Others	81.67	0.00
	Total Deferred Tax Liabilities	**1,878.54**	**1,642.16**
	Net Deferred Tax Assets / (Liabilities)	**1,303.58**	**2,879.82**

* ₹ 431.67 out of past reserves and balance out of profit

6.8.2 Amount of Provisions made for Income-tax during the year

Particulars	2024-25	2023-24
Current Tax	1,343.51	23.09
Deferred Tax	1,871.92	3,758.06
Total Tax Expense	**3,215.43**	**3,781.15**

The Bank had exercised the irreversible option to shift from old tax regime to the new tax regime under section 115BAA of the Income Tax Act, 1961, effective from the Assessment Year 2023-24.

6.9 Accounting Standard 24 - Discontinuing Operations:

In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, in Financial year 2019-20, the Bank has sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64 and remaining cost of investment of ₹ 18.31 has been fully provided.

For the Financial year 2024-25, we confirm that there is no disinvestment of our overseas subsidiaries.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 98.17 (Previous year ₹ 98.17) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	98.17	India	27.48%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2025	31.03.2024
Liabilities		
Capital & Reserves	507.62	353.62
Deposits		-
Borrowings	34.35	-
Other Liabilities & Provisions	8,018.40	6,972.39
Total	**8,560.37**	**7,326.01**
Assets		
Cash and Balances with Reserve Bank of India	180.85	94.04
Balances with Banks and Money at call and short notice		-
Investments	8,210.49	6,939.28
Advances	24.86	12.54
Fixed Assets	25.61	19.52
Other Assets	118.56	260.63
Total	**8,560.37**	**7,326.01**
Capital Commitments		-
Other Contingent Liabilities	36.61	39.26
Income		
Interest Earned	24.07	22.63
Other Income	70.87	57.83
Total	**94.94**	**80.46**
Expenditure		
Interest Expended	2.66	-
Operating Expenses	68.55	33.19
Provisions & Contingencies	1.17	(-)0.48
Total	**72.38**	**32.71**
Profit / (Loss)	**22.56**	**47.75**

6.11 Impairment of Assets (Accounting Standard 28):

In terms of Bank's approved revaluation policy, during the year ended March 31, 2025 the immovable properties are revalued based on the revaluation reports of Bank's approved valuers and the impairment of Fixed Assets as per AS 28 is "NIL".

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2024-25	2023-24
Opening Balance	88.60	64.09
Provided during the year	27.23	26.74
Amounts used during the year	12.73	2.23
Closing Balance	103.10	88.60
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals and the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

17. Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

Mukund M Chitale & Co.	S. Jaykishan
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A. Bafna & Co.	**SCV & Co. LLP**
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Independent Auditors' Report

To
The Members of Bank of India

Report on Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of **Bank of India** ('the Bank'), which comprise the Balance Sheet as at March 31, 2024, the Profit and Loss Account and the Cash Flow Statement for the year then ended, and notes to Standalone Financial Statements including Significant Accounting Policies and other explanatory information in which are included returns for the year ended on that date of:

   (i) 20 Domestic branches, Treasury Branch, Digital Banking department and 14 other offices (Head-office and NBG Offices) audited by us;
   (ii) 2860 domestic branches and 84 processing centres audited by respective Statutory Branch Auditors and
   (iii) 22 Foreign branches audited by respective local Auditors.

   The branches audited by us and those audited by other auditors have been selected by the Bank in accordance with the guidelines issued to the Bank by the Reserve Bank of India. Also included in the Balance Sheet, the Profit and Loss Account and Cash Flow Statement are the returns from 2267 domestic branches and one foreign branch which have not been subjected to audit. These unaudited branches account for 7.24% of advances, 17.68% of deposits, 5.95% of interest income and 14.29% of interest expenses.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 in the manner so required for the bank and are in conformity with accounting principles generally accepted in India and:

   a) the Balance Sheet, read with the notes thereon is a full and fair Balance Sheet containing all the necessary particulars, is properly drawn up so as to exhibit a true and fair view of the state of affairs of the Bank as at March 31, 2024;
   b) the Profit and Loss Account, read with the notes thereon shows a true balance of profit; and
   c) the Cash Flow Statement gives a true and fair view of the cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (the "ICAI"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the ICAI together with ethical requirements that are relevant to our audit of the financial statements prepared in accordance with the accounting principles generally accepted in India, including the ICAI Accounting Standards, as amended from time to time subject to Directions/Guidelines issued by the Reserve Bank of India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI") from time to time and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to:

(i) Note No. 14 (i) of Schedule-18 of the accompanying Standalone Financial Statements, regarding amortization of additional liability on account of revision in family pension amounting to Rs. 612.09 Crores. The Bank has charged an amount of Rs. 142.40 Crores to the Profit and Loss Account for the year ended March 31, 2024, and balance unamortized expense of Rs. 41.22 Crores has been carried forward.

(ii) Note No. 6.8.2 of Schedule-18 of the accompanying Standalone Financial Statements, regarding Bank's exercising the irreversible option to shift to the new tax regime under section 115BAA of the Income-tax Act, 1961, effective for the financial year ended March 31, 2023, and onwards and resultant additional one-time charge of Rs. 1,459.89 Crores in the Profit and Loss Account for the year ended March 31, 2024 on account of remeasurement of deferred tax assets (net).

Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

S. No.	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
1	**Compliance of Income Recognition, Asset Classification and Provisioning Norms on advances and investments as per guidelines issued by Reserve Bank of India (IRAC Norms)**	We have carried out the audit of the advances and investments based on the IRAC Norms/Circulars and directives issued by Reserve Bank of India and the policy of the Bank.

S. No.	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
	Advances: Bank has to classify the accounts as performing advances or non-performing advances based on the guidelines/circulars and directives issued by Reserve Bank of India. The guidelines issued by Reserve Bank of India is for all credit facilities given by the bank and is to be mandatorily followed for the purpose of Income Recognition, Asset Classification and Provisioning. Identification of performing and non-performing advances is system driven. The software used by the bank identifies the accounts for classification and provisioning as per the guidelines issued by Reserve Bank of India. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank. The bank has implemented IRAC Automation software for identification and classifying of NPA accounts through the software. **Investments:** Bank has to classify the investments as performing or non-performing based on the guidelines/circulars and directives issued by Reserve Bank of India. Identification of performing and non-performing investments is generally system driven. The valuation is done as per the guidelines issued by Reserve Bank of India and the valuations are done based on the price quoted on BSE/NSE, FIMDA /FBIL rates etc. The Income recognition, asset classification and provisioning if not done properly as per the IRAC norms issued by Reserve Bank of India may materially impact the financial statements of the bank.	**Advances: Our audit procedure included:** a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of advances. b) Testing on sample basis whether the classification of advances as performing or non-performing and provisioning have been carried out as per the guidelines of Reserve Bank of India. c) Communication to the Statutory Branch Auditors (SBAs) to verify the compliance of IRAC Norms and procedures and the policies adopted by the bank and reliance on the audit reports furnished by the SBAs. d) Carrying out substantive test on major advances including Specially Mentioned Accounts (SMA) and also verification of security by checking the valuation reports in respect of the audit of branches conducted by us. e) Reliance on the internal audit reports, concurrent audit reports, credit audit, system audit and special audits conducted by the bank. **Investments: Our audit procedure included:** a) Understanding the IT system and controls put in place and logic and validations built in the system by the bank for identification, classification and provisioning in case of investments. b) Testing on sample basis whether the classification and valuation of investments is carried out as per the guidelines of Reserve Bank of India. c) Verification on sample basis whether proper provision for depreciation in the value of investments is made as per RBI guidelines. d) Reliance made on the internal audit reports, concurrent audit reports and system audit conducted by the bank.

S. No.	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
	Advances and Investments constitute 61.71% and 24.89% respectively of total assets of the bank. As advances and investments form part of a major portion of the business of the bank and the regulatory compliances are involved, we have considered this aspect as Key Audit Matter.	
2	**Evaluation of uncertain tax litigations and contingent liabilities** The Bank has various litigations including Income-tax litigations, involving disputed claims against those litigations, which are pending at various courts / forums and are at various stages in the judicial process. Bank has also disputes regarding availability of input credits / applicability of Reverse Charge Mechanism on certain payments under Indirect Tax. This is a key audit matter due to uncertainty of the outcome which involves significant judgment to determine the possible outcome of these disputes. There is high level of judgement required in estimating the level of provisioning and any unexpected adverse outcomes may significantly impact the Bank's reported profit and state of affairs presented in the Balance Sheet.	**Our audit procedure included:** a) Understanding the current status of the litigations / tax assessments. Also obtained details of completed tax assessments and latest orders, communication received from various tax authorities and the appeals filed till the year ended March 31, 2024, from the management. b) Evaluating the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. This includes considering the legal precedence and other rulings in evaluating management's position on these uncertain tax positions. c) Discussed with management's tax team to understand the status of all significant provisions, and any changes to management's judgements in the year. Also read the correspondence with tax authorities and Company's external tax advisors / lawyers to evaluate our assessment of recorded estimates and evaluate the completeness of the provisions recorded and whether any change was required to management's position on these uncertainties.
3	**Assessment of Information Technology (IT):** a. IT controls with respect to recording of transactions, generating various reports in compliance with RBI guidelines including IRAC norms, preparing financial statements and reporting of compliances to regulators etc. is an important part of the process. Such reporting is highly dependent on the effective working of	**Our audit procedure included:** a) Obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit. b) Reviewed the Reports of various IS Auditors / Consultants appointed by the Bank and discussed with IT Department on compliance with

S. No.	Key Audit Matters	Audit Procedure followed to address the Key Audit Matters
	Core Banking Software and other allied systems. We have considered this as key audit matter as any control lapses, validation failures, incorrect input data and wrong extraction of data may result in wrong reporting of data to the management and regulators.	key IT controls, including IRAC Automation Controls. c) Reviewed the design, implementation and operating effectiveness of the Bank's IT controls including application, access controls that are critical to financial reporting on test check basis. d) Where we identified the need to perform additional procedures, we placed reliance on manual compensating controls; such as reconciliations between systems and other information sources or performing additional testing; extended our sample sizes, to obtain adequate and appropriate audit evidence.

Information Other than the Financial Statements and Auditors Report thereon

6. The Bank's Board of Directors is responsible for the preparation of the Other Information. The other information comprises the information included in the Management report and Chairman's Statement (including annexures in the Annual Report) but does not include the Standalone Financial Statements and our Auditor's report thereon, which is expected to be made available for us after the date of this Auditors' Report.

Our opinion on the Standalone Financial Statements does not cover the Other Information and Pillar 3 disclosures under Basel III Disclosure and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the Standalone Financial Statements. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Bank's Board of Directors is responsible with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the ICAI, and provisions of Section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. As required by the RBI letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended), we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the financial statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning of the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

12. We did not audit the financial statements / financial information of 2860 branches and 84 processing centres including 22 foreign branches included in the Standalone Financial Statements of the Bank whose financial statements/financial information reflects total assets of Rs.4,17,244.17 Crore at March 31, 2024 and total revenue of Rs. 29,148.86 Crore for the year ended on that date as considered in the Standalone Financial Statements. These branches and processing centres cover 55.66% of advances, 80.78 % of deposits and 52.11% of Non-performing assets as on March 31 2024 and 44.42 % of revenue for the period April 1, 2023 to March 31, 2024.The Financial statements/financial information of these branches and processing centres have been audited by the branch auditors whose reports have been furnished to us, and in our opinion, in so far as it relates to the amounts and disclosures included in respect of these branches and processing centres, are solely based on the report of such branch auditors.

13. In conduct of our audit, we have taken note of the unaudited returns in respect of 2267 domestic branches and one foreign branch certified by the respective branch's management. These unaudited branches cover 7.24% % of advances, 17.68 % of deposits and 6.74 % of non-performing assets as on March 31 2024 and 6.72% of revenue for the period April 1, 2023 to March 31 2024.

14. The accompanying Standalone Financial Statements includes comparative figures for the year ended March 31, 2023, which have been audited by an earlier set of three audit firms as joint auditors, who have expressed unmodified opinion vide their audit report dated May 6, 2023, and one of those three audit firms is a continuing audit firm.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

15. The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with Section 29 of the Banking Regulation Act, 1949;

16. Subject to the limitations of the audit indicated in paragraphs on Auditor's Responsibilities (para 10, 11), Management Responsibilities (para 7,8,9) and Other matters (para 12,13,14) above and as required by the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and subject also to the limitations of disclosure required therein, we report that:

a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit and have found them to be satisfactory;

b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank; and

c) The returns received from the offices and branches of the Bank have been found adequate for the purposes of our audit.

17. As required by letter No. DOS.ARG.No.6270/08.91.001/2019- 20 dated March 17, 2020 on "Appointment of Statutory Central Auditors (SCAs) in Public Sector Banks–Reporting obligations for SCAs from FY: 2019-20", read with subsequent communication dated May 19, 2020 issued by the RBI, we further report on the matters specified in paragraph 2 of the aforesaid letter as under:

a) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards issued by ICAI, to the extent they are not inconsistent with the accounting policies prescribed by the RBI.

b) There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the bank.

c) As the bank is not registered under the Companies Act, 2013 the disqualifications from being a director of the bank under sub-section (2) of Section 164 of the Companies Act, 2013 do not apply to the bank.

d) There are no qualifications, reservations or adverse remarks relating to the maintenance of accounts and other matters connected therewith.

e) Our audit report on the adequacy and operating effectiveness of the Bank's internal financial controls over financial reporting as required by the RBI Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) is given in **Annexure-A** to this report. Our report expresses an unmodified opinion on the Bank's internal financial controls over financial reporting as at March 31, 2024.

18. We further report that:

a) in our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches and processing centres not visited by us;

b) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches and processing centres not visited by us;

c) the reports on the accounts of the branch offices audited by branch auditors of the Bank under section 29 of the Banking Regulation Act, 1949 have been sent to us and have been properly dealt with by us in preparing this report; and

d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the applicable accounting standards, to the extent they are not inconsistent with the accounting policies prescribed by Reserve Bank of India.

For Mukund M Chitale & Co. **Chartered Accountants** **(FRN: 106655W)** **Nilesh RS Joshi** **Partner // ICAI M. No. 114749** **UDIN: 24114749BKCBYI6008**	**For S. Jaykishan** **Chartered Accountants** **(FRN: 309005E)** **Ritesh Agarwal** **Partner // ICAI M. No. 062410** **UDIN: 24062410BKCYMT3957**
For A. Bafna & Co. **Chartered Accountants** **(FRN: 003660C)** **Mukesh Kumar Gupta** **Partner // ICAI M. No. 073515** **UDIN: 24073515BKGQGV2357**	**For SCV & Co. LLP** **Chartered Accountants** **(FRN:000235N / N500089)** **Anuj Dhingra** **Partner // ICAI M. No. 512535** **UDIN: 24512535BKCXDV4697**

Place: Mumbai
Date: May 10, 2024

Annexure-A to Independent Auditors' Report

Referred to in Paragraph 17 (e) of the Independent Auditors' Report of even date to the members of **Bank of India** on the Standalone Financial Statements for the year ended March 31, 2024

Report on the Internal Financial Controls Over Financial Reporting as required by the Reserve Bank of India (the "RBI") Letter DOS.ARG.No.6270/08.91.001/2019-20 dated March 17, 2020 (as amended) (the "RBI communication")

Opinion

1. We have audited the internal financial controls over financial reporting with reference to Standalone Financial Statements of **Bank of India** ("the Bank") as of March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Bank for the year ended on that date which includes internal financial controls over financial reporting with reference to Standalone Financial Statements of the Bank's branches.

2. In our opinion, and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the branch auditors referred to in the "Other Matters" paragraph below, the Bank has, in all material respects, adequate Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements and such Internal Financial Controls over Financial Reporting with reference to Standalone Financial Statements were operating effectively as at March 31, 2024, based on the criteria for internal control over financial reporting established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI").

Management's Responsibility for Internal Financial Controls

3. The Bank's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Banking Regulation Act, 1949 and the circulars and guidelines issued by the Reserve Bank of India.

Auditor's Responsibility

4. Our responsibility is to express an opinion on the Bank's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing (SAs) issued by the ICAI, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

6. We believe that the audit evidence we have obtained and the audit evidence obtained by the branch auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting with reference to Standalone Financial Statements

7. A Bank's internal financial controls over financial reporting with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls over financial reporting with reference to Standalone Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

8. Because of the inherent limitations of internal financial controls over financial reporting with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls over financial reporting with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

9. Our aforesaid report, insofar as it relates to the operating effectiveness of internal financial controls over financial reporting of 2860 domestic branches and 84 processing centres and 22 foreign branches is based on the corresponding reports of the respective branch auditors of those branches.

Further the control over operations of inter office accounts need to be further strengthened.

Our opinion is not modified in respect of this matter.

For Mukund M Chitale & Co. **Chartered Accountants** **(FRN: 106655W)** **Nilesh RS Joshi** **Partner // ICAI M. No. 114749** **UDIN: 24114749BKCBYI6008**	**For S. Jaykishan** **Chartered Accountants** **(FRN: 309005E)** **Ritesh Agarwal** **Partner // ICAI M. No. 062410** **UDIN: 24062410BKCYMT3957**
For A. Bafna & Co. **Chartered Accountants** **(FRN: 003600)** **Mukesh Kumar Gupta** **Partner // ICAI M. No. 073515** **UDIN: 24073515BKGQGV2357**	**For SCV & Co. LLP** **Chartered Accountants** **(FRN:000235N / N500089)** **Anuj Dhingra** **Partner // ICAI M. No. 512535** **UDIN: 24512535BKCXDV4697**

Place: Mumbai
Date: May 10, 2024

Bank of India

BALANCE SHEET AS AT 31st MARCH 2024

(000's Omitted)

	Schedule No	As at 31-03-2024 ₹	As at 31-03-2023 ₹
CAPITAL AND LIABILITIES			
Capital	1	4,55,34,070	4,10,43,052
Reserves and Surplus	2	64,32,72,643	54,86,63,088
Deposits	3	7,37,92,02,058	6,69,58,57,713
Borrowings	4	80,92,40,678	64,97,90,232
Other Liabilities and Provisions	5	24,87,29,799	22,02,02,058
TOTAL		9,12,59,79,248	8,15,55,56,143
ASSETS			
Cash and balances with Reserve Bank of India	6	38,55,62,687	44,03,45,054
Balances with Banks and money at call and short notice	7	44,38,08,637	40,36,08,131
Investments	8	2,27,14,44,677	2,04,39,78,771
Advances	9	5,63,14,46,654	4,85,89,96,352
Fixed Assets	10	10,22,64,640	9,96,10,019
Other Assets	11	29,14,51,953	30,90,17,816
TOTAL		9,12,59,79,248	8,15,55,56,143
Contingent Liabilities	12	4,47,59,15,977	3,78,97,03,359
Bills for Collection		28,55,27,054	29,17,47,325
Significant Accounting Policies	17		
Notes to Accounts	18		

The Schedules referred to above form an integral part of the Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

B Kumar
General Manager &
Chief Financial Officer

Rajesh Gupta
Chief General Manager

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Dr. Bhushan Kumar Sinha

Ashok Narain

Veni Thapar

Mukesh Kumar Ralhan

V V Shenoy

In terms of our report of even date attached

For Mukund M Chitale & Co.	For S.Jaykishan	For A. Bafna & Co	For SCV & Co. LLP
Chartered Accountants	Chartered Accountants	Chartered Accountants	Chartered Accountants
(FRN: 106655W)	(FRN: 309005E)	(FRN: 003860C)	(FRN: 000236N/N500089)
Nilesh RS Joshi	Ritesh Agarwal	Mukesh Kumar Gupta	Anuj Dhingra
Partner	Partner	Partner	Partner
M. No. 114749	M. No. 062410	M. No. 073515	M. No. 512535

Place: Mumbai
Date : May 10, 2024

Bank of India

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2024

(000's Omitted)

	Schedule No.	For the year ended 31-03-2024 ₹	For the year ended 31-03-2023 ₹
INCOME			
Interest earned	13	60,70,94,904	47,64,77,223
Other income	14	6,09,48,538	7,09,98,904
TOTAL		66,80,43,442	54,74,76,127
EXPENDITURE			
Interest expended	15	37,65,65,746	27,37,28,195
Operating expenses	16	15,07,91,633	13,98,21,724
Provisions and Contingencies		7,75,06,897	9,36,96,808
TOTAL		60,48,64,276	50,72,46,727
PROFIT/(LOSS)			
Net Profit/(Loss) for the year		6,31,79,166	4,02,29,400
Add: Profit/(Loss) brought forward		3,66,26,670	1,99,86,503
TOTAL		9,98,05,836	6,02,15,903
APPROPRIATIONS			
Transfer to Statutory Reserve		1,58,00,000	1,00,60,000
Transfer to Investment Fluctuation Reserve		20,63,554	15,14,286
Transfer to Investment Reserve Account		2,57,803	38,07,815
Transfer to Revenue Reserve		-	-
Transfer to Capital Reserve		6,95,900	-
Transfer to Revenue & Other Reserves		-	-
Dividend paid		82,07,132	82,07,132
Transfer to Special Reserve u/s Sec 36(1) (viii) of Income Tax Act,1961		-	-
Balance in Profit and Loss Account		7,27,81,447	3,66,26,670
TOTAL		9,98,05,836	6,02,15,903
Significant accounting policies	17		
Notes to Accounts	18		
Earnings Per Share (Basic and Diluted) ₹		14.90	9.80

B Kumar
General Manager &
Chief Financial Officer

Rajnish Gupta
Chief General Manager

Sanjiv Mishra
Executive Director

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

P. R. Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Dr.Bhushan Kumar Sinha

Ashok Narain

Veni Thapar

Murali Kumar Rathan

K V Shenoy

In terms of our report of even date attached

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106656W)

Nilesh RS Joshi
Partner
M. No. 114749

For S.Jaykishan
Chartered Accountants
(FRN: 309005E)

Ritesh Agarwal
Partner
M. No. 062410

For A. Bafna & Co
Chartered Accountants
(FRN: 003660C)

Mukesh Kumar Gupta
Partner
M. No. 073515

For SCV & Co. LLP
Chartered Accountants
(FRN: 000235N/N500089)

Anuj Dhingra
Partner
M. No. 512535

Place: Mumbai
Date : May 10, 2024

Classification: Confidential

(000's Omitted)

	As at 31-03-2024 ₹	As at 31-03-2023 ₹
SCHEDULE - 1 : CAPITAL		
AUTHORISED CAPITAL		
600,00,00,000 (Previous year 600,00,00,000) Equity Shares of ₹10 each	6,00,00,000	6,00,00,000
ISSUED CAPITAL		
Equity Shares 455,38,44,966 (Previous year 410,47,43,170) of ₹10 each	4,55,38,450	4,10,47,432
TOTAL	4,55,38,450	4,10,47,432
SUBSCRIBED & PAID-UP CAPITAL		
455,26,67,886 Equity Shares	4,55,26,679	4,10,35,661
(Previous year 410,35,66,070) of ₹10 each		
Add: Shares forfeited	7,391	7,391
TOTAL *	4,55,34,070	4,10,43,052
* Of the above, 334,08,61,720 Equity Shares (Previous year ended 334,08,61,720) of ₹10 each fully paid up amounting to ₹3340.86 crore (Previous year ended ₹3340.86 crore) is held by Central Government;		
SCHEDULE - 2 : RESERVES AND SURPLUS		
I. Statutory Reserve :		
Opening Balance	9,48,58,842	8,47,98,842
Additions during the year	1,58,00,000	1,00,60,000
TOTAL (I)	11,06,58,842	9,48,58,842
II. Capital Reserves :		
A) Revaluation Reserve :		
Opening Balance	6,89,60,298	6,92,66,159
Add: Addition during the year on Revaluation of Premises	0	2,22,192
Less: Adjustments during the year	(84,156)	(3,60,150)
Less: Depreciation on revalued Fixed Assets transferred to Revenue reserve	8,57,424	8,88,203
Total of (A)	6,81,87,030	6,89,60,298
B) Others		
i) Profit on sale of Investments - "Held to Maturity"		
Opening Balance	3,35,20,679	3,35,20,679
Additions during the year	6,95,900	-
Sub-total of (i)	3,42,16,579	3,35,20,679
ii) Foreign Currency Translation Reserve		
Opening Balance	2,36,08,337	1,98,57,393
Add/ (Less) : Additions / adjustments during the year (Net)	-7,53,419	37,50,944
Sub-total of (ii)	2,28,54,918	2,36,08,337
Total of (B)	5,70,71,497	5,71,29,016
TOTAL (II)	12,52,58,527	12,60,89,314
III. Share Premium :		
Opening Balance	16,25,45,324	16,25,45,324
Add : Additions during the year	4,05,08,982	-
Less : Deductions/Utilization during the year	1,98,423	-
TOTAL (III)	20,28,55,883	16,25,45,324

	As at 31-03-2024 ₹	As at 31-03-2023 ₹
SCHEDULE - 2 : RESERVES AND SURPLUS (contd.)		
IV. Revenue and Other Reserves :		
i) Revenue Reserve :		
Opening Balance	8,77,44,906	8,48,18,508
Add: Additions during the year	8,53,649	29,26,398
Less: Deductions during the year	-	-
Sub-total of IV(i)	8,85,98,555	8,77,44,906
ii) Investment Reserve Account :		
Opening Balance	38,07,815	-
Add: Additions during the year	2,57,803	38,07,815
Less: Deductions during the year	-	-
Sub-total of IV(ii)	40,65,618	38,07,815
iii) Investment Fluctuation Reserve :		
Opening Balance	1,07,90,217	92,75,931
Add: Additions during the year	20,63,554	15,14,286
Less: Deductions during the year	-	-
Sub-total of IV(iii)	1,28,53,771	1,07,90,217
iv) Special Reserve u/s Sec 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	2,62,00,000	2,62,00,000
Additions during the year	-	-
Sub-total of IV(iv)	2,62,00,000	2,62,00,000
TOTAL (IV)	13,17,17,944	12,85,42,938
V. Balance in Profit and Loss Account :	7,27,81,447	3,66,26,670
TOTAL (I TO V)	64,32,72,643	54,86,63,088
SCHEDULE - 3 : DEPOSITS		
A. I. Demand Deposits :		
i) From Banks	69,80,450	1,31,55,027
ii) From Others	36,23,46,157	33,62,60,434
TOTAL (I)	36,93,26,607	34,94,15,461
II. Savings Bank Deposits	2,37,40,40,532	2,22,27,77,608
III. Term Deposits :		
i) From Banks	46,15,06,285	50,11,72,088
ii) From Others	4,17,43,28,634	3,62,24,92,556
TOTAL (III)	4,63,58,34,919	4,12,36,64,644
TOTAL A(I, II, III)	7,37,92,02,058	6,69,58,57,713
B. i) Deposits of branches in India	6,29,71,71,298	5,67,06,27,884
ii) Deposits of branches outside India	1,08,20,30,760	1,02,52,29,829
TOTAL (B)	7,37,92,02,058	6,69,58,57,713

Classification: Confidential

SCHEDULE - 4 : BORROWINGS	As at 31-03-2024 ₹	As at 31-03-2023 ₹
I. Borrowings in India :		
i) Reserve Bank of India	14,50,00,000	2,69,20,000
ii) Other Banks		
a. Tier I Capital	77,40,000	75,40,000
b. Tier II Capital	63,40,000	33,70,000
c. Others	-	89,565
Total (ii)	1,40,80,000	1,09,99,565
iii) Other Institutions and Agencies		
a. Tier I Capital	2,07,80,000	2,09,80,000
b. Tier II Capital	6,16,60,000	5,96,30,000
c. Others	48,72,32,170	50,37,73,826
Total (iii)	56,96,72,170	58,43,83,826
Total (i)	72,87,52,170	62,23,03,391
II. Borrowings outside India		
a. Tier I Capital	-	-
b. Upper Tier II Capital	-	-
c. Others	8,04,88,508	2,74,86,841
Total (II)	8,04,88,508	2,74,86,841
Total (I, II)	80,92,40,678	64,97,90,232
Secured borrowings included in I & II above	21,38,70,541	22,08,25,176

SCHEDULE - 5 : OTHER LIABILITIES AND PROVISIONS		
I. Bills Payable	1,65,76,093	1,62,25,591
II. Inter-office adjustments (net)	-	-
III. Interest accrued	3,18,06,765	2,56,51,647
IV. Deferred Tax Liabilities	-	-
V. Others (including Provisions)*	20,03,46,941	17,83,24,820
TOTAL	24,87,29,799	22,02,02,058

* Includes provision for Standard Assets ₹ 48,976,713 (Previous Year ₹ 52,524,117)

	As at 31-03-2024 ₹	As at 31-03-2023 ₹
SCHEDULE - 6 : CASH AND BALANCES WITH RESERVE BANK OF INDIA		
I. Cash in hand (including foreign currency notes)	2,12,70,221	2,13,43,258
II. Balances with Reserve Bank of India :*		
i) In Current Account	36,42,16,414	36,51,82,605
ii) In Other Accounts	76,052	5,38,19,191
TOTAL (II)	36,42,92,466	41,90,01,796
TOTAL (I, II)	38,55,62,687	44,03,45,054
* Including balances with Central Banks outside India		
SCHEDULE - 7 : BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE		
I. In India :		
i) Balances with Banks		
a) In Current Accounts	2,90,740	4,06,830
b) in Other Deposit Accounts	2,41,04,045	61,62,750
ii) Money at call and short notice		
a) With Banks	10,20,300	-
b) With Other Institutions	-	3,01,669
TOTAL (i and ii)	2,54,15,085	68,71,249
II. Outside India :		
i) In Current Accounts	61,31,102	47,56,530
ii) In Other Deposit Accounts	24,72,09,947	25,96,88,429
iii) Money at call and short notice	16,50,52,503	13,22,91,923
TOTAL (i, ii and iii)	41,83,93,552	39,67,36,882
TOTAL (I, II)	44,38,08,637	40,36,08,131
SCHEDULE - 8 : INVESTMENTS		
I. Investments in India :		
i) Government Securities	1,99,99,90,694	1,79,72,57,779
ii) Other approved Securities	-	-
iii) Shares	71,57,950	1,03,34,035
iv) Debentures and Bonds	11,07,26,870	9,97,87,051
v) Subsidiaries and/or Joint ventures (including Associates)	1,45,36,931	1,20,58,644
vi) Others (Commercial Papers, Units of Mutual Funds, Pass Through Certificates, Security Receipts, Venture Fund, Gold etc.)	2,64,61,809	1,99,35,443
TOTAL (I)	2,15,88,74,254	1,93,93,72,952
Gross	2,19,97,03,730	1,98,09,64,874
Less: Depreciation and Amortisation	4,08,29,476	4,15,91,922
Net	2,15,88,74,254	1,93,93,72,952
II. Investments outside India :		
i) Government Securities (including local authorities)	7,57,68,923	7,44,07,006
ii) In Subsidiaries and/or joint ventures abroad	2,29,65,905	1,47,22,376
iii) Other Investments (Debentures, Bonds etc.)	1,38,35,595	1,54,76,437
TOTAL (II)	11,25,70,423	10,46,05,819
Gross	11,63,08,983	10,73,45,161
Less: Depreciation and Amortisation	37,38,560	27,39,342
Net	11,25,70,423	10,46,05,819
TOTAL (I, II)	2,27,14,44,677	2,04,39,78,771

	As at 31-03-2024 ₹	As at 31-03-2023 ₹
SCHEDULE - 9 : ADVANCES		
A. i) Bills Purchased and Discounted	42,90,32,826	36,19,83,161
ii) Cash Credits, Overdrafts and Loans repayable on demand	2,12,31,89,127	1,85,98,55,164
iii) Term Loans	3,07,92,24,701	2,63,71,58,027
TOTAL (A)	5,63,14,46,654	4,85,89,96,352
B. Particulars of Advances :		
i) Secured by tangible assets (includes advances against Book Debts)	3,94,32,03,635	3,34,67,35,660
ii) Covered by Bank/Government Guarantees	55,28,71,419	47,86,31,983
iii) Unsecured	1,13,53,71,600	1,03,36,28,709
TOTAL (B)	5,63,14,46,654	4,85,89,96,352
C. Sectoral Classification of Advances :		
I. Advances in India		
i) Priority Sector	1,68,91,73,691	1,49,46,83,925
ii) Public Sector	1,30,20,94,408	1,20,47,04,107
iii) Banks	14,22,31,724	1,78,024
iv) Others	1,56,85,52,170	1,35,10,19,236
TOTAL (C-I)	4,70,20,61,993	4,05,05,85,292
II. Advances outside India :		
i) Due from Banks	38,07,31,883	36,90,97,116
ii) Due from others		
a) Bills Purchased and Discounted	10,28,26,124	11,35,36,084
b) Syndicated Loans	23,75,77,531	13,47,25,824
c) Others	20,82,49,123	19,10,52,037
TOTAL (C-II)	92,93,84,661	80,84,11,061
TOTAL (C - I, C - II)	5,63,14,46,654	4,85,89,96,353
SCHEDULE - 10 : FIXED ASSETS		
I. PREMISES :		
Opening Balance, at cost	2,11,15,362	1,86,99,604
Additions / Adjustments during the year	2,13,117	24,19,268
Less:Deductions / Adjustments during the year	0	3,510
Sub-total	2,13,28,479	2,11,15,362
Addition to date on account of revaluation	7,02,41,372	7,01,56,030
Less : Depreciation to date (including on account of revaluation)	69,82,477	57,74,217
TOTAL -(I)	8,45,87,374	8,54,97,175
II. OTHER FIXED ASSETS : (Including Furniture and Fixtures)		
Opening Balance at cost	4,77,86,619	4,29,44,931
Additions / Adjustments during the year	70,07,891	57,68,384
Less:Deductions / Adjustments during the year	1,73,442	9,26,696
Sub-total	5,46,21,068	4,77,86,619
Less: Depreciation to date	3,84,20,304	3,47,59,500
TOTAL (II)	1,62,00,764	1,30,27,119
III. CAPITAL WORK IN PROGRESS	14,76,502	10,85,725
TOTAL (I, II, III)	10,22,64,640	9,96,10,019

Classification: Confidential

	As at 31-03-2024 ₹	As at 31-03-2023 ₹
SCHEDULE - 11 : OTHER ASSETS		
I. Inter-office adjustments (net)	3,77,18,785	2,07,15,175
II. Interest accrued	5,55,00,099	3,64,52,715
III. Tax paid in advance/tax deducted at source	5,53,42,554	6,86,10,640
IV. Stationery and Stamps	1,31,912	1,12,378
V. Deferred Tax Assets (Net)	2,87,98,233	6,63,78,837
VI. Others *	11,39,60,370	11,67,48,071
TOTAL	29,14,51,953	30,90,17,816
* Includes Deposits placed with NABARD/SIDBI/NHB amounting to ₹ 43,265,948 (Previous Year ₹ 53,815,757)		
SCHEDULE - 12 : CONTINGENT LIABILITIES		
I. Claims against the Bank not acknowledged as debts	4,12,31,772	1,70,39,174
II. Liability for partly paid investments	8,86,789	9,47,055
III. Liability on account of outstanding forward exchange contracts	3,91,50,70,219	3,26,33,31,139
IV. Guarantees given on behalf of Constituents :		
a) In India	24,69,54,054	21,68,42,851
b) Outside India	3,55,23,950	2,74,85,360
V. Acceptances, endorsements and other obligations	19,68,32,952	22,44,34,843
VI. Derivative contracts other than listed at III above	59,00,000	84,11,272
VII. Other items for which the Bank is contingently liable	3,35,16,241	3,12,11,665
TOTAL	4,47,59,15,977	3,78,97,03,359

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the Year ended 31-03-2024 ₹	For the Year ended 31-03-2023 ₹
SCHEDULE - 13 : INTEREST EARNED		
I. Interest/Discount on advances/bills	42,88,10,103	33,36,76,070
II. Income on Investments	14,12,26,796	11,94,31,951
III. Interest on balances with Reserve Bank of India and other inter-bank funds	2,89,08,924	1,66,63,845
IV. Others	81,49,081	67,05,357
TOTAL	60,70,94,904	47,64,77,223

SCHEDULE - 14 : OTHER INCOME

I. Commission, exchange and brokerage		1,74,96,075		1,36,81,969
II. Profit on sale of Investments	71,47,711		26,22,807	
Less : Loss on sale of Investments	16,171		9,273	
		71,31,540		26,13,534
III. Profit on revaluation of Investments	5,00,169		1,79,982	
Less : Loss on revaluation of Investments	13,54,152		(1,55,65,070)	
		(8,53,983)		1,57,45,052
IV. Profit on sale of land, buildings and other assets	2,91,287		13,55,613	
Less : Loss on sale of land, buildings and other assets	6,718		15,103	
		2,84,569		13,40,510
V Profit on exchange transactions	51,25,977		1,00,45,229	
Less : Loss on Exchange Transactions	335		7,626	
		51,25,642		1,00,37,603
VI Income earned by way of dividends etc., from subsidiaries/ companies and/or joint ventures abroad/in India		1,54,276		2,12,456
VII Miscellaneous Income *		3,16,10,419		2,73,67,780
TOTAL		6,09,48,538		7,09,98,904

* Includes Recoveries made in write-off accounts amounting to ₹ 14,670,443 (Previous Year ₹ 12,068,537)

Classification: Confidential

	For the Year ended 31-03-2024 ₹	For the Year ended 31-03-2023 ₹
SCHEDULE - 15 : INTEREST EXPENDED		
I. Interest on Deposits	31,24,19,921	23,62,70,317
II. Interest on Reserve Bank of India / Inter-bank borrowings	5,62,50,429	3,01,86,921
III. Others:	78,95,396	72,90,957
TOTAL	37,65,65,746	27,37,28,195
SCHEDULE - 16 : OPERATING EXPENSES		
I. Payments to and provisions for employees	9,18,84,722	8,39,18,350
II. Rent, Taxes and Lighting	92,42,571	85,35,770
III. Printing and Stationery	9,72,045	9,57,455
IV. Advertisement and Publicity	4,10,156	2,80,529
V. Depreciation on Bank's property	49,85,907	42,09,160
VI. Directors' fees, allowances and expenses	11,355	9,110
VII. Auditors' fees and expenses (Including branch Auditors' fees & expenses)	9,93,937	11,95,005
VIII. Law Charges	4,26,546	3,81,408
IX. Postage, Telegrams, Telephones, etc.	28,64,075	28,17,696
X. Repairs and Maintenance	9,16,027	7,82,403
XI. Insurance	83,05,286	79,38,260
XII. Other Expenditure	2,97,79,006	2,87,96,578
TOTAL	15,07,91,633	13,98,21,724

BANK OF INDIA

Statement of Standalone Cash Flow for the year ended 31st March, 2024

(₹ In '000)

Particulars	Year ended	Year ended
	31.03.2024	31.03.2023
A. Cash Flow from Operating Activities:		
Net Profit before taxes	100,990,706	62,293,107
Adjustments for:		
(Profit)/Loss on Revaluation of investments (including depreciation on performing investments)	853,983	(15,745,053)
Depreciation on Fixed Assets	4,985,907	4,209,160
(Profit)/Loss on sale of Fixed Asset	(284,569)	(1,340,510)
Provision for NPAs	41,094,906	36,018,530
Provision for Standard Assets and Provision on Investments	(1,803,398)	9,506,807
Provision for Other items	1,939,448	6,991,403
Interest on AT 1 & Tier II Bonds (treated separately)	7,941,056	6,971,690
Dividend received from Subsidaries/Joint Ventures/Associates	(154,276)	(212,456)
Adjustments for:		
Increase /(Decrease) in Deposits	683,344,345	416,898,122
Increase /(Decrease) in Borrowings	154,450,446	367,186,566
Increase / (Decrease) in Other Liabilities and Provisions	30,209,476	(47,181,331)
(Increase) / Decrease in Investments	(219,149,254)	(288,689,127)
(Increase)/ Decrease in Advances	(813,545,208)	(686,596,975)
(Increase) / Decrease in Other Assets	(32,870,735)	46,941,198
Direct Taxes (Paid)/Refund	12,664,140	4,148,792
Net Cash Flow from Operating Activities (A)	(29,333,029)	(57,994,179)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(8,302,669)	(6,419,407)
Sale of Fixed Assets	173,442	1,384,412
Sale / Redemption / (Additional) investment in Subsidiaries/Jt Ventures/Associates (Net)	(10,927,270)	(8,627,665)
Dividend received from Subsidiaries, Joint Venture & Associates	154,276	212,457
Net Cash Flow from Investing Activities (B)	(18,902,221)	(13,450,203)
C. Cash Flow from Financing Activities:		
Share Capital	4,491,018	-
Share Premium	40,310,559	-
Issue/(redemption) of Tier II Capital bonds (Net)	5,000,000	15,000,000
Dividend (Interim & Final) paid	(8,207,132)	(8,207,132)
Interest on AT 1 & Tier II Bonds	(7,941,056)	(6,971,690)
Net Cash Flow from Financing Activities (C)	33,653,389	(178,822)
Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(14,581,861)	(71,623,204)
Cash and Cash Equivalents as at the beginning of the year	843,953,185	915,576,389
Cash and Cash Equivalents as at the end of the year	829,371,324	843,953,185

Contd...

Classification: (Internal

(₹ in '000)

Particulars	Year ended	Year ended
	31.03.2024	31.03.2023
Reconciliation of Cash and Cash Equivalents as at the end of the year		
Cash and balances with Reserve Bank of India (Schedule 6)	385,562,687	440,345,054
Balances with Banks and money at call and short notice (Schedule 7)	443,808,637	403,608,131
Cash and Cash Equivalents as at the end of the period	**829,371,324**	**843,953,185**

Cash and cash equivalent as per cash flow statement comprises of cash in hand, in ATM, balances in current account with RBI and other Banks (including deposits) and money at call and short notice which can be readily convertible into cash.

B Kumar
General Manager &
Chief Financial Officer

Rajesh [illegible]
Chief General Manager

Rajiv Mishra
Executive Director

Subrat Kumar
Executive Director

M. Karthikeyan
Executive Director

P R Rajagopal
Executive Director

Rajneesh Karnatak
Managing Director & CEO

M.R. Kumar
Chairman

DIRECTORS

Dr.Bhushan Kumar Sinha **Ashok Narain** **Veni Thaper** **Muniza Kumar Rajhan** **V V Shenoy**

In terms of our report of even date attached

For Mukund M Chitale & Co.
Chartered Accountants
(FRN: 106655W)

Nilesh RS Joshi
Partner
M. No. 114749

For S.Jaykishan
Chartered Accountants
(FRN: 309005E)

Ritesh Agarwal
Partner
M. No. 062410

For A. Bafna & Co
Chartered Accountants
(FRN: 003660C)

Mukesh Kumar Gupta
Partner
M. No. 073515

For SCV & Co. LLP
Chartered Accountants
(FRN: 000235N/N500089)

Anuj Dhingra
Partner
M. No. 512535

Place: Mumbai
Date : May 10, 2024

BANK OF INDIA FINANCE DEPT.

MUKUND M CHITALE & CO MUMBAI CHARTERED ACCOUNTANTS

S. JAY KISHAN KOLKATA FRN : 309005E Chartered Accountants

A. BAFNA & CO. FRN 003660C Chartered Accountants

SCV & Co LLP NEW De[illegible] Chartered Accountants

Classification: Internal

SCHEDULE 17:

SIGNIFICANT ACCOUNTING POLICIES:

1. BASIS OF PREPARATION:

The financial statements are prepared following the going concern concept, on historical cost basis unless otherwise stated and conform, in all material aspects, to the Generally Accepted Accounting Principles (GAAP) in India, which encompasses applicable statutory provisions, regulatory norms prescribed by the Reserve Bank of India (RBI), Accounting Standards (AS), pronouncements issued by The Institute of Chartered Accountants of India (ICAI), Banking Regulation Act, 1949 and accounting practices prevalent in the banking industry in India. In respect of foreign offices/branches, statutory provisions and accounting practices prevailing in the respective foreign countries are complied with, except as specified elsewhere.

2. USE OF ESTIMATES:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as of date of the financial statements and the reported income and expenses for the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. However, actual results can differ from estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. REVENUE RECOGNITION: (AS 9 - Revenue Recognition)

a. Income/Expenditure is recognised on accrual basis, unless otherwise stated. In respect of foreign offices, income/expenditure is recognised as per local laws/standards of host country.

b. Interest income is recognised on time proportion basis except interest on non-performing assets.

c. Commission on issue of Bank Guarantee and Letter of Credit is recognised over the tenure of BG/LC.

d. All other Commission and Exchange, Brokerage, Fees and other charges are recognised as income on realisation.

e. Income (other than interest) on investments in "Held to Maturity" category acquired at a discount to the face value, is recognised as follows:

i. On Interest bearing securities, it is recognised only at the time of sale/ redemption.
ii. On zero-coupon securities, it is accounted for over the balance tenor of the security on a constant yield basis.

f. Profit or loss on sale of investments is recognised in the Profit and Loss account. As per RBI Guidelines, in case of profit on sale of investments under 'Held to Maturity' category,

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an equivalent amount (net of taxes and amount required to be transferred to Statutory Reserves) is appropriated to 'Capital Reserve Account'.

g. Dividend Income is recognised when the right to receive the dividend is established.

h. Interest Income on Income-tax refund is recognised in the year of passing of assessment order.

i. **Appropriation of recoveries in NPAs:**

In respect of NPAs, recoveries effected except through a.) Compromise settlement /special OTS, b.) Judgement of a Court/DRT/NCLT and c.) Assignment to ARC's/SC's. are to be made in the following order:-

- Charges debited to borrower's account,
- Expenses/out of pocket expenses incurred but not debited,
- Unrealised interest,
- Uncharged interest,
- Principal

In other cases, the recoveries made are appropriated as per the order of relevant authority.

4. ADVANCES:

a. Advances are classified into "Performing" and "Non-Performing Advances" (NPAs) in accordance with the applicable regulatory guidelines.

b. NPAs are further classified into Sub-Standard, Doubtful and Loss Assets in terms of applicable regulatory guidelines.

c. In respect of domestic branches, NPA Provisions(On the Outstanding Advances) are made at the rates given as under:

Category of NPAs	**Provision % on net outstanding advance**
Sub Standard:	
Exposures, which are unsecured ab initio	25%
Unsecured exposure in respect of infrastructure loan accounts where certain safeguards such as escrow accounts are available (unsecured – infra)	20%
Others	15%
Doubtful:	
Secured portion (Period for which advance has remained in doubtful category)	
- Upto one year	25%
- One year to three years	40%
- More than three years	100%
Unsecured portion	100%
Loss	100%

d. In respect of foreign branches, classification of advances as NPAs and provision in respect of NPAs is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

e. Provisions in respect of NPAs, unrealised interest, ECGC claims, etc. are deducted from total advances to arrive at net advances as per RBI norms.

f. In respect of Rescheduled/Restructured advances, provision is made for the diminution in the fair value of restructured advances measured in present value terms as per RBI guidelines. The said provision is reduced to arrive at Net advances.

g. In case of financial assets sold to Asset Reconstruction Company (ARC) / Securitisation Company (SC), if the sale is at a price below the net book value (NBV), (i.e. outstanding less provision held) the shortfall is debited to the Profit and Loss account as per the extant RBI guidelines issued from time to time. If the sale is at a price higher than the NBV, the excess provision on sale of NPAs may be reversed to profit and loss account in the year the amounts is received. However, any excess provision is reversed only when the cash received (by way of initial consideration only/or redemption of SR's/PTC) is higher than the net book value (NBV) of the asset. Reversal of excess provision is limited to the extent to which cash received exceeds the NBV of the asset.

h. Provision for Standard assets, including restructured advances classified as standard, is made in accordance with RBI guidelines. In respect of foreign branches provision for Standard Assets is made as per the regulatory requirements prevailing at the respective foreign countries or as per guidelines applicable to domestic branches, whichever is stringent.

i. Provision for net funded country exposures (Direct/Indirect) is made on a graded scale in accordance with the RBI guidelines.

5. FLOATING PROVISION:

The bank has framed a policy for creation and utilisation of floating provisions. The quantum of floating provisions to be created is assessed at the end of each financial year. The floating provisions are utilised only for contingencies under extraordinary circumstances specified in the policy with prior permission of Reserve Bank of India or on being specifically permitted by Reserve Bank of India for specific purposes. These provisions are netted off from gross NPAs to arrive at Net NPAs.

6. DEBIT/CREDIT CARDS REWARD POINTS:

Provision for reward points in relation to the debit cards is provided for on actuarial estimates and Provision for Reward Points on Credit cards is made based on the accumulated outstanding points.

7. INVESTMENTS:

a. Transactions in Government Securities are recognised on Settlement Date and all other Investments are recognised on trade date.

b. Investments are classified under 'Held to Maturity', 'Held for Trading' and 'Available for Sale' categories as per RBI guidelines. For the purpose of disclosure in the Balance Sheet

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in Schedule 8, (I) 'Investments in India' are classified under six categories viz. i.) Government Securities, ii.) Other Approved Securities, iii.) Shares, iv.) Debentures and Bonds, v.) Subsidiaries and Joint Ventures and vi.) Others and (II) 'Investments outside India' are classified under three categories viz. i.) Government Securities, ii.) Subsidiaries and Joint Ventures abroad and iii.) Other Investments.

A. Basis of classification

Classification of an investment is done at the time of its acquisition.

(i) Held to Maturity
These comprise investments that the Bank intends to hold till maturity. Investments in equity of subsidiaries, joint ventures and associates are also categorised under Held to Maturity.
(ii) Held for Trading
These comprise investments acquired with the intention to trade by taking advantage of short term price/interest rate movements. Securities are to be sold within 90 days from the purchase date.
(iii) Available for Sale:
These comprise investments which do not fall either under "Held to Maturity" or "Held for Trading" category.

B. Acquisition Cost of Investment:

(i) Brokerage, commission, securities transaction tax, etc. paid on acquisition of equity investments are included in cost.

(ii) Brokerage, commission, broken period interest paid/ received on debt investments is treated as expense/income and is excluded from cost/sale consideration.

(iii) Brokerage and Commission, if any, received on subscription of investments is credited to Profit and Loss Account.

C. Method of valuation:

Investments in India are valued in accordance with the RBI guidelines and investments held at foreign branches are valued at lower of the value as per the statutory provisions prevailing at the respective foreign countries or as per RBI guidelines issued from time to time.

Treasury Bills and all other discounted instruments are valued at carrying cost (ie acquisition cost plus discount accrued at the rate prevailing at the time of acquisition)

(i) **Held to Maturity:**

1. Investments included in this category are carried at their acquisition cost, net of amortisation, if any. The excess of acquisition cost, if any, over the face value is amortised over the remaining period of maturity using constant yield method. Such amortisation of premium is adjusted against income under the head "interest on investments".

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2. Investments in subsidiaries, joint ventures and associates (both in India and abroad) are valued at historical cost except for investments in Regional Rural Banks, which are valued at carrying cost (i.e. book value). Suitable provision is made for diminution, other than of temporary nature, for each investment individually.

(ii) **Held for Trading / Available for Sale:**

1. Investments under these categories are individually valued at the market price or fair value determined as per Regulatory guidelines and only the net depreciation in each classification for each category is provided for and net appreciation is ignored. On provision for depreciation, the book value of the individual securities remains unchanged after marking to market.

For the purpose of valuation of quoted investments in "Held for Trading" and "Available for Sale" categories, the market rates / quotes on the Stock Exchanges, the rates declared by Fixed Income Money Market and Derivatives Association (FIMMDA)/ Financial Benchmark India Pvt. Ltd. (FBIL) are used. Investments for which such rates/quotes are not available are valued as per norms laid down by RBI, which are as under:

Classification	Basis of Valuation
Government Securities	on Yield to Maturity basis
Other Approved Securities	on Yield to Maturity basis
Equity Shares, PSU and Trustee shares	at break-up value as per the latest Balance Sheet (not more than 18 months old), otherwise Re.1 per company.
Preference Shares	on Yield to Maturity basis
PSU/Corporate Bonds	on Yield to Maturity basis
Units of Mutual Funds	at the latest repurchase price/NAV declared by the fund in respect of each scheme
Units of Venture Capital Funds (VCF)	declared NAV or break-up NAV as per audited financials which are not more than 18 months old. If NAV/audited financials are not available for more than 18 months then at Re. 1/- per VCF.
Security Receipts	at NAV as declared by Securitisation Companies which is not more than 6 months old.

D. Transfer of Securities between Categories:

A) HTM to AFS/HFT –

i) If the security was originally placed under the HTM category at a discount it is transferred at the acquisition price / book value. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

ii) If the security was originally placed in the HTM category at a premium, it is transferred to the AFS / HFT category at the amortised cost. After transfer, these securities are immediately re-valued and resultant depreciation, if any, is provided.

B) **AFS/HFT TO HTM-** Transfer of scrips from AFS / HFT category to HTM category is made at the lower of book value or market value. In cases where the market value is higher than the book value at the time of transfer, the appreciation is ignored. In cases where the market value is less than the book value, the provision against depreciation held against this security is adjusted to reduce the book value to the market value and the security is transferred at the market value.

C) **AFS TO HFT AND VICE-VERSA** - In the case of transfer of securities from AFS to HFT category or vice-versa, the securities are not re-valued on the date of transfer and the provisions for the accumulated depreciation, if any, held are transferred to the provisions for depreciation against the HFT securities and vice-versa.

E. Non-performing Investments (NPIs) and valuation thereof:

(i) Investments are classified as performing and non-performing, based on the guidelines issued by the RBI in case of domestic offices and respective regulators in case of foreign offices.

(ii) In respect of non-performing investments, income is not recognised and provision is made for depreciation in value of such securities as per RBI guidelines.

(iii) Matured NPIs are shown under 'Other Assets' Schedule11 (Net of Provision).

F. Repo / Reverse Repo:

The securities sold and purchased under Repo/ Reverse repo are accounted as Collateralised lending and borrowing transactions. However, securities are transferred as in case of normal outright sale/ purchase transactions and such movement of securities is reflected using the Repo/ Reverse Repo Accounts and Contra entries. The above entries are reversed on the date of maturity. Costs and revenues are accounted as interest expenditure/income, as the case may be. Balance in Repo Account is classified as Borrowings and balance in Reverse Repo account is classified as Balance with Banks and Money at Call & Short Notice in the Balance sheet.

G. Investment in Security Receipts (SRs) backed by assets:-

In terms of RBI guidelines issued vide circular no RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the bank has revised valuation methodology in respect of SRs under securitization,

a) Investments by banks in SRs / PTCs / other securities issued by ARCs shall be valued periodically by reckoning the Net Asset Value (NAV) declared by the ARC based on the recovery ratings received for such instruments.

Provided that when bank invest in the SRs/PTCs issued by ARCs in respect of the stressed loans transferred by them to the ARC, the bank shall carry the investment in their books on an ongoing basis, until its transfer or realization, at lower of the redemption value of SRs arrived based on the NAV as above, and the NBV of the transferred stressed loan at the time of bank.

When the investment by bank in SRs backed by stressed loans transferred by it, is more than 10 percent of all SRs backed by its transferred loans, the valuation of such SRs by the bank will be lower of face value of the SRs reduced by the notional provisioning rate applicable if the underlying loans continued in the books of the bank or NAV of the SRs.

b) SRs/PTCs which are not redeemed as at the end of the resolution period (i.e., five years or eight years as the case may be) shall be treated as loss asset in books of the bank and fully provided for.

c). The valuation, classification and other norms applicable to investment in non-SLR instruments prescribed by RBI from time to time shall be applicable to bank investment in debentures/ bonds/ SRs /PTCs issued by ARC. However, if any of the above instruments issued by ARC is limited to the actual realisation of the financial assets assigned to the instruments in the concerned scheme, the bank shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

8. DERIVATIVES:

The Bank presently deals in Forex Forward Contracts, interest rate, and currency derivatives. The interest rate derivatives dealt with by the Bank are Rupee Interest Rate Swaps, Foreign Currency Interest Rate Swaps, Forward Rate Agreements and Interest Rate Futures. Currency Derivatives dealt with by the Bank are Options, Currency Swaps and Currency Futures. Based on RBI guidelines, Derivatives are valued as under:

a. The hedge/non hedge (market making) transactions are recorded separately.

b. Income/expenditure on hedging derivatives are accounted on accrual basis.

c. Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account

d. MTM appreciation/ depreciation of hedging derivative is first set off with the depreciation / appreciation of the corresponding underlying and the resultant depreciation is recognized. Resultant appreciation, if any, is ignored.

e. Interest Rate Derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit & Loss account. Net Profit if any, is ignored.

f. Exchange Traded Derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit and Loss Account.

g. Gains/ losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

h. Option fees/premium is amortised over the tenor of the option contract.

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9. **PROPERTY, PLANT & EQUIPMENT:** (AS 10 Property, Plant & Equipment)

a. Fixed assets are stated at historic cost, except in the case of assets which have been revalued, which are stated at revalued amount. The appreciation on revaluation is credited to Revaluation Reserve.

b. Cost includes cost of purchase and all expenditure such as site preparation, installation costs, professional fees, etc. incurred on the asset before it is ready to use or capable of ready to use. Subsequent expenditure incurred on assets ready to use is capitalised only when it increases the future benefits from such assets or their functioning capability.

c. 5% residual value has been kept for all the assets except for the assets with estimated useful life less than 5 Years (eg. Mobile Phones, Computers and Computer Software forming integral part of hardware), where the entire cost of the assets is amortised over the useful life.

d. The rates of depreciation and method of charging depreciation is given below:

Sr. No.	Particulars	Rate of Depreciation	Estimated useful life as determined by the Bank	Method of charging depreciation
1	**Land & Building:**			
1.a.	Land (Freehold)	NIL		
1.b.	Leasehold Land		Lease premium is amortised over the period of lease	
1.c.	Building (including cost of land if not ascertained separately)	1.58%	60 Years	Straight Line
2.	**Other Fixed Assets:-**			
a.	Furniture, Fixtures, Electrical fittings and Equipment's	9.50%	10 Years	Straight Line
b.	Electrical Fitting and Equipment's	9.50%	10 Years	Straight Line
c.	Air-conditioning plants, etc. and business machines	6.33%	15 Years	Straight Line
d.	Motor cars, Vans & Motor cycles	11.88%	8 Years	Straight Line
e.	Cycle	20.00%	5 Years	Straight Line
f.	Mobile phones	33.33%	3 Years	Straight Line
g.	Computers and Computer Software forming integral part of hardware	33.33%	3 Years	Straight Line
h.	Servers	20%	5 Years	Straight Line
i.	Computer Software, which do not form integral part of computer hardware	20%	5 Years	Straight Line

e. In respect of additions/sale during the year, depreciation is provided on proportionate basis for the number of days the assets have been ready to use during the year.

f. The revalued portion is depreciated over the balance useful life of the assets as assessed at the time of revaluation. Such depreciation is charged to Profit & loss and equivalent amount is transferred from Revaluation Reserve to Revenue Reserve.

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g. Depreciation on fixed assets outside India is provided on Straight Line Method, except at the centres where different rates/method have been prescribed by the local statutory authorities.

h. Computer Software, not forming integral part of computer hardware is classified as intangible asset and amortised over a period of 5 years.

i. In respect of leasehold land, the lease premium, if any, is amortised over the period of lease.

10. TRANSACTION INVOLVING FOREIGN EXCHANGE:

Transactions involving foreign exchange are accounted for in accordance with AS 11, "The Effect of Changes in Foreign Exchange Rates" read with extant RBI guidelines:

A. Translation in respect of Integral Foreign operations: Foreign currency transactions of Indian branches have been classified as integral foreign operations and foreign currency transactions of such operations are translated as under:

i. Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the daily closing rate as available from Cogencis/ Reuter's page on date of the transaction.

ii. Foreign currency monetary items are reported using the Foreign Exchange Dealers Association of India (FEDAI) closing spot rates.

iii. Foreign currency non-monetary items, which are carried in terms of historical cost, are reported using the exchange rate at the date of the transaction.

iv. Contingent liabilities denominated in foreign currency are reported using the FEDAI closing spot rates.

v. Outstanding foreign exchange spot and forward contracts held for trading are revalued at the exchange rates notified by FEDAI for specified maturities, and the resulting notional profit or loss is recognised in the Profit and Loss account.

vi. Outstanding Foreign exchange forward contracts which are not intended for trading are valued at the closing spot rate as advised by FEDAI. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract.

vii. Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognised as income or as expense in the period in which they arise.

viii. Gains/Losses on account of changes in exchange rates of open position in currency futures trades are settled with the exchange clearing house on daily basis and such gains/losses are recognised in the Profit and Loss account.

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B. Translation in respect of Non-Integral Foreign operations: Transactions and balances of foreign branches are classified as non-integral foreign operations and their financial statements are translated as follows:

i. Assets and Liabilities (monetary and non-monetary as well as contingent liabilities) are translated at the closing rates notified by FEDAI.

ii. Income and expenses are translated at the quarterly average closing rates notified by FEDAI.

iii. All resulting exchange differences are accumulated in a separate account 'Foreign Currency Translation Reserve' till the disposal of the net investments by the bank in the respective foreign branches.

iv. The Assets and Liabilities of foreign offices in foreign currency (other than local currency of the foreign offices) are translated into local currency using spot rates applicable to that country.

11. EMPLOYEE BENEFITS: (AS 15 Employee Benefits)

A. Short Term Employee Benefits:
The undiscounted amount of short-term employee benefits, such as medical benefits etc. which are expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the service.

B. **Long Term Employee Benefits:**
a. **Defined Benefit Plan:-**

i.) Gratuity:
The Bank provides gratuity to all eligible employees. The benefit is in the form of lump sum payments to vested employees on retirement, or on death while in employment, or on termination of employment, for an amount equivalent to 15 days basic salary payable for each completed year of service, subject to a maximum prescribed as per The Payment of Gratuity Act, 1972 or Bank of India Gratuity Fund Rules,1975, whichever is higher. Vesting occurs upon completion of five years of service. The Bank makes periodic contributions to a fund administered by trustees based on an independent actuarial valuation carried out quarterly.

ii.) Pension:
The Bank provides pension to all eligible employees. The benefit is in the form of monthly payments as per rules and payments to vested employees on retirement, on death while in employment, or on termination of employment. Vesting occurs at different stages as per rules. The Bank makes monthly contribution to the pension fund at 10% of pay in terms of Bank of India Pension Regulations, 1995. The pension liability is reckoned based on an independent actuarial valuation carried out quarterly and Bank makes such additional contributions periodically to the Fund as may be required to secure payment of the benefits under the pension regulations.

b. **Defined Contribution Plan:**

i.) Provident Fund:
The Bank operates a Provident Fund scheme. All eligible employees are entitled to receive benefits under the Bank's Provident Fund scheme. The Bank contributes monthly at a determined rate (currently 10% of employee's basic pay plus eligible allowance). These contributions are remitted to a trust established for this purpose and are charged to Profit and Loss Account. The bank recognises such annual contributions as an expense in the year to which it relates.

ii.) Pension:
All Employees of the bank, who have joined from 1st April, 2010 are eligible for contributory pension. Such employees contribute monthly at a predetermined rate to the pension scheme. The bank also contributes monthly at a predetermined rate to the said pension scheme. Bank recognises its contribution to such scheme as expenses in the year to which it relates. The contributions are remitted to National Pension System Trust. The obligation of bank is limited to such predetermined contribution.

C. Other Long term Employee Benefit:

All eligible employees are entitled to the following-
i.) Leave encashment benefit, which is a defined benefit obligation, is provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

ii.) Other employee benefits such as Leave Fare Concession, Milestone award, resettlement benefits, Sick leave etc. which are defined benefit obligations are provided for on the basis of an actuarial valuation in accordance with AS 15 - Employee Benefits.

iii.) In respect of overseas branches and offices, the benefits in respect of employees other than those on deputation are valued and accounted for as per laws prevailing in the respective territories.

12. SEGMENT REPORTING: (AS 17 Segment reporting)

The Bank recognises the business segment as the primary reporting segment and geographical segment as the secondary reporting segment in accordance with the RBI guidelines and in compliance with the Accounting Standard 17 issued by Institute of Chartered Accountants of India.

13. Lease Transactions: (AS 19 Leases)

Lease where risks & rewards of ownership are retained by lessor are classified as Operating Lease as per AS 19 (Leases). Lease expenses on such lease are recognised in Profit & Loss Account.

14. EARNINGS PER SHARE: (AS 20 Earnings per Share)

Basic and Diluted earnings per equity share are reported in accordance with AS 20 "Earnings per share". Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period.

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Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding at the end of the period.

15. TAXES ON INCOME: (AS 22 Accounting for taxes on Income)

Income tax expense is the aggregate amount of current tax and deferred tax expense incurred by the Bank. The current tax expense and deferred tax expense are determined in accordance with the provisions of the Income Tax Act, 1961 and as per Accounting Standard 22 - "Accounting for Taxes on Income" respectively after taking into account taxes paid at the foreign offices, which are based on the tax laws of respective jurisdictions.

Deferred Tax adjustments comprise changes in the deferred tax assets or liabilities during the year. Deferred tax assets and liabilities are recognised by considering the impact of timing differences between taxable income and accounting income for the current year, and carry forward losses. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The impact of changes in deferred tax assets and liabilities is recognised in the profit and loss account.

Deferred tax assets are recognised and re-assessed at each reporting date, based upon management's judgment as to whether their realisation is considered as reasonably certain. Deferred Tax Assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable income.

16. IMPAIRMENT OF ASSETS: (AS 28 Impairment of Assets)

"Impairment losses, if any on Fixed Assets (including revalued assets) are recognised and charged to Profit and Loss account in accordance with AS 28 "Impairment of Assets". However, an impairment loss on a revalued asset is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset."

17. PROVISIONS, CONTINGENT LIABLITIES AND CONTINGENT ASSETS: (AS 29 Provisions, Contingent Liabilities and Contingent Assets)

As per AS 29 "Provisions, Contingent Liabilities and Contingent Assets", the Bank recognises provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefit is remote.

Contingent Assets are not recognised in the financial statements.

18. SHARE ISSUE EXPENSES:

Share issue expenses are charged to Share Premium Account in the year of issue of shares.

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SCHEDULE 18

All figures are in ₹ Crore unless specifically stated, figures in brackets relate to previous year.

NOTES FORMING PART OF ACCOUNTS

The following information is disclosed in terms of guidelines issued by RBI:

1. Capital (As per BASEL-III):

(a) Composition of Regulatory Capital:

Sr. No.	Particulars	31.03.2024	31.03.2023
i)	Common Equity Tier 1 capital (CET 1)	58,660.28	48,231.94
ii)	Additional Tier 1 capital	2,852.00	2,852.00
iii)	Tier 1 capital (i + ii)	61,512.28	51,083.94
iv)	Tier 2 capital	8,394.53	6,643.48
v)	Total capital (Tier 1+Tier 2)	69,906.81	57,727.42
vi)	Total Risk Weighted Assets (RWAs)	4,12,078	3,54,534
vii)	Common Equity Tier 1 Capital ratio (CET1) (%)	14.24%	13.60%
viii)	Tier I Capital ratio (%)	14.93%	14.41%
ix)	Tier II Capital ratio (%)	2.04%	1.87%
x)	Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	16.96%	16.28%
xi)	Leverage Ratio	6.45%	6.04%
xii)	Percentage of the shareholding of Government of India	73.38%	81.41%
xiii)	Amount of paid-up equity capital raised during the year	4,500*	0.00
xiv)	Share application money pending for allotment	0.00	0.00
xv)	Amount of non-equity Tier 1 capital raised during the year, *of which:*		
	a) Basel III compliant Perpetual Non-Cumulative Preference Shares	0.00	0.00
	b) Basel III complaint Perpetual Additional Tier-I Debt Instruments	0.00	1,500.00
xvi)	Amount of Tier 2 capital raised during the year, *of which*		
	a) Perpetual Cumulative Preference Shares	0.00	0.00
	b) Basel III Compliant redeemable Tier-II Bond	2,000.00	0.00

The said computation of Capital to Risk weighted asset Ratio & Leverage ratio is arrived at after considering the effect of Net Present Value of non-interest bearing recapitalization bond infused as capital by the Government of India during the FY ended 31.03.2021.

Pursuant to RBI Circular No. DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023, the Bank has considered revaluation reserve, foreign currency translation reserve and deferred tax assets in calculation of Capital Adequacy Ratios as on March 31, 2024.

*The Bank has raised Equity Share Capital of ₹ 4,500 through Qualified Institutional Placement on December 05, 2023. The Bank has issued and allotted 44,91,01,796 equity shares of face value ₹ 10 each at a premium of ₹ 90.20 per share to the investors

(a1) Details of outstanding Additional Tier 1 (AT-1) bonds raised to augment Tier-1 Capital are as under:

As on 31.03.2024

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2020-21	Additional Tier 1	1,352.00	1,352.00
2022-23	Additional Tier 1	1,500.00	1,500.00
	Total	**2,852.00**	**2,852.00**

The Bank has raised Additional Tier I Bonds Series VIII amounting to ₹ 1,500 on December 02, 2022.

(a2) Details of outstanding Tier-II Instruments raised to augment Tier -II capital are as under:

As on 31.03.2024

Raised during the year	Nature	Amount	Reckoned for the purpose of CRAR computation (Basel III)
2015-16	Tier-II	3,000.00	600.00
2020-21	Tier-II	1,800.00	1,800.00
2023-24	Tier-II	2,000.00	2,000.00
	Total	**6,800.00**	**4,400.00**

Bank has redeemed Tier II Bonds Series X & Series XI amounting to ₹ 1,000 and ₹ 500 on September 25, 2023 and September 30, 2023 respectively.

Bank has raised Basel III Complaint Tier II Bonds Series XVI amounting to ₹ 2,000 on September 15, 2023.

(b) Draw down from Reserves:

During the year ended March 31, 2024, there has been no drawdown from reserves to the Profit and Loss Account.

2. **Asset Liability Management**

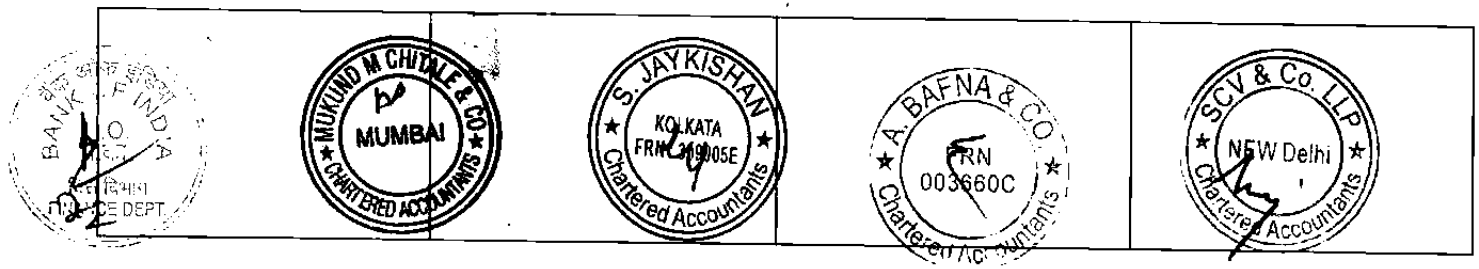
(a) **Maturity pattern of certain items of assets and liabilities as on 31st March, 2024**

Details	Day 1	2to 7 days	8 to 14 days	15 to 30 Days	31 Days to 2 months	Over 2 months and up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and upto 3 years	Over 3 years and up to 5years	Over 5 years	TOTAL (1 TO 10)
Deposits$	9,775.46	13,539.73	13,828.73	15,032.43	29,326.33	31,425.89	46,051.04	47,227.88	53,037.26	42,534.90	4,36,140.58	7,37,920.21
	(15,098.03)	(30,623.99)	(14,760.12)	(23,575.73)	(33,643.64)	(31,307.38)	(42,998.77)	(41,465.53)	(95,110.29)	(82,018.12)	(258,984.17)	(669,585.77)
Advances#	16,593.69	6,791.71	7,769.95	15,329.67	16,888.05	18,083.48	26,146.71	39,381.37	2,22,060.13	58,512.27	1,35,587.64	5,63,144.67
	(12,281.81)	(6,442.18)	(5,573.66)	(6,229.10)	(11,889.69)	(12,739.22)	(21,999.18)	(26,535.89)	(195,895.35)	(59,244.19)	(127,069.35)	(485,899.64)
Investments	200.68	2,143.41	1,577.50	2,885.21	523.08	564.32	4,473.23	4,993.62	17,872.31	32,402.84	1,59,508.26	2,27,144.47
	(0.00)	(1,601.92)	(236.07)	(1,028.47)	(3,514.19)	(2,630.91)	(5,609.36)	(3,782.43)	(14,328.30)	(24,704.52)	(146,961.70)	(204,397.88)
Borrowings	8.59	22,289.64	308.04	80.47	10,957.70	5,852.26	11,990.93	9,818.03	13,199.42	6,419.00	0.00	80,924.07
	(404.43)	(20,127.49)	(1,395.07)	(1,635.34)	(11,186.99)	(953.22)	(13,229.68)	(2,339.49)	(10,407.32)	(1,500.00)	(1,800.00)	(64,979.02)
Foreign Currency Assets##	1,652.46	3,547.51	1,627.08	9,524.27	9,917.85	11,118.86	15,745.47	12,466.81	23,593.31	17,992.02	9,501.57	1,16,687.23
	(2,127.21)	(8,812.03)	(3,455.75)	(13,963.56)	(11,338.04)	(19,125.07)	(16,843.18)	(20,210.23)	(22,361.09)	(20,883.28)	(6,851.22)	(145,970.66)
Foreign Currency Liabilities$$	1,753.01	4,320.33	6,716.39	6,541.70	16,480.77	16,952.48	24,584.71	12,354.49	17,016.65	12,182.31	4,263.47	1,23,166.32
	(2,615.12)	(17,781.88)	(2,761.91)	(11,045.63)	(20,002.16)	(10,135.08)	(15,889.42)	(11,469.50)	(7,749.00)	(6,875.97)	(189.33)	(106,515.00)

$ including deposits in Foreign Currency
# including advances in Foreign Currency
Foreign Currency on Balance Sheet Assets represent Advances and Investments
$$ Foreign Currency on Balance Sheet Liabilities represent Borrowings and Deposits

Note: The maturity pattern of Deposits, Borrowings, Advances and Investment as of 31st March 2024 is based on the following:

- RBI Guidelines on ALM
- Behavioural studies of Assets & Liabilities which do not have definite maturity and for embedded optionality



(b) Liquidity Coverage Ratio: As compiled by the management

Quantitative Disclosure:

		FY 2023-24*		FY 2022-23*	
	AMOUNT IN RS CRS	Total Unweighted Value (average) @	Total Weighted Value(average) @	Total Unweighted Value (average) @	Total Weighted Value(average) @
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Assets(HQLA)		1,55,585.17		1,41,772.51
CASH OUTFLOW					
2	Retail deposits and deposits from small business customers, of which:	5,18,171.71	45,101.08	4,90,439.65	42,687.67
(i)	Stable deposits	1,34,321.76	6,716.09	1,27,125.93	6,356.30
(ii)	Less stable deposits	3,83,849.94	38,384.99	3,63,313.73	36,331.37
3	Unsecured wholesale funding of which:	1,01,480.07	57,036.96	82,100.09	46,746.70
(i)	Operational deposits (all counterparties)	-	-	-	-
(ii)	Non -operational deposits (all counterparties)	74,071.86	29,628.74	58,922.31	23,568.93
(iii)	unsecured debts	27,408.21	27,408.21	23,177.77	23,177.77
4	Secured wholesale funding		208.94		2,975.64
5	Additional requirements, of which	76,157.78	18,813.14	31,037.31	10,727.82
(i)	Outflows related to derivative exposures and other collateral requirement	6,826.93	6,826.93	5,414.68	5,414.68
(ii)	Outflows related to loss of funding on debt products	-	-	-	-
(iii)	Credit and liquidity facilities	69,330.85	11,986.21	25,622.63	5,313.14
6	Other contractual funding obligations	17,974.56	17,974.56	14,865.49	14,865.49
7	Other contingent funding obligations	34,733.24	1,042.00	37,109.90	1,113.29
8	TOTAL CASH OUTFLOWS		1,40,176.67		1,19,116.61
CASH INFLOW					
9	Secured lending(e.g. reverse repos)	3,595.18	2,421.74	5,533.88	3,487.53
10	Inflows from fully performing exposurs	26,038.22	20,583.85	27,354.34	21,745.10
11	Other cash inflows	16,835.62	15,562.34	15,855.87	15,685.38
12	TOTAL CASH INFLOWS	46,469.03	38,567.94	48,744.10	40,918.00
13	TOTAL HQLA		1,55,585.17		1,41,772.51
14	TOTAL NET CASH OUTFLOWS		1,01,608.74		78,198.61
15	LIQUIDITY COVERAGE RATIO(%)		153.12		181.30

Note:-

*On consolidated basis (including domestic operations, overseas centres and overseas subsidiaries)

@ Disclosure as on 31.03.2024 as well as 31.03.2023 has been done by taking simple averages of daily observations over previous 4 quarters (i.e. average for the FY 2023-24 & FY 2022-23 respectively). This is as per RBI guidelines ref. no. DBR.No.BP.BC.80 /21.06.201/2014-15 dated March 31, 2015.

Qualitative disclosures with regard to LCR

The Liquidity Coverage Ratio (LCR) is one of the Basel Committee's key reforms to develop a more resilient banking sector. The LCR, a global standard, is also used to measure your Bank's liquidity position. LCR seeks to ensure that the Bank has an adequate stock of unencumbered High-Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately to meet its liquidity needs under a 30-day calendar liquidity stress scenario. The LCR helps in improving the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, thus reducing the risk of spill over from the financial sector to the real economy. Based on Basel III norms, your Bank's average LCR stood at 153.12 per cent on a consolidated basis for financial year 2023-24 as against the regulatory threshold at 100 per cent.

The LCR standard aims to ensure that a bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for a 30 calendar day time horizon under a significantly severe liquidity stress scenario. At a minimum, the stock of liquid assets should enable the bank to survive until next 30 calendar days under a severe liquidity stress scenario.

$$\text{LCR} = \frac{\text{High Quality Liquid Assets (HQLA)}}{\text{Total net cash outflows over the next 30 calendar days}}$$

Liquid assets comprise of high-quality assets that can be readily encashed or used as collateral to obtain cash in a range of stress scenarios.

Here,

- HQLA comprises of level 1 and level 2 assets, in other words these are cash or near to cash items which can be easily used / discounted in the market in case of need. While Level 1 assets are with 0% haircut, Level 2A and Level 2B assets are with 15% and 50% haircuts respectively.

- Net cash outflows are excess of total outflow over total inflow under stressed situation as defined by Basel / RBI. While arriving at the net cash outflow, the inflows are taken with pre-defined hair-cuts and the outflows are taken at pre-defined run-off factors. In order to determine cash outflows, the Bank segregates its deposits into various customer segments, viz., Retail (which include deposits from individuals), Small Business Customers (those with deposits upto Rs 7.5 crore), and Wholesale (which would cover all residual deposits). Within Wholesale, deposits

that are attributable to clearing, custody, and cash management services are classified as Operational Deposits. Other contractual funding, including a portion of other liabilities which are expected to run down in a 30 day time frame are included in the cash outflows. These classifications, based on extant regulatory guidelines, are part of the Bank's LCR framework, and are also submitted to the RBI.

- Total expected cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in up to an aggregate cap of 75% of total expected cash outflows. In case stressed inflows are more than the stressed outflows, 25% of total outflows shall be taken as total net cash outflows to arrive at the LCR.

Main Drivers of LCR: The main drivers of the LCR are adequacy of High Quality Liquid Assets (HQLA) and lower net cash outflow on account of higher funding sources from retail customers. Sufficient stock of HQLA helped the Bank to maintain adequate LCR.

Composition of HQLA: The composition of High Quality Liquid Assets (HQLA) mainly consists of cash balances, excess SLR, excess CRR, Securities under MSF and FALLCR (Facility to Avail Liquidity for Liquidity Coverage Ratio).

The composition of Average HQLA for the financial year ended March 2024 of disclosure is given below:

Cash in hand	1.83%
Excess CRR balance	3.66%
Government securities in excess of minimum SLR Requirement	20.23%
Government securities within the mandatory SLR Requirement, to the extent of allowed by RBI under MSF (presently to the extent of 2 percent of NDTL as allowed for MSF)	7.67%
Marketable securities issued or guaranteed by foreign sovereigns having 0% risk weight under Basel II standardized approach and other securities adjustments on account of Repo/Reverse Repo transactions	3.60%
Facility to Avail Liquidity for Liquidity Coverage Ratio	62.56%
Level 2 Assets	1.12%
Adjustment in HQLA to reflect liquidity transfer restrictions	(0.67%)

Concentration of funding sources: Majority of Bank's funding sources are from retail customers & small business customers therefore the stressed outflows are comparatively lower. Bank does not have significant funding concentration from any counterparty. In the Indian context, the run-off factors for the stressed scenarios are prescribed by the RBI, for

various categories of liabilities (viz., deposits, unsecured and secured wholesale borrowings), undrawn commitments, derivative-related exposures, and offset with inflows emanating from assets maturing within the same time period. Given below is a table of run-off factors for deposits:

Particulars	Run-off factors
Retail Deposits	5% - 10%
Small Business Customers	5% - 10%
Operational deposits	5% - 25%
Non-financial corporates, sovereigns, central banks, multilateral development banks, and PSEs	40%
Other legal entities	100%

Derivative Exposures and potential collateral calls: Bank has very little exposure in derivative business which is not very significant.

Currency mismatch in the LCR: In terms of RBI guidelines, a significant currency is one where aggregate liabilities denominated in that currency amount to 5 per cent or more of the bank's total liabilities. In our case, USD is the only significant currency.

Description of the degree of centralization of liquidity management and interaction between the group's units: The liquidity management of the Bank at enterprise level is a Board level function and a separate sub-committee of the Board (R.Com.) keeps close watch on that. The periodical monitoring of the liquidity management is being monitored by the ALCO at regular intervals. The entire liquidity management process of the Bank is being governed by Global ALM Policy of the Bank. Liquidity for the Bank's domestic banking operations is directly managed at the Head Office. The overseas branches and offshore unit of the Bank independently manage their liquidity requirements with support from the Head Office. Similarly, the Bank's subsidiaries independently manage their liquidity requirements under guidance of the R.COM, which, along with senior management of the subsidiaries, reviews the risk assessment of material risks at the subsidiaries. Further, the Bank maintains suitable systems and processes to monitor liquidity requirements in other currencies as appropriate.

The average LCR based on daily average of three months (Q4 FY 2023-24) for the quarter ended March 31, 2024 was at 126.41% as against 148.08% for the quarter ended December 31, 2023 and well above the present prescribed minimum regulatory requirement of 100%. The average HQLA for the financial year ended March 31, 2024 was Rs.155,585.17 with 99.55% being Level 1 Assets whereas Level 2A and level 2B assets constitute 0.82% and

0.29% respectively. The adjustment in average HQLA is (0.67%). During the financial year, the weighted average HQLA level has increased by Rs 13,813 primarily on account of increase in excess SLR balance. Further, weighted average net cash outflows position has increased by Rs 23,410 during the financial year, mainly on account of increase in cash outflows under the head unsecured wholesale funding.

The Bank has been maintaining HQLA mainly in the form of SLR investments over and above the mandatory requirements. Retail deposits constitute major portion of total funding sources, which are well diversified. Management is of the view that the Bank has sufficient liquidity cover to meet its likely future commitments.

(c) Net Stable Funding Ratio:

		Unweighted value by residual maturity				Weighted value
	Amount in (Rs. Crores)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
ASF Item						
1	Capital: (2+3)	74,113.60	0.00	0.00	0.00	74,113.60
2	*Regulatory capital*	74,113.60	0.00	0.00	0.00	74,113.60
3	*Other capital instruments*	0.00	0.00	0.00	0.00	0.00
4	Retail deposits and deposits from small business customers: (5+6)	2,52,381.03	1,58,818.89	95,500.27	0.00	4,60,949.93
5	*Stable deposits*	38,740.17	32,870.28	26,784.71	0.00	93,475.40
6	*Less stable deposits*	2,13,640.86	1,25,948.61	68,715.55	0.00	3,67,474.53
7	Wholesale funding: (8+9)	23,880.77	28,619.11	29,007.45	0.00	40,753.66
8	*Operational deposits*	0.00	0.00	0.00	0.00	0.00
9	*Other wholesale funding*	23,880.77	28,619.11	29,007.45	0.00	40,753.66
10	Other liabilities: (11+12)	1,191.00	85,078.02	917.46	1,66,286.33	81,142.72
11	*NSFR derivative liabilities*		0.00	0.00	0.00	0.00
12	*All other liabilities and equity not included in the above categories*	1,191.00	85,078.02	917.46	1,66,286.33	81,142.72
13	**Total ASF (1+4+7+10)**					6,56,959.91
RSF Item						
14	Total NSFR high-quality liquid assets (HQLA)					7,595.35
15	Deposits held at other financial institutions for operational purposes	4,368.15	0.00	0.00	0.00	2,184.08
16	Performing loans and securities: (17+18+19+21+23)	0.00	3,08,431.35	73,849.40	1,80,995.62	3,12,101.90
17	*Performing loans to financial institutions secured by Level 1 HQLA*	0.00	0.00	0.00	0.00	0.00
18	*Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions*	0.00	13,231.35	18,933.63	0.00	11,451.52
19	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	0.00	2,95,200.00	54,915.77	1,15,326.74	2,50,020.26
20	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	0.00	2,95,200.00	54,915.77	1,15,326.74	2,50,020.26
21	*Performing residential mortgages, of which:*	0.00	0.00	0.00	25,942.14	16,862.39
22	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	0.00	0.00	0.00	25,942.14	16,862.39
23	*Securities that are not in default and do not qualify as HQLA, including exchange-traded equities*	0.00	0.00	0.00	39,726.74	33,767.73
24	Other assets: (sum of rows 25 to 29)	4,312.99	28,954.39	1,371.22	1,52,874.76	1,78,126.17
25	*Physical traded commodities, including gold*	0.00				0.00
26	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		0.00	0.00	0.00	0.00
27	*NSFR derivative assets*		23,507.05	239.95	605.84	24,352.84
28	*NSFR derivative liabilities before deduction of variation margin posted*		299.37	30.78	1.50	331.65
29	*All other assets not included in the above*	4,312.99	5,147.97	1,100.49	1,52,267.43	1,53,441.68
30	Off-balance sheet items		12,491.01	46,990.00	90,184.62	6,492.00
31	**Total RSF**					5,06,499.50
32	**NSFR %**					129.71%
#	Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities, and physical traded commodities.					

The objective of the Net Stable Funding Ratio (NSFR) is to promote the resilience of bank's liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR guidelines ensure reduction in funding risk over a longer term horizon by requiring banks to fund their activities with sufficiently stable sources of funding in order to mitigate the risk of future funding stress. The NSFR is defined as the amount of Available Stable Funding relative to the amount of Required Stable Funding.

$$NSFR = \frac{Available\ Amount\ of\ Stable\ Funding\ (ASF)}{Required\ Amount\ of\ Stable\ Funding\ (RSF)} \geq 100\%$$

RBI issued the regulations on the implementation of the Net Stable Funding Ratio in May 2018 with minimum requirement of equal to at least 100%. The implementation is effective from 1st October, 2021. NSFR is computed at Bank's standalone and consolidated level.

Available Stable Funding (ASF) is defined as the portion of capital and liabilities expected to be reliable which is determined by various factors / weights according to the nature and maturity of liabilities viz. liabilities having maturity of 1 year or more receiving 100% weight.

Required Stable Funding (RSF) is defined as the portion of on balance sheet and off-balance sheet exposures which requires to be funded on an ongoing basis. The amount of such stable funding required is a function of the liquidity characteristics and residual maturities of the various assets held.

Brief about NSFR of the Bank

The main drivers of the Available Stable Funding (ASF) are the capital base, retail deposit base, and funding from non-financial companies and long-term funding from institutional clients. The capital base formed around 11%, retail deposits (including deposits from small sized business customers) formed 70% and wholesale funding formed 6% of the total Available Stable Funding, after applying the relevant weights.

The Required Stable Funding primarily comprised lending to corporates, retail clients and financial institutions which constituted 62% of the total RSF after applying the relevant weights. The stock of High-Quality Liquid Assets which majorly includes cash and reserve balances with the RBI, government debt issuances attracted no or low amount of stable funding due to their high quality and liquid characteristic. Accordingly, the HQLA constituted only 2% of the Required Stable Funding after applying the relevant weights.

Other assets and Contingent funding obligations, such as committed credit facilities, guarantees and letters of credit constituted 36% of the Required Stable Funding.

Bank's NSFR comes to 129.71% at consolidated basis as on 31st March 2024 and is above the minimum regulatory requirement of 100% set out in the RBI. As on 31st March 2024, the weighted Available Stable Funding (ASF) position stood at ₹ 6,56,960 and weighted Required Stable Funding (RSF) position stood at ₹ 5,06,499.

3. Investments

(a) Composition of Investment Portfolio

Investments as at 31.03.2024

	Investments in India							Investments outside India				Total Investments
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	
Held to Maturity												
Gross	162,669.92	0.00	1.11	805.21	1,496.06	61.66	165,033.95	0.00	2,298.46	0.00	2,298.46	167,332.41
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.86	0.00	1.86	1.86
Net	162,669.92	0.00	1.11	805.21	1,496.06	61.66	165,033.95	0.00	2,296.60	0.00	2,296.60	167,330.55
Available for Sale												
Gross	36,056.78	0.00	1,676.47	11,839.68	0.00	4,077.28	53,650.21	7,875.06	0.00	1,457.38	9,332.44	62,982.65
Less: Provision for depreciation and NPI	0.00	0.00	805.33	694.12	0.00	1,099.97	2,599.42	0.00	0.00	0.00	0.00	2,599.42
Net	36,056.78	0.00	871.14	11,145.56	0.00	2,977.31	51,050.79	7,875.06	0.00	1,457.38	9,332.44	60,383.23
Held for Trading												
Gross	1,273.76	0.00	2.47	9.97	0.00	0.00	1,286.20	0.00	0.00	0.00	0.00	1,286.20
Less: Provision for depreciation and NPI	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net	1,273.76	0.00	2.47	9.97	0.00	0.00	1,286.20	0.00	0.00	0.00	0.00	1,286.20
Total Investments	200,000.46	0.00	1,680.05	12,654.86	1,496.06	4,138.93	219,970.36	7,875.06	2,298.46	1,457.38	11,630.90	231,601.26
Less: Provision for non-performing investments	0.00	0.00	805.33	694.12	0.00	1,099.97	2,599.42	0.00	1.86	0.00	1.86	2,601.28
Less: Provision for depreciation and NPI	1.39*	0.00	159.26	930.42	42.38	350.08	1,483.52	298.17	0.00	73.82	371.99	1,855.51
NET	199,999.07	0.00	715.46	11,030.32	1,453.68	2,688.88	215,887.42	7,576.89	2,296.60	1,383.56	11,257.05	227,144.47

*Provision for OIS has been netted from Government Securities under HFT.

Investments as at 31.03.2023

	Investments in India							Investments outside India				
	Government Securities	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India	Total Investments
Held to Maturity												
Gross	148,812.37	0.00	1.11	3,342.28	1,227.70	72.35	153,455.81	0.00	1,474.10	0.00	1,474.10	154,929.92
Less: Provision for non-performing investments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.87	0.00	1.87	1.87
Net	148,812.37	0.00	1.11	3,342.28	1,227.70	72.35	153,455.81	0.00	1,472.24	0.00	1,472.24	154,928.05
Available for Sale												
Gross	30,943.50	0.00	2,262.36	7,928.22	0.00	3,484.97	44,619.05	7,628.18	0.00	1,632.24	9,260.41	53,879.46
Less: Provision for depreciation and NPI	0.00	0.00	1,028.88	778.43	0.00	1,207.42	3,014.73	187.47	0.00	84.59	272.07	3,286.80
Net	30,943.50	0.00	1,233.48	7,149.79	0.00	2,277.55	41,604.32	7,440.70	0.00	1,547.64	8,988.34	50,592.66
Held for Trading												
Gross	-29.92	0.00	1.55	50.00	0.00	0.00	21.62	0.00	0.00	0.00	0.00	21.62
Less: Provision for depreciation and NPI	0.17	0.00	0.00	0.00	0.00	0.00	0.17	0.00	0.00	0.00	0.00	0.17
Net	-30.09	0.00	1.55	50.00	0.00	0.00	21.45	0.00	0.00	0.00	0.00	21.45
Total Investments	179,725.95	0.00	2,265.02	11,320.50	1,227.70	3,557.32	198,096.48	7,628.18	1,474.10	1,632.24	10,734.52	208,831.00
Less: Provision for non-performing investments	0.17	0.00	1,028.88	778.43	0.00	1,207.42	3,014.90	0.00	1.87	0.00	1.87	3,016.77
Less: Provision for depreciation and NPI	0.00	0.00	202.73	563.36	21.83	356.36	1,144.28	187.47	0.00	84.59	272.07	1,416.35
Net	179,725.78	0.00	1,033.41	9,978.71	1,205.87	1,993.54	193,937.30	7,440.70	1,472.24	1,547.64	10,460.58	204,397.88

(i) Government Securities (Face Value) amounting to ₹ 35,489.39 (previous year ₹ 32,964.87) are kept as margin with RBI, CCIL, Clearing House and Exchange towards margin/security settlement.

(ii) Bank has acquired additional stake of 4.92% for ₹ 675.63 in its subsidiary namely, PT Bank of India Indonesia TBK which resulted in goodwill on consolidation of ₹ 65.51, and the same has been adjusted and written off during the year.

(iii) Bank has infused additional capital of ₹ 148.72 in its subsidiary namely, Bank of India (Uganda) Limited and ₹ 19.20 in Bank of India Investment Managers Private Limited during the year ended March 31, 2024.

(iv) Bank has infused additional proportionate capital in FY 2022-23 in the following associate Regional Rural Banks whereby allotment happened in FY 2023-24:
   a. ₹110.09 in Vidharbha Konkan Gramin Bank.
   b. ₹139.08 in Madhya Pradesh Gramin Bank.

(v) Bank has infused additional proportionate capital in FY 2022-23 of ₹ 152.04 in Aryavrat Bank which is pending for allotment.

(b) Movement of Provisions for Depreciation and Investment Fluctuation Reserve

Particulars	As at 31.03.2024	As at 31.03.2023
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	4,433.13	5,212.11
b) Add: Provisions made during the year	939.93	2,075.29
c) Less: Write off / write back of excess provisions during the year	871.11	2,879.43
d) Add/(Less): Adjustments on account of exchange difference	(-)45.14	25.16
e) Closing balance	4,456.81	4,433.13
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	1,079.02	927.59
b) Add: Amount transferred during the year	206.36	151.43
c) Less: Drawdown	0.00	0.00
d) Closing balance	1,285.38	1,079.02
iii) Closing balance in IFR as a percentage of closing balance of investments in AFS and HFT/Current category	2.00%	2.00%

(c) Sale and transfers to/from HTM categories during the financial year 2023-24:

The total value of sale and transfers of securities from HTM category during April 1, 2023 to March 31, 2024 has not exceeded 5% of the book value of investments held in HTM category as on March 31, 2023. The 5 per cent threshold referred to above will exclude:

(a) The one-time transfer of securities to/from HTM category with the approval of Board of Director permitted to be undertaken by banks at the beginning of the accounting year.

(b) Sale to the Reserve Bank of India under pre-announced OMO auctions.

(c) Repurchase of Government Securities by Government of India from banks.

(d) Sale of securities or transfer to AFS/HFT consequent to the reduction of ceiling on SLR securities under HTM, in addition to the shifting permitted at the beginning of the accounting year.

Sale of Securities from HTM during FY 2023-24 (Other than one time Shifting & sale under OMO)	5,050.27	Sale in % (<5%) =3.88%
Securities held in HTM Category as on 31.03.2023	130,180.92	

(d) Non-SLR investment portfolio

i. Non-performing non-SLR investments

Sr. No.	Particulars	2023-24	2022-23
(a)	Opening balance	3,016.60	2228.00
(b)	Additions during the year since 1st April	233.83	1,515.34
(c)	Reductions during the above period	649.14	726.74
(d)	Closing balance	**2,601.29**	**3,016.60**
(e)	Total provisions held	2,601.29	3,016.60

ii. Issuer Composition of non-SLR Investments

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities*	Extent of 'Unrated' Securities*	Extent of 'Un-listed' Securities*
(1)	(2)	(3)	(4)	(5)	(6)	(7)
i.	PSUs	1,628.73	30.50	0.00	469.81	469.81
		(1,777.34)	(1,704.69)	(0.00)	(497.89)	(0.00)
ii.	FIs	6,378.58	422.56	0.00	0.00	0.00
		(3,340.89)	(2,816.02)	(0.00)	(0.00)	(0.00)
iii.	Banks	1,426.99	1.15	0.00	1.15	631.74
		(1,450.47)	(709.12)	(0.00)	(0.00)	(0.00)
iv.	Private Corporates	1,878.57	1,427.10	884.75	948.18	1,427.10
		(4,571.13)	(4,338.98)	(1,440.11)	(56.35)	(0.00)
v.	Subsidiaries/ Joint Ventures#	3,794.53	3,794.53	0.00	0.00	3,794.53
		(2,701.81)	(2,701.81)	(0.00)	(0.00)	(0.00)
vi.	Others *$	41,192.41	24,961.08	0.00	24,699.00	24,709.00
		(39,962.44)	(32,273.04)	(0.00)	(24,699.00)	(0.00)
	Total	56,299.82	30,636.92	884.75	26,118.14	31,032.18
		(53,804.08)	(44,543.66)	(1,440.11)	(554.24)	(0.00)
vii.	Less: Provision held towards Depreciation	4,455.41	4,083.42	732.98	0.00	0.00
		(4,432.96)	(0.00)	(0.00)	(0.00)	(0.00)
	Net	51,844.40	26,553.50	151.77	26,118.14	31,032.18
		(49,371.12)	(44,543.66)	(1,440.11)	(554.24)	(0.00)

* Investment in Equity, Equity Oriented Mutual Funds, Venture Capital, Rated Assets Backed Securities, Central Govt. Securities, Security Receipts, etc. are not segregated under these categories as these are exempt from rating/listing guidelines.

Investment in Subsidiaries/Joint Ventures/Associates/RRBs have not been segregated into various categories as these are not covered under relevant RBI guidelines.

$ includes investment in GOI Non-SLR re-capitalisation bonds of ₹ 24,699 (previous year ₹ 24,699)

BANK OF INDIA H.O. वित्त विभाग FINANCE DEPT.
MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS
S. JAYKISHAN FRN : 309006E Chartered Accountants
A. BAFNA & CO. FRN 003660C Chartered Accountants
SCV & Co. LLP NEW Delhi Chartered Accountants

iii. Repo Transactions (in face value terms) undertaken during the year:

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on March 31, 2024
Securities sold under repo:				
i) Government Securities	0.00 (0.00)	22,089.60 (7,753.15)	4,692.40 (3,739.83)	15,374.38 (2,692.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
Securities purchased under reverse repo:				
i) Government Securities	0.00 (0.00)	745.00 (9,208.00)	105.17 (319.10)	0.00 (0.00)
ii) Corporate Debt Securities	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)

iv. Government Security Lending (GSL) transactions (in market value terms)
As at 31st March 2024

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2024
Securities lent through GSL transactions	Nil				
Securities borrowed through GSL transactions Securities placed as collateral under GSL transactions Securities received as collateral under GSL Transactions	Nil				
Securities borrowed through GSL transactions Securities placed as collateral under GSL transactions Securities received as collateral under GSL Transactions	Nil				
Securities borrowed through GSL transactions Securities placed as collateral under GSL transactions Securities received as collateral under GSL Transactions	Nil				

As at 31st March 2023

	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year	Total volume of transactions during the year	Outstanding as on March 31, 2023
Securities lent through GSL transactions	Nil				
Securities borrowed through GSL transactions Securities placed as collateral under GSL transactions Securities received as collateral under GSL Transactions	Nil				
Securities borrowed through GSL transactions Securities placed as collateral under GSL transactions Securities received as collateral under GSL Transactions	Nil				
Securities borrowed through GSL transactions Securities placed as collateral under GSL transactions Securities received as collateral under GSL Transactions	Nil				

(e) Matured Investment (included in Schedule 11 'Other Assets'):

(i) Value of Investments:

Particulars	2023-24	2022-23
(i) Gross Value of Investments	1,857.75	1,854.36
(a) In India	1,348.14	1,351.17
(b) Outside India	509.61	503.19
(ii) Provision for Depreciation	1,857.75	1,854.36
(a) In India	1,348.14	1,351.17
(b) Outside India	509.61	503.19
(iii) Net Value of Investments		
(a) In India	0	0.00
(b) Outside India	0	0.00

(ii) Movement of provisions held towards depreciation on investments:

Particulars	2023-24	2022-23
Opening Balance	1,854.36	1,364.38
Add: Provisions made during the year	140.47	598.11
Sub-total	1,994.83	1,962.49
Less: Write off/ write-back of excess provision during the year	143.57	138.61
Add/(Less): Adjustments on account of Exchange Diff	6.49	30.48
Closing Balance	1,857.75	1,854.36

(f) Non performing Investments (Including Matured Investments):

Particulars	2023-24	2022-23
(i) Net NPIs to Net Investment (%)	**0.00%**	**0.00%**
(ii) Movement of NPIs (Gross)		
a) Opening balance	4,870.97	3,641.98
b) Additions during the year	370.79	2,143.94
c) Reductions during the year	792.72	914.95
d) Closing balance	4,449.04	4,870.97
(iii) Movement Provision for NPIs		
a) Opening balance	4,870.97	3,580.46
b) Additions during the year	370.79	2,084.86
c) Reductions during the year	792.72	794.35
d) Closing balance	4,449.04	4,870.97
(iv) Movement of NPIs (Net)		
a) Opening balance	0.00	61.52
b) Provisions made during the year	0.00	59.08
c) Write-off/write-back of excess provisions	0.00	120.60
d) Closing balance	0.00	0.00

4. Asset Quality

(a) Classification of Advances and Provisions held

As on 31.03.2024

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	4,78,166.92	4,984.33	15,105.96	17,595.27	37,685.56	5,15,852.48
Add: Additions during the year					7,550.76	
Less: Reductions during the year*					16,053.55	
Closing balance	5,56,412.13	4,633.65	12,401.91	12,147.21	29,182.77	5,85,594.90
*Reductions in Gross NPAs due to:						
(i) Upgradation					1,043.61	
(ii) Recoveries (excluding recoveries from upgraded accounts)					5,260.89	
(iii) Technical/ Prudential Write-offs					3,218.84	
(iv) Write-offs other than those under (iii) above					6,530.21	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held		1,392.48	10,644.20	17,595.27	29,631.95	
Add: Fresh provisions made during the year					4,109.49	
Less: Excess provision reversed/ Write-off loans					3,184.95	
Closing balance of provisions held		923.21	9,267.09	12,147.21	22,337.51	
Net NPAs						
Opening Balance		3,591.85	4,461.76	0.00	8,053.61	
Add: Fresh additions during the year					3,441.27	
Less: Reductions during the year					12,868.60	
Closing Balance		3,710.44	3,134.82	0.00	6,845.26	

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2023-24 ₹ 1149.02/ FY 2022-23 ₹ 1048.64) part payment received and kept in suspense account (FY 2023-24 ₹ 106.23 / FY 2022-23 ₹ 64.51), balance in sundries account in respect of NPA accounts (FY 2023-24 ₹ 860.96 /FY 2022-23 ₹ 877.02) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2023-24 ₹ 42.55 /FY 2022-23 ₹ 51.87)

Floating Provisions as on 31.03.2024

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down during the year						0.00
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2024

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off						40,352.25
Add: Technical/ Prudential write-offs during the year*						8,136.04
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						4,917.20
Closing balance						43,571.09

*including exchange difference

As on 31.03.2023

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	4,11,408.26	4,365.69	21,921.99	19,317.71	45,605.39	4,57,013.65
Add: Additions during the year					7,968.83	
Less: Reductions during the year*					15,888.66	
Closing balance	4,78,166.92	4,984.33	15,105.96	17,595.27	37,685.56	5,15,852.48
*Reductions in Gross NPAs due to:						
(i) Upgradation					1,204.45	
(ii) Recoveries (excluding recoveries from upgraded accounts)					6,029.33	
(iii) Technical/ Prudential16 Write-offs					5,438.76	
(iv) Write-offs other than those under (iii) above					3,216.12	
Provisions (excluding Floating Provisions)						
Opening balance of provisions held		820.39	15,615.37	19,317.71	35,753.47	
Add: Fresh provisions made during the year					3,601.85	
Less: Excess provision reversed/ Write-off loans					9,723.37	
Closing balance of provisions held		1,392.48	10,644.20	17,595.27	29,631.95	
Net NPAs						
Opening Balance		3,545.30	6,306.62	0.00	9,851.92	
Add: Fresh additions during the year					4,366.98	
Less: Reductions during the year					6,165.29	
Closing Balance		3,591.85	4,461.76	0.00	8,053.61	8,053.61

Note: Opening and closing balance s of provisions for NPAs include ECGC claims received (FY 2022-23 ₹ 1048.64/FY 2021-22 ₹ 977.60) part payment received and kept in suspense account (FY 2022-23 ₹ 64.51 /FY 2021-22 ₹ 59.36), balance in sundries account in respect of NPA accounts (FY 2022-23 ₹ 877.02 /FY 2021-22 ₹ 922.04) and provision in lieu of diminution in the fair value of restructured NPAs (FY 2022-23 ₹ 51.87 /FY 2021-22 ₹ 19.18)

Floating Provisions as on 31.03.2023

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening Balance						0.00
Add: Additional provisions made during the year						0.00
Less: Amount drawn down[15] during the year						0.00
Closing balance of floating provisions						0.00

Technical write-offs and the recoveries made thereon as on 31.03.2023

	Standard	Non-Performing				Total
	Total Standard Advances	Sub-standard	Doubtful	Loss	Total Non-Performing Advances	
Opening balance of Technical/ Prudential written-off						34,913.49
Add: Technical/ Prudential write-offs during the year*						8,182.77
Less: Recoveries made from previously technical/ prudential written-off accounts during the year						2,744.01
Closing balance						40,352.25

Ratios

Particulars	2023-24	2022-23
Gross NPA to Gross Advances (in %)	4.98	7.31
Net NPA to Net Advances (in %)	1.22	1.66
Provision coverage ratio (in %)	90.59	89.68

(b) Sector-wise Advances (Including Prudential/Technical write off) (As compiled by management)

Sr. No.	Sector	2023-24			2022-23		
		O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector	O/S Gross Advances	Gross NPAs	% of Gross NPAs to Total Advances in that Sector
A	**Priority sector**						
1	Agriculture and allied activities	84,554.77	9,672.78	11.44	71,387.57	9,408.13	13.18
2	Advances to industries sector eligible as priority sector lending	27,270.73	3,301.62	12.11	25,478.00	3,459.00	13.58
3	Services	47,078.04	5,768.04	12.25	41,523.22	5,323.26	12.82
4	Personal loans	22,678.67	922.40	4.07	22,441.03	909.92	4.05
	Sub-total (A)	1,81,582.21	19,664.84	10.83	160,829.82	19,100.31	11.88
B	**Non Priority Sector**						
1	Agriculture and allied activities	45.54	0.01	0.02	30.45	1.13	3.71
2	Industry	1,45,063.01	3,767.23	2.60	143,215.73	8,568.53	5.98
3	Services	1,66,889.13	4,382.07	2.63	139,449.09	8,861.52	6.35
4	Personal loans	92,015.03	1,368.62	1.49	72,327.39	1,154.07	1.60
	Sub-total (B)	4,04,012.70	9,517.93	2.36	355,022.66	18,585.25	5.23
	Total (A+B)	5,85,594.91	29,182.77	4.98	515,852.48	37,685.56	7.31

(c) Overseas Assets, NPAs and Revenue:

Sr. No.	Particulars	2023-24	2022-23
1	Total Assets	1,30,485.16	1,16,673.69
2	Total NPAs	6,799.87	8,243.92
3	Total Revenue	8,554.65	4,636.88

(d) Particulars of resolution plan and restructuring

(i) Particulars of Resolution Plan

As per RBI Circular No.DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, as on March 31, 2024, Bank holds additional Provision of ₹ 2,102.49 in respect of 20 borrower accounts (exposure ₹ 6,412.15), where the viable Resolution Plan has not been implemented within 180 days / 365 days of review period.

(ii) Disclosure on Stressed Assets:

(1) Disclosure on Flexible Structuring of Existing Loans:

Period	No. of borrowers taken up for flexible structuring	Amount of loans taken up for flexible structuring		Exposure weighted average duration of loans taken up for flexible structuring	
		Classified as Standard	Classified as NPA	Before applying flexible structuring	After applying flexible structuring
Previous Financial Year	0	0.00	0.00	0	0
Current Financial Year (From April 2023 to March 2024)	0	0.00	0.00	0	0

(2) Disclosure on Strategic Debt Restructuring Scheme (accounts which are currently under the stand-still period):

No. of accounts where SDR has been invoked	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity has taken place	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil						

(3) Disclosures on Change in Ownership outside SDR Scheme (accounts which are currently under the stand-still period):

No. of accounts where banks have decided to effect change in ownership	Amount outstanding as on the reporting date		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares is pending		Amount outstanding as on the reporting date with respect to accounts where conversion of debt to equity/invocation of pledge of equity shares has taken place		Amount outstanding as on the reporting date with respect to accounts where change in ownership is envisaged by issuance of fresh shares or sale of promoters equity	
	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA	Classified as Standard	Classified as NPA
Nil								

(4) Disclosure on Change in Ownership of Projects Under Implementation (accounts which are currently under the stand-still period):

No. of project loan accounts where the Bank has decided to effect change in ownership	Amount outstanding as on the reporting date		
	Classified as Standard	Classified as Standard restructured	Classified as NPA
Nil			

(5) Disclosure on Scheme for Sustainable Structuring of Stressed Assets (S4A), wherever implemented:

Sr. No.	Aggregate Amount Outstanding	Amount Outstanding		Provision Held
		In Part A	In Part B	
Classified as Standard				
3 (3)	236.84 (280.27)	111.80 (112.05)	125.04 (168.22)	126.57 (76.68)
Classified as NPA				
3 (3)	270.22 (281.83)	59.86 (71.33)	210.36 (210.49)	270.22 (278.52)
Total				
6 (6)	507.06 (562.10)	171.66 (183.38)	335.40 (378.71)	396.79 (355.20)

BANK OF INDIA H.O. FINANCE DEPT. | MUKUND M CHITALE & CO. MUMBAI CHARTERED ACCOUNTANTS | S. JAY KISHAN KOLKATA FRN : 309005E Chartered Accountants | FRN 003600C Chartered Accountants | SCV & Co. LLP NEW Delhi Chartered Accountants

(e) Divergence in asset classification and provisioning:

15. As per RBI Master Direction No. RBI/DOR/2021-22/83 DOR.ACC.REC.No.45/21.04.018/2021-22 dated August 30, 2021 (updated as on 01.04.2024) on Financial statements – Presentation and Disclosures, divergence in the asset classification and provisioning, Banks should disclose divergences, if either or both of the following conditions are satisfied:

(a) the additional provisioning for non-performing assets (NPAs) assessed by RBI as part of its supervisory process, exceeds 5% of the reported profit before provisions and contingencies for the reference period, and
(b) the additional Gross NPAs identified by the RBI as part of its supervisory process exceeds 5% of reported incremental Gross NPAs for the reference period.

Divergences are within threshold limits in the Bank as specified above. Hence, no disclosure is required with respect to Divergence in Asset Classification and Provisioning.

(f) Disclosure of transfer of loan exposures:

Disclosure of Transfer of Loan Accounts (SMAs & NPAs) in terms of RBI Circular No. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021:

a. The Bank has not transferred any loans not in default or Special Mention Accounts (SMA) during the year ended March 31, 2024.

b. Details of loans not in default acquired through pool buyout via assignment are given below:

Particulars	2023-24	2022-23
Aggregate amount of loans acquired (₹ in crore)	1,440.85	667.43
Weighted average residual maturity (in months)	102.28	65.07
Weighted average holding period by the originator (in months)	9.01	15.28
Retention of beneficial economic interest by the originator	11.04%	10%
Tangible security coverage	198.11%*	130%

*The tangible security cover is only in case of secured pool amounting to ₹ 1,093.75.

c. During the year ended March 31, 2024 the Bank has not acquired any stressed (Non-Performing) Assets.

d. Details of Stressed Loans (NPAs) transferred during the year ended March 31, 2024:

Sr. No.	Particulars	To ARCs	To permitted transferees	To other transferees
a.	No. of accounts	12 (4)	-- (2)	--
b.	Aggregate principal outstanding of loans transferred	1,759.92* (274.80)	-- (39.45)	--
c.	Weighted average residual tenor of the loans transferred	-- (--)	-- (--)	--
d.	Net book value of the loans transferred (at the time of transfer)	188.87 (--)	-- (--)	--
e.	Aggregate consideration	498.21 (124.63)	-- (14.76)	--
f.	Additional consideration realized in respect of accounts transferred in earlier years	-- (--)	-- (--)	--
g.	Quantum of excess provisions reversed to the Profit & Loss account on account of sale of stressed loans	84.66 (124.63)	-- (14.76)	--

*includes Investment exposure of ₹ 280.02

e. Distribution of the Security Receipts (SRs) held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2024:

Recovery Rating Band	Book Value 2023-24	Book Value 2022-23
RR1+	0.00	0.00
RR1	0.01	219.69
RR2	253.72	43.48
RR3	0.00	0.00
RR4	0.00	0.00
RR5	55.14	64.37
Ratings Withdrawn	1,541.23	1,658.97
Total	**1,850.09**	**1,986.51**

As per RBI guidelines Rating is not applicable post 8 years. The Bank has provided in full for the above Security Receipts.

(fa) Profit from sale of NPA:

Sr. No.	Particular	2023-24	2022-23
1	Profit booked in respect of sale of NPA	84.66	139.39

(g) Fraud Accounts

Particulars	2023-24	2022-23
Number of frauds reported	*209	208
Amount involved in fraud	*866.70	582.59
Amount of provision made during this year for such frauds $	32.64	68.93
Amount of provision made for such frauds $	*653.73	561.69
Amount of Unamortised provision debited from 'other reserves' as at the end of the year	Nil	Nil

*This includes 7 cases pertaining to earlier years, which were deactivated by RBI and which were re-reported as fraud cases on re-examination, with amount involved of ₹ 735.39 and outstanding balance as on 31st March, 2024 of ₹ 543.33. The Bank is holding 100% provision in this regard.

(h) In accordance with RBI circular No. DOR.STR.REC.12/21.04.048/2021-22 dated May 5, 2021 & RBI Circular No. DOR.STR.REC.21/21.04.048/2021-22 dated June 4, 2021 on Resolution Framework 2.0 –Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the details of accounts restructured is as under:

(₹ in Crore except number of accounts)

No. of Accounts	Amount as on 31.03.2024	Provision Held
50,148	1,790.69	179.06

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on September 30, 2023:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half-year, i.e, March 31, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended September 30, 2023	Of (A) amount written off during the half-year ended September 30, 2023	Of (A) amount paid by the borrowers during the half- year ended September 30, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e, September 30, 2023.
Personal Loans	4,974.07	236.86	0.94	209.62	4,499.18
Corporate persons*	2,840.70	339.18	2.15	262.61	2,631.84
Of which MSMEs	2,446.74	339.18	2.15	212.64	2,252.25
Others	25.87	0.44	0.00	3.99	27.54
Total	7,840.64	576.48	3.09	476.23	7,158.56

In terms of RBI Circular No. DOR.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 (Resolution Framework 1.0) and DOR. STR.REC.11/21.04.048/2021-22 dated May 5, 2021 (Resolution Framework 2.0), the details of resolution plan as on March 31, 2024:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of previous half year, i.e. September 30, 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2024	Of (A) amount written off during the half-year ended March 31, 2024	Of (A) amount paid by the borrowers during the half- year ended March 31, 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2024
Personal Loans	4,499.18	181.48	0.74	529.51	4,094.48
Corporate persons*	2,631.84	225.05	1.12	408.44	2,050.24
Of which MSMEs	2,252.25	225.05	1.12	349.65	1,790.69
Others	27.54	0.18	0.00	2.31	25.35
Total	**7,158.56**	**406.71**	**1.86**	**940.26**	**6,170.07**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016

March 31, 2023

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of previous half year, i.e. September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year, i.e. March 31, 2023
Personal Loans	5,285.68	190.90	1.27	274.33	4,974.07
Corporate persons*	3,403.71	337.73	2.07	331.45	2,840.70
Of which MSMEs	2,704.86	241.04	2.07	210.20	2,446.74
Others	31.08	4.00	0.00	1.93	25.87
Total	**8,720.47**	**532.63**	**3.34**	**607.71**	**7,840.64**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code 2016.

5. Exposures

The Bank is lending to sectors, which are sensitive to asset price fluctuation.

i. Exposure to Real Estate Sector, as compiled by management

Sr. No.	Category		31.03.2024	31.03.2023
1	Direct Exposure		64,376.66	64,810.01
	(a)	Residential Mortgages (include non-fund based (NFB) limits)	59,299.09	59,232.26
		(i) Lending fully secured by Mortgages on residential property that is or will be occupied by the borrower or that is rented (other than (ii) below);	41,952.77	39,718.49
		(ii) Individual housing loans eligible for inclusion in priority sector	17,346.32	19,513.77
	(b)	Commercial Real Estate-	4,828.94	5,329.12
		Lending secured by mortgages on commercial real estate's (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include NFB limits;	4,828.89	5,329.12
	(c)	Investments in Mortgage Backed duties and other securitised Exposures	248.63	248.63
		a) Residential b) Commercial Real Estate	0.00 248.63	0.00 248.63
2	Indirect Exposure		17,067.95	28,482.99
	Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies		17,067.95	28,482.99
Total exposure to Real Estate Sector (1+2)			81,444.61	93,293.00

ii. Exposure to Capital Market

Sr. No	Category	31.03.2024	31.03.2023
i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	683.43	1,182.40
ii)	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	791.32	3.15
iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1.45	833.00
iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	1.75	0.00
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	902.04	1,598.37
vi)	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new Companies in anticipation of raising resources;	0.12	0.00
vii)	Bridge loans to Companies against expected equity flows/issues;	0.00	0.00
viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	0.00	0.00
ix)	Financing to stockbrokers for margin trading;	0.00	0.00

Sr. No	Category	31.03.2024	31.03.2023
x)	All exposures to Venture Capital Funds (both registered and unregistered)	228.17	247.29
Total Exposure to Capital Market		**2,608.28**	**3,864.21**

iii. Risk Category-wise Country Exposure:

As per the extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in the following table:

Sr. No.	Risk Category	As at 31.03.2024		As at 31.03.2023	
		Exposure (Net)	Provision held	Exposure (Net)	Provision held
1	Insignificant	54,110.54	38.34	74,144.61	65.21
2	Low	18,610.70	8.41	21,833.59	12.19
3	Moderate	7,321.81	0.00	1,392.11	0.00
4	High	228.84	0.00	176.39	0.00
5	Very High	2,580.82	0.00	5,597.18	0.00
6	Restricted	0.00	0.00	0.40	0.00
7	Off Credit	21.84	0.00	14.67	0.00
	Total	**82,874.54**	**46.75**	**1,03,158.95**	**77.40**

iv. Unsecured Advances

Particulars	2023-24	2022-23
Total Unsecured Advances of the Bank	1,13,537.16	1,03,362.87
Out of which i) Amount of advances outstanding against charge over intangible securities such as rights, licenses, authorizations etc. charged to the Bank as collateral	0.00	0.00
ii) The estimated value of such intangible securities (as in (i) above)	0.00	0.00

v. Factoring exposures:

Bank has not taken any Export Factoring on non-recourse basis exposure during the financial year 2023-24.

vi. Intra-group exposures (As compiled by the management and relied upon by the Auditors):

Sr. No.	Particulars	2023-24	2022-23
A	Total amount of intra group exposures	5,210.97	4,278.71
B	Total amount of top 20 intra group exposure	5,210.97	4,278.71
C	% of Intra group Exposure to total exposure on Borrowers/Customers	0.62%	0.58%
D	Details of breach of limits on intra group exposures and regulatory action thereon, if any.	Nil	Nil

vii. Unhedged Foreign Currency Exposure

Sr. No.	Particulars	2023-24	2022-23
A	Opening balance provisions account	70.58	76.26
B	The quantum of provisions made in the accounting year	16.77	8.56
C	Amount Reverse during the accounting year	15.27	14.24
D	Closing balance in the provisions account	72.09	70.58

The bank has a policy with regard to capital and provisioning requirements for exposure to entities with unhedged foreign currency exposure (UFCE) which is based on RBI Circulars.

As on 31.03.2024, based on available data and declaration from the borrowers, wherever received in accordance with the policy, the additional Risk Weighted Assets on this exposure is ₹ 535.49 (Previous Year ₹ 134.46). As against this, additional minimum capital requirement is ₹ 61.58 (Previous Year ₹ 15.46).

viii. Details of Single Borrower Limit (SBL), Group Borrower Limit (GBL) exceeded by the Bank:

The Bank had taken single borrower exposure and Group Borrower exposure within the prudential limit prescribed by RBI.

Sr. No.	Name of the Borrower	Exposure Ceiling	Limit Sanctioned	Outstanding as on 31.03.2024
1.	Single Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)
2.	Group Borrower			
	None	NIL (NIL)	NIL (NIL)	NIL (NIL)

6. Concentration of deposits, advances, exposures and NPAs

(a) Concentration of deposits:

Particulars	2023-24	2022-23
Total Deposits of twenty largest depositors	44,030.38	51,369.55
Percentage of Deposits of twenty largest depositors to Total Deposits of the Bank	5.97%	7.67%

(b) Concentration of advances:

Particulars	2023-24	2022-23
Total Advances to twenty largest borrowers	1,02,423	92,152
Percentage of Advances to twenty largest borrowers to Total Advances of the Bank	16.17%	16.38%

(c) Concentration of exposures

Particulars	2023-24	2022-23
Total Exposure to twenty largest borrowers/customers	1,02,688	99,146
Percentage of Exposures to twenty largest borrowers/customers to Total Exposure of the bank on borrowers/customers	11.87%	12.85%

(d) Concentration of NPAs:

Particulars	2023-24	2022-23
Total Exposure to top twenty NPA accounts*	3,310	7,415
Percentage of exposure to the twenty largest NPA exposure to total Gross NPAs	11.34%	19.68%

*Net of Prudential Write-off (PWO) and Unrealised Interest (URI)

7. Derivatives

(a) Forward Rate Agreement/ Interest Rate Swap

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
i)	The notional principal of swap agreements	590.00	841.13
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	0.22	1.27
iii)	Collateral required by the bank upon entering into swaps	No collaterals were required for the swaps as counterparties	

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
		were either banks or premier corporate	
iv)	Concentration of Credit Risk arising from the swaps	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year	There is no concentration of credit risk arising from the interest rate swaps undertaken during the year
v)	The fair value of the swap book	0.22	1.80

(b) Exchange Traded Interest Rate Derivatives

Sr. No.	Particulars	As at 31.03.2024	As at 31.03.2023
(i)	Notional principal amount of exchange traded interest rate derivatives undertaken during the year (instrument-wise)	0.00	0.00
(ii)	Notional principal amount of exchange traded interest rate derivatives outstanding as on 31st March(instrument-wise)	0.00	0.00
(iii)	Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00
(iv)	Mark-to-market value of exchange traded interest rate derivatives outstanding and not "highly effective" (instrument-wise)	0.00	0.00

There was no default and penalty imposed by Reserve Bank of India in Repo/Reverse Repo transactions and in RRC Account with RBI during the Financial year 2023-24.

(c) Disclosures on risk exposure in derivatives

i. Qualitative Disclosure

The Bank enters into derivative contracts such as interest rate derivatives, currency swaps and currency options to hedge on balance sheet assets and liabilities or to meet client requirements as well as for trading purpose as per policy approved by the Board.

These products are used for hedging risk, reducing cost and increasing the yield. In such transactions, the types of risks to which the bank is exposed to, are credit risk, market risk, operational risk etc.

Risk management is an integral part of bank's business management. Bank has risk management policies designed to identify and analyse risks, to set appropriate risk limits and to monitor these risks and limits on an on-going basis by means of reliable and up to date management information systems. The risk management policies and major control limits are approved by the Board of Directors and they are monitored and reviewed regularly. The organization of the Bank is conducive to managing risks. There is sufficient awareness of the risks and the size of exposure of the trading activities in derivative operations.

The Bank has a Risk Management Committee of Directors presided over by the Chairman.

The hedge/non-hedge (market making) transactions are recorded separately. Income/expenditure on hedging derivatives is accounted on accrual basis.

Forex forward contracts are marked to market and the resultant gains and losses are recognized in the profit and loss account.

Interest rate derivatives and currency derivatives other than exchange traded derivatives for trading purpose are marked to market and the resulting losses, if any, are recognised in the Profit and Loss account. Net Profit, if any, is ignored.

Exchange traded derivatives entered into for trading purposes are valued at prevailing market rates based on rates given by the Exchange and the resultant gains and losses are recognized in the Profit & Loss account.

Gains/losses on termination of the trading swaps are recorded on the termination date as income/expenditure. Any gain/loss on termination of hedging swaps are deferred and recognised over the shorter of the remaining contractual life of the swap or the remaining life of the designated assets/liabilities.

Option fees/premium is amortised over the tenor of the option contract.

Bank has a proper system of submitting periodical reports to Senior and Top Management and Board as well as regulatory authorities as required by RBI and/or as per operational requirements. Bank has clearly spelt derivative guidelines on various aspects approved by the Board of Director. The derivative transactions are subject to concurrent, internal, statutory and regulatory audits.

The counter parties to the transactions are banks, primary dealers and corporate entities. The deals are done under approved exposure limits. The Bank has adopted the Current Exposure method prescribed by Reserve Bank of India for measuring Credit Exposures arising on account of interest rate and foreign exchange derivative transactions. Current exposure method is the sum of current credit exposure and potential future exposure of these contracts.

The current credit exposure is the sum of positive mark to market value of these contracts i.e. when the Bank has to receive money from the counter party.

Potential future credit exposure is determined by multiplying the notional principal amount of these contracts irrespective of whether the contract has zero, positive or negative mark to market value by the relevant add-on factors as under according to the nature and residual maturity of the instrument.

Residual Maturity	Credit Conversion factor applied on Notional Principal Amount	
	Interest Rate Contract	Exchange Rate Contract
One year or less	0.50%	2.00%
Over one year to five years	1.00%	10.00%
Over five years	3.00%	15.00%

While computing the credit exposure, "sold options" are excluded wherever the entire premium/fee or any other form of income is received / realized.

As per the extant RBI guidelines, credit exposures computed as per the current Mark to Market value of the contracts, also attracts provisioning requirement as applicable to the loan assets in the "Standard" category, of the concerned counterparty. At present, the provision is to be maintained at 0.40% of the risk weighted assets. The Bank makes the requisite provision as aforesaid in the books.

ii. Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives	Interest Rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	7467.49	0.00
		(5,742.84)	(241.13)
	b) For trading	0.25	590.00
		(142.98)	(600.00)

Sr. No.	Particulars	Currency Derivatives		Interest Rate Derivatives	
2	Marked to Market Positions				
	a) Asset (+)	29.30		0.00	
		(4.47)		(1.80)	
	b) Liability (-)	38.91		0.22	
		(52.92)		(0.91)	
3	Credit Exposure	170.99		6.12	
		(118.24)		(8.41)	
4	Likely impact of one percentage change in interest rate (100*PV01)				
	a) On hedging derivatives	0.00		0.00	
		(0.00)		(0.06)	
	b) On trading derivatives	0.00		22.48	
		(0.00)		(3.66)	
5	Maximum & Minimum of 100*PV01 observed during the year	**Max**	**Min**	**Max**	**Min**
	a) On hedging	0.00	0.00	0.00	0.00
		(0.00)	(0.00)	(0.02)	(0.00)
	b) On trading	0.00	0.00	22.48	2.07
		(0.00)	(0.00)	(1.84)	(1.82)

(d) Credit Default Swaps

The bank has not dealt with any Credit Default Swap in current as well as in the previous year.

8. Disclosures relating to Securitisation

The Bank has not floated any Special purpose Vehicle (SPV) during the Financial Year 2023-24 as well as during FY 2022-23.

9. Off balance sheet SPVs sponsored

Name of the sponsored SPV	
Domestic	Overseas
NIL	NIL

10. Transfers to Depositor Education and Awareness Fund (DEA Fund)

Particulars	2023-24	2022-23
Opening balance of amounts transferred to DEAF	2,599.00	1,756.66
Add : Amounts transferred to DEAF during year	629.84	887.06
Less : Amounts reimbursed by DEAF towards claims	279.64	44.72
Closing balance of amounts transferred to DEAF	**2,949.20**	**2,599.00**

11. Disclosure of Complaints

(a) Summary information on complaints received by the bank from customers and from the OBOs [Offices of the Banking Ombudsman]

Sr. No		Particulars	2023-24	2022-23
Complaints received by the bank from its customers				
1		Number of complaints pending at beginning of the year	1,517	2,724
2		Number of complaints received during the year	2,32,265	2,34,355
3		Number of complaints disposed during the year	2,32,752	2,35,562
	3.1	Of which, number of complaints rejected by the bank	12,963	13,367
4		Number of complaints pending at the end of the year	1,030	1,517
Maintainable complaints received by the bank from OBOs				
5		Number of maintainable complaints received by the bank from OBOs	4,602	4,636
	5.1	Of 5, number of complaints resolved in favour of the bank by BOs	1,514	1,435
	5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3,088#	3,201*
	5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	0	0
6		Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in RBIO Scheme 2021 and covered within the ambit of the Scheme.

*** Out of this, one award was issued in one case against other bank**
#Out of this, one Award was issued in one case but not against the Bank as the same was resolved through Advisory before the passing of Award.

(b) Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
ATM/ Debit Cards	1195 (2566)	128585 (194544)	(-)33.90 ((-)57.38)	428 (1195)	0 (0)
Internet/ Mobile/ Electronic Banking	114 (0)	42382 (12158)	+248.59 ((-)16.13)	315 (114)	0 (0)
Account operation related	126 (1)	27227 (13120)	+107.52 (+38.92)	36 (126)	0 (0)
Advances/ Credit Related	36 (4)	4123 (2746)	+50.14 (+52.39)	5 (36)	0 (0)
Levy of charges	2 (0)	3141 (1976)	+58.95 (+14.48)	3 (2)	0 (0)
Others	44 (153)	26807 (9811)	+173.23 (+14.47)	243 (44)	0 (0)
Total	**1517** **(2724)**	**232265** **(234355)**	**(-)0.89** **((-)52.41)**	**1030** **(1517)**	**0** **(0)**

12. Disclosure of Penalties imposed by the Reserve Bank of India and other regulators

Particulars	2023-24	2022-23
Penalty imposed under Section 46(4) of The Banking-Regulation Act, 1949 and under other regulations	1.68	1.01

During the year ended March 31, 2024, out of the above, penalty of ₹ 1.66 (₹ 1.01) has been imposed on the Bank by the Reserve Bank of India.

13. Disclosure on remuneration:

(Amount in ₹)

Sr. No	Particulars	2023-24	2022-23
1	Shri Atanu Kumar Das	0	28,89,579
2	Shri Rajneesh Karnatak	33,70,597	0
2	Shri P. R. Rajagopal	41,86,980	38,99,430
3	Shri M Karthikeyan	33,34,464	30,32,883
4	Shri Swarup Dasgupta	30,29,208	30,32,833
5	Smt. Monika Kalia	0	18,93,147
6	Shri Subrat Kumar	34,84,956	11,55,336
7	Shri Rajiv Mishra	2,81,400	0

14. Other Disclosures

(a) **Business Ratios**

Sr. No.	Particulars	31.03.2024 (in %)	31.03.2023 (in %)
(i)	Interest Income as a percentage to average Working Funds	6.68	5.77
(ii)	Non-interest income as a percentage to average Working Funds	0.67	0.86
(iii)	Cost of Deposits	4.51	3.67
(iv)	Net Interest Margin	2.97	3.01
(v)	Operating Profit as a percentage to average Working Funds	1.55	1.62
(vi)	Return on Assets	0.70	0.49
(vii)	Business per employee (in ₹)	25.87	22.47
(viii)	Profit per employee (in ₹)	0.123	0.076

(b) **Fees, remuneration received from Bancassurance Business:**

Particulars	2023-24	2022-23
Life Insurance Business	154.76	140.36
Non-Life Insurance Business	23.32	21.75
Health Insurance Business	17.42	11.99
Total	**195.50**	**174.10**

(c) **Fees, remuneration received from Marketing and Distribution:**

Particulars	2023-24	2022-23
Mutual Funds	4.62	4.14
Total	**4.62**	**4.14**

(d) **Disclosure of Priority Sector Lending Certificates (PSLCs) (As compiled by the Management):**

Purchased during the year	Sold During the Year
850.00 (3,000.00)	3,300.00 (4,800.00)

Bank has earned ₹ 61.50 by selling ₹ 3,300 in Priority Sector Lending Certificate (PSLCs) for Small Farmer & Marginal Farmer and purchased ₹ 850 in PSLC Agriculture with total expenses of ₹ 1.76. The net earning is ₹ 59.74.

(e) **Provisions and Contingencies:**

The break-up of "Provisions and Contingencies" appearing in the Profit and Loss Account is as under:

Particulars	2023-24	2022-23
Provision for Non-Performing Investments	72.13	1,207.76
Provision towards NPA	4,109.49	3,601.85
Provision made towards Income Tax (including Deferred Tax) .	3,781.15	2,206.37
Provision towards Standard Assets	(-)406.03	1,654.56
Other Provision & Contingencies		
• Provision for Sacrifice in Restructured Accounts	(-)217.48	(-)64.80
• Provision for Country Risk	(-)30.64	14.72
• Other Provisions	442.07	749.22
Total	**7,750.69**	**9,369.68**

(f) **Implementation of IFRS converged Indian Accounting Standards (Ind AS):**

RBI vide its circular DBR.BP.BC.No.29/21.07.001/2018-19 dated March 22, 2019, deferred implementation of Ind AS till further notice as the legislative amendments in Banking Regulation Act, 1949 as recommended by RBI are under consideration of the Government of India. However, RBI requires all banks to submit Proforma Ind AS Financial Statements (PFS) every half year. Accordingly, the Bank has been preparing and submitting to RBI Proforma Ind AS Financial Statements (PFS) half-yearly with effect from September-2021, after seeking approval of Steering Committee formed for monitoring of implementation of Ind-AS in the Bank. The PFS are also presented to Audit Committee of Board and Board for information and reporting.

(g) **Payment of DICGC Insurance Premium:**

Sr. No.	Particulars	2023-24	2022-23
i)	Payment of DICGC Insurance Premium	808.25	770.64
ii)	Arrears in payment of DICGC premium	Nil	Nil

(h) **Facilities granted to Directors and their relatives:**
Applicable only to UCBs

(i) **Disclosure on amortisation of expenditure on account of enhancement in family pension of employees of banks**
Reserve Bank of India vide its Circular No. RBI/2021-22/105 DOR.ACC.REC.57/21.04.018/2021-22 dated October 4, 2021, permitted Banks to amortise the additional liability on account of revision in family pension over a period not exceeding five years beginning with the financial year ending March 31, 2022, subject to a minimum of 1/5th of the total amount being expensed every year. The Bank recognised the additional liability on account of revision in family pension amounting to ₹ 612.09 and has opted to amortise the said liability over a period not exceeding five years, beginning financial year ending March 31, 2022.

Accordingly, Bank has recognised ₹ 142.40 (₹ 306.04) as an expense in the Profit and Loss account, for the year ended March 31, 2024 and the balance unamortised liability of ₹ 41.22 (₹183.63) has been carried forward. If the unamortised liability had been fully recognised in the Profit & Loss account by the Bank, the Net Profit (after tax) for the year ended March 31, 2024 would have been lower by ₹ 30.84 (₹119.46).

(j) In accordance with RBI circular no.DBRNo.BP.BC.18/21.04.048/2018-19 dated January 1, 2019, on "Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances", as amended from time to time, the details of MSME restructured accounts as on March 31, 2024 is as under:

No. of accounts restructured	Amount	Provision held
19,844 (43,194)	530.71 (1,202.39)	26.54 (60.12)

(k) **Disclosure of Letters of Comfort (LoCs) issued by bank for Subsidiaries (As compiled by the management):**

During the year 2023-24, the bank has not issued any Letter of Comfort on behalf of Subsidiaries.

During the year 2010-11, the bank had issued parental guarantee in favour of Royal Bank of New Zealand, for its wholly owned subsidiary, Bank of India (New Zealand) Ltd. to meet its financial obligations, if they fall due.

As on 31.03.2024, no financial obligations have arisen on the above commitments.

(l) **Income Tax:**

i. Claims against the Bank not acknowledged as debt under contingent liabilities (Schedule 12) include disputed income tax/interest tax liabilities of ₹ 2,909.92 (previous year ₹ 355.86) for which no provision is considered necessary based on various judicial decisions in respect of past assessments on such disputes. Payments/adjustments against the said disputed dues are included under Other Assets (Schedule 11).

ii. Provision for taxes has been arrived at after due consideration of the provisions of the applicable tax laws and relevant judicial decisions on certain disputed issues.

(m) Details of Number of Investors complaints received and disposed-off during the quarter ended March 31, 2024:

i)	Pending at the beginning of the quarter	01
ii)	Received during the quarter	162
iii)	Resolved during the quarter	161
iv)	Pending at the end of the quarter	01

(n) In accordance with the RBI guidelines, during the year ended March 31, 2024, Bank has shifted Central Government securities with a face value of ₹ 3,259.70 (Book Value ₹ 3,264.70) and State Government securities with a face value of ₹ 3,576.06 (Book value ₹ 3,580.31) from HTM to AFS category. Further, Bank has not shifted any security from AFS to HTM category. Units of Venture Capital Fund for an amount of ₹ 2.53 has been shifted from HTM to AFS category.

(o) In respect of RBI referred NCLT accounts (List 1 & 2) as on March 31, 2024, Bank holds 100% provision of the outstanding value of ₹ 3,265.74.

(p) Pursuant to bipartite agreement on wage revision with effect from November 1, 2022, Bank has made final provision of ₹ 110 and ₹ 837 for the quarter and year ended March 31, 2024, and total provision amount of ₹ 1,101 has been held by the Bank as on March 31, 2024.

(q) Other Income includes commission and brokerage income, profit/loss on sale of assets, profit/loss on revaluation of investments (net) (including depreciation on performing investments), earnings from foreign exchange and derivative transactions, recoveries from accounts previously written off, dividend income, etc.

(r) The Board of Directors has recommended a dividend of ₹ 2.80 per equity share (28%) for the year ended March 31, 2024 subject to requisite approvals.

(s) Balancing of Subsidiary Ledger Accounts, confirmation/reconciliation of balances with foreign branches, Inter-office accounts, NOSTRO Accounts, Suspense, Draft Payable, Clearing Difference, other office accounts, etc. is in progress on an on-going basis. In the opinion of the management, the overall unadjusted impact on the financial statements, if any, of pending final clearance/adjustment of the above, is not likely to be significant.

(t) **Other Income / Expenditure exceeding 1% of total income**

Other Income: Other Income includes below income exceeding 1% of the total income of the Bank.

Particulars	2023-24	2022-23
Recovery in written off accounts	1,467.04	1,206.85

Disclosure requirements as per Accounting Standards (AS):

6.1 Accounting Standard – 5 Net Profit / loss for the period, Prior Period Items and changes in accounting policies:

(i) Prior Period Items:
During the year, there were no material prior period income / expenditure items.

(ii) Change in accounting policy:
There is no change in the Significant Accounting Policies followed during the year ended March 31, 2023 as compared to those followed in the previous financial year ended March 31, 2022.

6.2 Accounting Standard 9 – Revenue recognition

Certain items of income are recognised on realisation basis as per Accounting Policy para 3 of Schedule 17: Significant Accounting Policies. However, the said income is not considered to be material.

6.3 Accounting Standard 15 – Employee Benefits:

Sr. No.	Particulars	FY 2023-2024		FY 2022-2023	
		Gratuity	Pension	Gratuity	Pension
(i)	**Principal actuarial assumptions used :**				
	Discount Rate	7.22%	7.21%	7.51%	7.39%
	Rate of Return on Plan Assets	7.77%	7.47%	6.87%	7.67%
	Salary Escalation Rate	5.50%	5.50%	5.50%	5.50%
	Attrition Rate Current	1.00%	1.00%	1.00%	1.00%
(ii)	**Table showing changes in Present value of Defined Benefit Obligation :**				
	Liability at the beginning of the year	2,070.55	18,996.40	1,898.52	17,889.53
	Interest Cost	146.40	1,329.95	129.68	1,159.60
	Current Service Cost	116.97	1,051.76	108.55	977.95
	Past Service Cost	-	326.05	-	122.42
	Benefit Paid	242.18	1,999.69	278.00	1,872.53
	Actuarial (gain)/loss on Obligation	197.28	725.63	211.81	719.43
	Liability at the end of the year	2,289.02	20,430.10	2,070.55	18,996.40
	Unrecognised past service cost	-	41.22	-	183.62
	Total Defined Benefit obligation	**2,289.02**	**20,471.32**	**2,070.55**	**19,180.02**
(iii)	**Table showing changes in Fair value of Plan Assets :**				
	Fair Value of Plan Assets at the beginning of the yea	2,055.47	18,459.42	1,887.32	17,604.64
	Expected return on Plan Assets	159.58	1,383.08	131.13	1,333.66
	Contributions	238.96	2,111.16	320.89	1,439.17
	Benefit Paid	242.18	1,999.69	278.00	1,872.53
	Actuarial gain/ (loss) on Plan Assets	11.51	(31.29)	(5.88)	(45.52)
	Fair Value of Plan Assets at the end of the year	**2,223.34**	**19,922.68**	**2,055.47**	**18,459.42**
	Total Actuarial Gain/(Loss) recognised	**(185.76)**	**(756.92)**	**(217.68)**	**(764.95)**

(iv)	**Actual return on Plan Assets :**				
	Expected Return on Plan Assets	159.58	1,383.08	131.13	1,333.66
	Actuarial gain/ (loss) on Plan Assets	11.51	(31.29)	(5.88)	(45.52)
	Actual return on Plan Assets	**171.09**	**1,351.79**	**125.25**	**1,288.14**
(v)	**Amount recognised in the Balance Sheet :**				
	Liability at the end of the year	2,289.02	20,471.32	2,070.55	19,180.02
	Fair Value of Plan Assets at the end of the year	2,223.34	19,922.68	2,055.47	18,459.42
	Unrecognised past service cost	-	41.22	-	183.62
	Amount Recognised in the Balance Sheet	**65.68**	**507.42**	**15.09**	**536.98**
(vi)	**Expenses recognised in the Income-Statement :**				
	Current Service Cost	116.97	1,051.76	108.55	977.95
	Interest Cost	146.40	1,329.95	129.68	1,159.60
	Expected Return on Plan Assets	(159.58)	(1,383.08)	(131.13)	(1,333.66)
	Expenses recognized relating to prior years	-	-	-	-
	Past Service Cost	-	142.42	-	306.04
	Actuarial (Gain) or Loss	185.76	756.92	217.68	764.95
	Expense Recognised in P & L	**289.55**	**1,897.97**	**324.78**	**1,874.89**
(vii)	**Balance Sheet Reconciliation :**				
	Opening Net Liability (Last period's net amount recognized in the balance sheet)	15.09	536.98	11.20	284.88
	Additional Past Service Cost	-	183.63	-	-
	Expenses as above	289.55	1,897.97	324.78	1,874.89
	Employer's Contribution	(238.96)	(2,111.16)	(320.89)	(1,439.17)
	Additional Past Service Cost	-	-	-	(183.62)
	Amount Recognised in Balance Sheet	**65.68**	**507.42**	**15.09**	**536.98**
(viii)	**Category of Assets :**				
	Central Government of India Securities	15.24	2,597.01	15.30	2,329.69
	Equity	-	813.33	-	759.33
	Corporate Bonds	42.26	6,158.30	94.98	6,095.69
	State Government Securities	-	3,064.92	55.48	3,057.14
	Insurance	2090.00	6,740.13	1,852.39	5,810.69
	Other	75.84	548.99	37.32	406.88
	Total	**2,223.34**	**19,922.68**	**2,055.47**	**18,459.42**
(ix)	**Experience Adjustment :**				
	On Plan Liability (Gain)/ Loss	124.29	410.04	240.77	843.92
	On Plan Asset (Loss)/ Gain	11.51	(31.29)	(5.88)	(45.52)

Other long term employee benefits*:

Particulars	31.03.2024		31.03.2023	
	Liability	Provisions made/ (w/back) during the year	Liability	Provisions made/(w/back) during the year
Leave Encashment	1,206.35	5.31	1,201.04	17.28
Leave Travel Concession	62.79	0.21	62.58	0.17
Resettlement Benefits	8.52	0.45	8.07	0.36
Milestone Awards	4.64	0.05	4.59	0.04
Sick Leave**	3.08	0.08	3.00	0.00

* The actuarial assumptions for other long term benefits are same which are used for Gratuity. The bank has recognised contribution to employees' Provident Fund/Defined contribution scheme as an expense. During the year, the bank has contributed ₹ 445.17 (Previous Year ₹ 391.94) towards such fund which is a defined contribution plan.

** The bank has been recognising the liability of sick leave to full extent hitherto i.e. entire outstanding leave balance. In line with the Guidance Note on implementation of Employee Benefits (AS-15) - (revised 2005) in respect of Sick Leave, the liability in this regard is recognised based on probability of availing such leave by employees.

The Bank's best estimate of contributions expected to be paid during the annual period beginning after the Balance sheet date, towards Pension is ₹ 2,356.36 (Previous Year ₹ 2,215.86) and towards Gratuity is ₹ 25.38 (Previous Year: ₹ 22.78).

Surplus /Deficit in the Plan:

	Gratuity Plan				
Particular	**FY2023-24**	**FY2022-23**	**FY2021-22**	**FY2020-21**	**FY2019-20**
Defined benefit obligation	2,289.02	2,070.55	1,898.52	1,935.33	1,747.81
Plan assets	2,223.34	2,055.47	1,887.32	1,930.63	1,649.47
Unrecognised Transitional liability	0.00	0.00	0.00	0.00	0.00
Surplus/(deficit)	**(-)65.68**	(-)15.09	(-)11.20	(-)4.70	98.34
Experience Adjustment On Plan Liability (Gain)/Loss	124.29	240.77	152.27	315.39	(-)86.04
Experience Adjustment On Plan Asset (Loss)/Gain	11.51	(-)5.88	(-)42.37	86.25	100.21

	Pension Plan				
Particular	**FY2023-24**	**FY2022-23**	**FY2021-22**	**FY2020-21**	**FY2019-20**
Defined benefit obligation	20,471.32	19,180.02	18,379.20	16,837.05	16,065.92
Plan assets	19,922.68	18,459.42	17,604.64	16,531.02	15,827.60
Unrecognised Transitional liability	41.22	183.62	489.67	0.00	0.00
Surplus/(deficit)	(-)507.42	(-)536.99	(-)284.88	(-)306.03	(-)238.32
Experience Adjustment On Plan Liability (Gain)/Loss	410.04	843.92	1,092.69	791.71	808.90
Experience Adjustment On Plan Asset (Loss)/Gain	(-)31.29	(-)45.52	(-)694.35	(-)620.28	155.64

6.4 Accounting Standard 17 - Segment Reporting
Part A: Business Segment

Business Segment	Treasury Operations (1)		Wholesale Banking Operations (2)		Retail Banking Operations (3)		Digital Banking (3) (i)		Other Retail Banking (3)(ii)		(*)Other Banking Operations (4)		Total (1+2+3+4)	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	18,170.64	16,465.87	23,097.82	17,648.87	25,955.95	20,731.92	0.26	0	25,955.69	20,731.92	0.00	0.00	67,224.41	54846.66
Unallocated revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	646.53	490.44
Less: Inter segment revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	1,066.60	589.49
Total Revenue	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	66,804.34	54,747.61
Results	4,706.80	5,295.52	784.06	166.71	6,759.91	2,392.35	(-)0.75	(-)0.38	6,760.66	2,392.73	0.00	0.00	12,250.77	7,854.58
Unallocated Expenses	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	(-)2,151.70	(-)1,625.27
Profit/(Loss) Before Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	10,099.07	6,229.31
Income Tax	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	3,781.15	2,206.37
Extraordinary Profit/ (Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX
Net Profit/(Loss)	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	6,317.92	4,022.94
Other Information :														
Segment Assets	308,765.24	283,230.98	333,854.50	293,202.27	252,894.05	215,949.71	7.16	2.02	227,710.31	215,947.69	0.00	0.00	895,513.79	792,382.96
Unallocated Assets													17,084.13	23,172.65
Total Assets	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	912,597.92	815,555.61
Segment Liabilities	287,690.56	267,321.61	319,774.68	287,056.88	227,748.20	193,707.89	7.89	2.40	227,740.31	193,705.49	0.00	0.00	835,213.44	748,086.38
Unallocated Liabilities													8,503.81	8,498.62
Total Liabilities	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	843,717.25	756,585.00

(*) The Bank does not have any significant "Other Banking Operations".

Part B: Geographical Segment

Geographical Segments	Domestic		International		Total	
Particulars	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue	58,249.70	50,110.74	8,554.64	4,636.87	66,804.34	54,747.61
Assets	782,112.76	698,881.93	130,485.16	116,673.68	912,597.92	815,555.61

The Bank has recognised Business Segments as Primary reporting segment and Geographical Segments as Secondary segment in line with RBI guidelines in compliance with Accounting Standard 17.

Primary Segment: Business Segments

a) **Treasury**: 'Treasury' segment includes the entire investment portfolio i.e. dealing in Government and other Securities, Money Market Operations and Forex Operations including Derivative contracts.

b) **Wholesale Banking**: Wholesale Banking includes all lending activities which are not included under Retail Banking.

c) **Retail Banking**: Retail Banking segment comprises of Digital Banking and Other Retail Banking.

Digital Banking includes digital banking products acquired by DBUs.

Other Retail Banking includes all housing loan accounts and borrower accounts having exposure up to ₹ 7.50 crore.

Pricing of Inter-Segmental transfers
Retail Banking Segment is a Primary resource mobilising unit and Wholesale Segment and Treasury Segment compensates the Retail banking segment for funds lent by it to them taking into consideration the average cost of deposits and borrowings incurred by it.

Allocation of Costs:
a) Expenses directly attributed to particular segment are allocated to the relative segment.
b) Expenses not directly attributable to specific segment are allocated in proportion to number of employees/business managed.

Secondary Segment: Geographical Segments
a) Domestic Operations
b) International Operations

6.5 Accounting Standard 18 - Related Party Transactions (As compiled by the management and relied upon by the Auditors):

I) List of Related Parties:

a. Key Managerial Personnel :

Managing Director & CEO :	Shri Atanu Kumar Das (superannuated on 19.01.2023) Shri Rajneesh Karnatak (from 29.04.2023)
Executive Directors :	Shri P R Rajagopal Shri Swarup Dasgupta (superannuated on 29.02.2024) Shri M. Karthikeyan Smt Monica Kalia (up to 15.11.2022) Shri Subrat Kumar Shri Rajiv Mishra (from 01.03.2024)

b. Subsidiaries:

i. BOI Shareholding Limited
ii. Bank of India Investment Managers Pvt Ltd.
iii. Bank of India Trustee Services Pvt Ltd.
iv. BOI Merchant Bankers Limited
v. PT Bank of India Indonesia Tbk
vi. Bank of India (Tanzania) Limited
vii. Bank of India (New Zealand) Limited
viii. Bank of India (Uganda) Limited

c. Associates:

i. STCI Finance Limited
ii. ASREC (India) Limited
iii. Indo Zambia Bank Limited

d. Regional Rural Banks sponsored by the Bank:

i. Madhya Pradesh Gramin Bank
ii. Vidharbha Konkan Gramin Bank
iii. Aryavart Bank

e. Joint Venture:

i. Star Union Dai-Ichi Life Insurance Co. Limited

Transactions with Related Parties (As compiled by Management and relied upon by the Auditors)

Particulars	With Subsidiaries/ Associates/Joint Ventures		Key Management Personnel & their relatives		TOTAL	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
Transactions during the period						
Interest Received	-	-	-	-	-	-
Interest Paid	698.96	745.65	-	-	698.96	745.65
Dividend received	8.61	6.82	-	-	8.61	6.82
Other Income	394.44	150.67	-	-	394.44	150.67
Sale of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Purchase of Govt. Securities/Treasury Bills	-	-	-	-	-	-
Puchase of Corporate Bonds and Other money market instruments	-	-	-	-	-	-
Deposits accepted	(18.04)	(90.59)	-	-	(18.04)	(90.59)
Matured Deposits	-	-	-	-	-	-
Loans Provided	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-
Sale of NPA	-	-	-	-	-	-
Investments made	-	57.92	-	-	-	57.92
Equity shares issued under Employee's Stock Purchase Scheme	-	-	-	-	-	-
Outstanding	**As on 31.03.2024**	**As on 31.03.2023**	**As on 31.03.2024**	**As on 31.03.2023**	**As on 31.03.2024**	**As on 31.03.2023**
Payable	-	-	-	-	-	-
Deposits accepted	118.61	136.65	-	-	118.61	136.65
Borrowing	-	-	-	-	-	-
Loans given	10.00	10.00	-	-	10.00	10.00
Placement of the Deposits	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
Receivables (Advances)	-	-	-	-	-	-
Investments	180.51	180.51	-	-	180.51	180.51
Non Funded Commitment	-	-	-	-	-	-
Leasing / HP arrangements availed	-	-	-	-	-	-
Leasing / HP arrangements provided	-	-	-	-	-	-
Purchase of fixed assets	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-
Other Assets	7.16	7.66	-	-	7.16	7.66

The transactions with wholly owned subsidiaries and regional rural banks being state controlled, have not been disclosed in view of Para 9 of AS - 18 on Related Party disclosure issued by ICAI exempting 'State Controlled Enterprises' from making any disclosure pertaining to their transactions with other related parties which are also 'State Controlled

Enterprises'. Further, in terms of paragraph 5 of AS 18, transactions in the nature of Banker – Customer relationship have not been disclosed including those with Key Management Personnel and relatives of Key Management Personnel, since the disclosure would conflict with Bank's duties of confidentiality.

6.6 Accounting Standard 19 – Leases: - Operating leases are cancellable at the option of the Bank. The amount of lease expenses recognized in the Profit & Loss Account for such operating lease is ₹ 717.00 (Previous Year: ₹ 676.84).

6.7 Accounting Standard 20 - Earnings per Share in ₹:

Sr. No.	Particulars	2023-24	2022-23
1.	Basic EPS	14.90	9.80
2.	Diluted EPS	14.90	9.80

Calculation of Basic & Diluted E.P.S.:

Sr. No.	Particulars	2023-24	2022-23
(A)	Net Profit/(Loss) for the year attributable to Equity Shareholders	6317.92	4,022.94
(B)	Weighted Average Number of Equity shares (in crore)	424.10	410.36
(C)	Basic Earnings per Share (A/B) (₹)	14.90	9.80
(D)	Weighted Average Number of Equity shares including dilutive potential equity shares (in crore)	424.10	410.36
(E)	Dilutive Earnings per Share (A/D) (₹)	14.90	9.80
(F)	Nominal Value per Share (₹)	10.00	10.00

6.8 Accounting Standard 22 – Accounting for Taxes on Income

6.8.1 The major components of Deferred Tax Assets and Deferred Tax Liabilities are as under:

Sr. No.	Particulars	31.03.2024	31.03.2023
	Deferred Tax Assets		
i)	On account of timing difference towards provision for doubtful debt and advances	3,716.83	7,735.86
ii)	On account of timing difference towards other provisions/items	234.23	165.61
iii)	On account of Foreign Currency Translation Reserve (FCTR)	176.22	271.00
iv)	Others	394.70	579.34
	Total Deferred Tax Assets	**4,521.98**	**8,751.81**

Sr. No.	Particulars	31.03.2024	31.03.2023
	Deferred Tax Liabilities		
i)	On account of Depreciation on fixed assets	151.25	96.26
ii)	On account of interest accrued but not due on investments	831.51	1,102.14
iii)	On account of Deduction in respect of special reserve u/s 36(1)(viii) of the Income Tax Act 1961*	659.40	915.53
	Total Deferred Tax Liabilities	**1,642.16**	**2,113.93**
	Net Deferred Tax Assets / (Liabilities)	**2,879.82**	**6,637.88**

* ₹ 431.67 out of past reserves and balance out of profit

6.8.2 Amount of Provisions made for Income-tax during the year

Particulars	2023-24	2022-23
Current Tax	23.09	136.86
Deferred Tax	3,758.06	2,069.51
Total Tax Expense	**3,781.15**	**2,206.37**

During quarter ended September 30, 2023, the Bank exercised the irreversible option to shift from old tax regime under the Income-tax Act, 1961 to the new tax regime under section 115BAA of the Income-tax Act, 1961, effective from Assessment Year 2023-24. Resultantly, the deferred tax assets (net) as at June 30, 2023 has been re-measured based on the applicable tax rate as per the new regime, resulting in additional one-time charge ₹ 1,459.89 in the Profit and Loss Account in quarter ended September 30, 2023 and year ended March 31, 2024.

6.9 Accounting Standard 24 - Discontinuing Operations:

In consonance with the Government of India directives and as a part of strategic initiatives for rationalisation of Overseas Operations, in Financial year 2019-20, the Bank has sold its overseas subsidiary i.e. Bank of India (Botswana) Ltd. for consideration of ₹ 14.64 and remaining cost of investment of ₹ 19.18 has been fully provided.

For the Financial year 2023-24, we confirm that there is no disinvestment of our overseas subsidiaries.

6.10 Accounting Standard 27 – Investments in Joint Venture

Investments include ₹ 98.17 (Previous year ₹ 98.17) representing Bank's interest in the following jointly controlled entity:

Sr. No.	Name of the Company	Amount	Country of Residence	Holding %
1	Star Union Dai-Ichi Life Insurance Company Ltd.	98.17	India	28.96%

Aggregate amount of assets, liabilities, income and expenses related to the group's interest in jointly controlled entities:

Particulars	31.03.2024	31.03.2023
Liabilities		
Capital & Reserves	353.62	307.51
Deposits	-	-
Borrowings	-	-
Other Liabilities & Provisions	6,972.39	5,405.48
Total	**7,326.01**	**5,712.99**
Assets		
Cash and Balances with Reserve Bank of India	94.04	90.85
Balances with Banks and Money at call and short notice	-	-
Investments	6,939.28	5,419.83
Advances	12.54	7.17
Fixed Assets	19.52	14.75
Other Assets	260.63	180.39
Total	**7,326.01**	**5,712.99**
Capital Commitments	-	-
Other Contingent Liabilities	39.26	33.69
Income		
Interest Earned	22.63	17.14
Other Income	57.83	38.23
Total	**80.46**	**55.37**
Expenditure		
Interest Expended	-	-
Operating Expenses	33.19	18.34
Provisions & Contingencies	(-)0.48	0.21
Total	**32.71**	**18.55**
Profit / (Loss)	**47.75**	**36.82**

6.11 Impairment of Assets (Accounting Standard 28): ₹ Nil

6.12 "Provisions, Contingent Liabilities and Contingent Assets" (Accounting Standard 29)

A. Movement of Provisions for contingent liabilities:

Particulars	Legal cases/contingencies*	
	2023-24	2022-23
Opening Balance	64.09	61.02
Provided during the year	26.74	4.07

Particulars	Legal cases/contingencies*	
	2023-24	2022-23
Amounts used during the year	2.23	1.00
Closing Balance	88.60	64.09
Timing of outflow/uncertainties	Outflow on settlement / Crystallization	

*Excluding provisions for others

B. Contingent Liabilities:

Such liabilities are dependent upon, the outcome of court order/arbitration/out of court settlement, disposal of appeals and the amount being called up, terms of contractual obligations, devolvement and raising of demand by concerned parties, as the case may be. No reimbursement is expected in such cases.

7. Figures of the previous period have been regrouped / reclassified, wherever considered necessary to conform to the current period's classification.

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