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) or any person who controls any or any director, officer, employee or agent of either of them or affiliate of any such person 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 Registrar of Companies of India (the "**ROC**") or the Securities and Exchange Board of India (the "**SEBI**") or the Reserve Bank of India (the "**RBI**") 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**") 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.

In accordance with the regulations issued and notified by the RBI from time to time in relation to external commercial borrowings, including without limitation, (i) the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as notified by the Government of India on 17 December 2018, as amended from time to time (amended up to 16 February 2026), read with the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 dated 9 February 2026, and (ii) the Master Direction – Reporting under Foreign Exchange Management Act, 1999 (RBI/FED/2015-16/13/FED Master Direction No.18/2015-16, dated 1 January 2016 (updated as on 24 June 2026)) issued by the RBI, and modified, supplemented, amended, revised and updated, from time to time and such other circulars, rules, regulations, notifications, press notes, directions and/or orders issued by the RBI or any other governmental agency in India in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time ("**ECB Regulations**"), only (i) a person resident outside India; (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined in the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time), or a branch of a financial institution set up in an International Financial Service Centre ("**IFSC**"), that satisfy all other conditions set out in respect of eligible investors (i.e., 'recognised lenders' '**Recognised ECB Lender(s)**') under the ECB Regulations are eligible to acquire, own or sell the Notes, issued by the Issuer through its Head Office, denominated in INR or any other currency as may be applicable. The proceeds of such Notes will not be used for purposes which are prohibited under the ECB Regulations.

The Offering Circular is being sent at your request and by accepting the electronic mail and accessing the Offering Circular, if you invest in Notes issued by the Issuer through the Head Office, you shall be deemed to have represented to us that you are a Recognised ECB Lender.

The holders and beneficial owners of the Notes, issued by the Issuer through the Head Office, shall be deemed to confirm that for so long as they hold any Notes, they will fulfil the criteria of a 'Recognised ECB Lender' under the ECB Regulations.

Further, all holders and beneficial owners of the Notes, issued by the Issuer through the Head Office, represent and agree that the Notes will not be offered or sold on the secondary market to any person who does not fulfil the criteria of a 'Recognised ECB Lender' under the ECB Regulations.

Offering Circular dated 16 September 2026

Punjab National Bank

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

U.S.$1,500,000,000
Medium Term Note Programme

Under this U.S.$1,500,000,000 Medium Term Note Programme (the "**Programme**", as amended supplemented or restated), Punjab National Bank (the "**Issuer**" or the "**Bank**"), acting through its head office in India ("**Head Office**") or its IFSC Banking Unit at GIFT City ("**GIFT City Branch**") or other branch of the Issuer outside the Republic of India, as the case may be, may from time to time issue notes (the "**Notes**", which expression shall include Senior 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.$1,500,000,000 (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 has been made to the Global Securities Market ("**GSM**") of the India INX for the Programme and any subsequent Notes to be admitted for trading on the India INX. **India INX has not approved or verified the contents of this Offering Circular.**

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 on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

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) 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 "*Risk Factors*" 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 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.

This Offering Circular has not been and will not be registered as a prospectus or a statement in lieu of a prospectus in respect of a public offer, information memorandum or private placement offer letter or any other offering material with the Registrar of Companies in India in accordance with the Companies Act, 2013, as amended from time to time, and other applicable Indian laws for the time being in force. This Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India, including, but not limited to, the SEBI, the RBI, the IFSCA, any Registrar of Companies or any Indian stock exchanges in India. 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*".

In accordance with the provisions of the ECB Regulations (as defined in this Offering Circular), only investors that meet the following eligibility requirements as a Recognised ECB Lender are permitted to subscribe for, acquire, own, hold or transfer the Notes issued by the Issuer through its Head Office. A Recognised ECB Lender must be: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time) or a branch of a financial institution set up in the IFSC. This Offering Circular is being sent at your request and by accepting the electronic mail and accessing this Offering Circular, if you invest in Notes issued by the Issuer through its Head Office, you shall be deemed to have represented to us that you are a Recognised ECB Lender.

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 U.S. Securities Act of 1933, as amended (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 is expected to be rated "BBB-" by Fitch Ratings Inc., "Baa3" by Moody's Investors Service Limited and "BBB+" by CareEdge Global IFSC Limited. Notes issued under the Programme may be rated or unrated by either of the rating agencies referred to above, provided that the Notes shall be rated by at least one credit rating agency registered with the IFSCA. 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.

Arrangers and Dealers

Citigroup **HSBC**

The date of this Offering Circular is 16 September 2026.

The Issuer accepts responsibility for 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 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. 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 the Agents and each of their respective directors, officers, employees, representatives, agents, affiliates and 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 and advisers and each person who controls any of them expressly does 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.

Potential investors should seek independent advice and verify compliance with the requirements under the ECB Regulations (as defined in this Offering Circular) prior to any purchase of Rupee Denominated Notes issued by the Issuer through its Head Office.

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 and the Trustee and the Agents and each of their respective directors, officers, employees, representatives, agents, affiliates and 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 or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them 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, the United Kingdom ("UK"), the Netherlands, Japan, India, Singapore, Hong Kong, United Arab Emirates, Dubai International Financial Centre. 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 or 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 Mediation 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 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 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.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). For a description of other restrictions, see "*Subscription and Sale*".

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 per cent. 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.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a body corporate (nationalised bank) constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time ("**Banks Nationalisation Act**") and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended from time to time ("**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, as amended from time to time (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 ("**GOI**") 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 GOI to be a reciprocating territory for the purposes of Section 44A of the Civil Code. Since the United Kingdom has been declared by GOI 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 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.

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 2026, 2025 and 2024 and (ii) the unaudited reviewed standalone financial statements of the Issuer for the three months ended 30 June 2026 and 2025 (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 2026, 31 March 2025 and 31 March 2024, and for the three months ended 30 June 2026 and 2025. The selected 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 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 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 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 Banks Nationalisation Act, applicable circulars, master directions and guidelines issued by the RBI from time to time, including the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time, Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, in so far as they apply to the Bank.

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 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.

INDUSTRY AND MARKET DATA

Certain industry and market share data in this Offering Circular are derived from data of the RBI or the Director General of Commercial Intelligence and Statistics. Certain other information regarding market position, growth rates and other industry data pertaining to the Bank's business contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources and on the Bank's knowledge of its markets. 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 "*Risk Factors*" 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 Additional Tier 1 Notes issued under this Programme, by its acquisition of such Additional Tier 1 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 Additional Tier 1 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 Programme, (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.

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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 standalone annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, interim 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/. 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.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes through its Head Office, its GIFT City Branch, or other branch of the Issuer outside the Republic of India, as the case may be, 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 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.$1,500,000,000 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.

The offering of the Notes 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 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 in accordance with the regulations issued and notified by the RBI from time to time in relation to external commercial borrowings, including without limitation, (i) the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as notified by the Government of India on 17 December 2018, as amended from time to time (amended up to 16 February 2026), read with the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 dated 9 February 2026, and (ii) the Master Direction – Reporting under Foreign Exchange Management Act, 1999 (RBI/FED/2015-16/13/FED Master Direction No.18/2015-16, dated 1 January 2016 (updated as on 24 June 2026)) issued by the RBI, and modified, supplemented, amended, revised and updated, from time to time and such other circulars, rules, regulations, notifications, press notes, directions and/or orders issued by the RBI or any other governmental agency in India in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time (the "**ECB Regulations**").

Each purchaser of 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 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.

The Issuer through its Head Office will issue the Notes under the Programme in accordance with the ECB Regulations.

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	Punjab National Bank, acting through its Head Office, its International Financial Service Centre Banking Unit at GIFT City ("**GIFT City Branch**"), or other branch of the Issuer outside the Republic of India (as specified in the relevant Pricing Supplement).
Description	Medium Term Note Programme
Arrangers	Citigroup Global Markets Limited The Hongkong and Shanghai Banking Corporation Limited
Dealers	Citigroup Global Markets Limited The Hongkong and Shanghai Banking Corporation Limited
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, Calculation Agent and Transfer Agent	Citibank, N.A., London Branch.
Registrar	Citicorp International Limited.
Programme Size	U.S.$1,500,000,000 (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.
Risk Factors	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 "*Risk Factors*" 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. Additional Tier 1 Notes are perpetual and have no maturity date. The maturity date of the Notes issued by Issuer from its Head Office will be subject to the guidelines issued by the RBI from time to time including the ECB Regulations.
Issue Price.....	Notes may be issued on a fully-paid or (in the case of Notes other than Additional Tier 1 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 issued in bearer form and/or registered form as described under "*Form of the Notes*".
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 Additional Tier 1 Notes, only with the conditions for redemption as set out in Condition 7.12 having been satisfied), or (iii) in the case of Additional Tier 1 Notes, for certain regulatory reasons (only with the conditions for redemption as set out in Condition 7.12 having been satisfied) or (iv) following an Event of Default (as defined in Condition 11) (in the case of Senior Notes, in accordance with the provisions of Condition 11.1 and in the case of Additional Tier 1 Notes, only in accordance with the provisions of Condition 11.2), or that such Notes will be redeemable at the option of the Issuer (in the case of Additional Tier 1 Notes only with the conditions for redemption as set out in Condition 7.12 having been satisfied) and/or (except in the case of Additional Tier 1 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.

	The applicable Pricing Supplement may provide that Notes may be redeemable in separate instalments in such amounts and on such dates as are indicated in the applicable Pricing Supplement.
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 9), subject as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, 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 6.7.
Negative Pledge	The terms of the Notes (other than Additional Tier 1 Notes) will contain a negative pledge provision as further described in Condition 4.
Cross Default	The terms of the Notes (other than Additional Tier 1 Notes) will contain a cross default provision as further described in Condition 11.
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 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 3.2 and 11.2, 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 Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 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 7.6. *Pursuant to Section 18 (Dissolution) of 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 5.7 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 5.7(d). See Condition 5.7 for further details.
Additional Tier 1 Notes Loss – Absorption.....	In the event of a PONV Trigger Event, Additional Tier 1 Notes will be subject to interest cancellation and Write-Down (as defined in Condition 8.1(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 8.2(b)) being at the Issuer's option and subject to regulation. See Condition 8 for further details.
Listing.....	Application will be made to the GSM of the India INX for the Notes to be admitted for trading on the India INX. The listing of the Notes will be in compliance with the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended from time to time. 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 for general corporate purposes or such other activities as are permitted under applicable laws in India. The proceeds from the issue of Notes from the Issuer's Head Office, will be utilised as per the requirements under the ECB Regulations.
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 2.8 of the Trust Deed, and in the case of Additional Tier 1 Notes, Condition 3.2 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 Italy and The Netherlands), the UK, India, Hong Kong, Japan, Singapore 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 and/or TEFRA C or D or TEFRA are not applicable, as specified in the applicable Pricing Supplement.

FORM OF THE NOTES

Words and expression defined in "Terms and Conditions of the Notes" shall have the same meanings in this section.

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 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 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 successor or 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 15 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) may give notice to the Principal Paying Agent requesting exchange and the Issuer may also 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 6.3) 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 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 15 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) 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, 5, 6, 7, 7 (except Condition 7.2), 12, 13, 14, 15 (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 19, 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.

APPLICABLE 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]

Punjab National Bank acting through its [Head Office]/[IFSC Banking Unit at GIFT City]/[specify other foreign branch] Branch

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$ 1,500,000,000
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 16 September 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 Mediation 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 "*Risk Factors – 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*

[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.

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) 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:		Punjab National Bank, acting through its [Head Office]/[IFSC Banking Unit at GIFT City]/[specify other foreign branch] Branch
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 [●] 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, Additional Tier 1 Notes shall be perpetual*) (*N.B.: The maturity date of the Notes issued by Head Office will be subject to the guidelines issued by the RBI from time to time including the ECB Regulations.*)
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) [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, Additional Tier 1 Notes will not have any step-up option. Additional Tier 1Notes 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] (*N.B. – Investor Put is not possible for Additional Tier 1 Notes) [Issuer Call] (N.B. – For Additional Tier 1 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*] (*N.B. Conditions related to the maturity, redemption, put/call and similar features of Notes issued by Head Office will be subject to the guidelines issued by the RBI from time to time including ECB Regulations.*)
13	Status of the Notes:	[Senior/Additional Tier 1]
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:	[Specify/None] (*N.B. – Consider disclosure requirements under the EU Prospectus Regulation applicable to securities admitted to an EU regulated market)*
16	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17	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] 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*]
18	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:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*] [Not Applicable]
	(c)	Business Centre(s):	[Not applicable / give details][2] For the avoidance of doubt, "Business Day" for these Notes shall include the following: (a) [give details as per above is applicable][3]

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

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

		(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/s*pecify 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 EURIBOR0], 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*)

[4] For USD denominated drawdowns

[5] For SGD denominated drawdowns

[6] For sterling denominated drawdowns

[7] For euro denominated drawdowns

(h)	SONIA Benchmark:	[Applicable/Not Applicable] (*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]
	(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]
19	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*]
20	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	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

	Index and/or Formula is impossible or impracticable:	
(e)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
(g)	Business Centre(s):	[Not applicable / give details][8] For the avoidance of doubt, "Business Day" for these Notes shall include the following: (a) [give details as per above is applicable][9] (b) [New York City][10] / [Singapore][11] / [London][12] / [TARGET Business Day being any day on which T2 is open for the settlement of payments in euro][13]]
(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*)
21	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)

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

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

[10] For USD denominated drawdowns

[11] For SGD denominated drawdowns

[12] For sterling denominated drawdowns

[13] For euro denominated drawdowns

	(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

22	Notice periods for condition [Redemption and Purchase – Redemption for tax reasons]:		Minimum period: [30] days Maximum period: [60] days
23	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*)
24	Investor Put:		[Applicable/Not Applicable] (*N.B. – Investor Put is not applicable for Additional Tier 1 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*)
25	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 14 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.]
26	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% 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% 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

27	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: Global Note (U.S.$[●] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream

28	Financial Centre(s) or other special provisions relating to Payment Dates:	[Not applicable / *give details*][14] For the avoidance of doubt, "Payment Day" for these Notes shall include the following: (a) [give details as per above is applicable][15] (b) [New York City][16] / [Singapore][17] / [London][18] / [TARGET Business Day being any day on which T2 is open for the settlement of payments in euro][19]] (*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*)
29	Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form:	[Yes/No. If yes, *give details*]
30	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*)
31	Details relating to Instalment Notes:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraph of this paragraph*)
	(a) Instalment Amount(s):	[*give details*]
	(b) Instalment Date(s):	[*give details*]
32	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*))
33	Other terms or special conditions:	[Not Applicable/*give details*]
DISTRIBUTION		
34	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give names*]
35	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give names*]

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

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

[16] For USD denominated drawdowns

[17] For SGD denominated drawdowns

[18] For sterling denominated drawdowns

[19] For euro denominated drawdowns

36	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
37	Whether Category 1 or Category 2 applicable in respect of the Notes offered and sold in reliance on Regulation S:	[Category 1/Category 2]
38	Additional selling restrictions:	[Not Applicable/*give details*]
39	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.*)
40	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

41	(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

42	Any clearing system(s) other than Euroclear and Clearstream and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
43	Delivery:	Delivery [against/free of] payment
44	Additional Paying Agent(s) (if any):	[●]

ISIN:	[●]
Common Code:	[●]
Financial Instrument Short Name:	[●]
Classification of Financial Instruments Code:	[●]
Legal Entity Identifier:	[●]

[**LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$[●] Medium Term Note Programme of Punjab National Bank, [acting through its [Head Office]/[GIFT City Branch]/[specify other foreign branch] Branch].]

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 Punjab National Bank (the "**Issuer**"), acting through its head office in India ("**Head Office**") or its International Financial Services Centre Banking Unit at GIFT City ("**GIFT City Branch**") or other branch of the Issuer outside the Republic of India, as specified in the applicable Pricing Supplement, and constituted by a trust deed dated 16 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 16 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 other paying agents appointed from time to time in accordance with the Agency Agreement, the "**Paying Agents**", which expression shall, unless the context otherwise requires, include any additional or successor paying agents), as transfer agent (the "**Transfer Agent**", which expression shall include any additional or successor 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 or an Additional Tier 1 Note, as indicated in the applicable Pricing Supplement.

Additional Tier 1 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 in Hong Kong. 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 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 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 upon 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, 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.

Exchanges or transfers by a holder of a Definitive Registered Note for an interest in, or to a person who takes delivery of such Note through, a Registered Global Note will be made no later than 60 days after the receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the Definitive Registered Note to be so exchanged or transferred and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7.3, 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 an Additional Tier 1 Note (the "**Issued Nominal Amount**"), as reduced pursuant to any write-down and as increased pursuant to any Reinstatement from time to time. All references in these Conditions to "**nominal amount**" will, in respect of Additional Tier 1 Notes, refer to Outstanding Nominal Amount or Issued Nominal Amount, as relevant and unless otherwise specified; and

"**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;

"**RBI Guidelines**" means the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025, as may be amended, revised, modified, supplemented or updated from time to time, including without limitation, any relevant press releases, notifications, regulations, guidelines, circulars, directions, which may be issued by the RBI (in relation to the capital adequacy norms) from

time to time, each as amended, revised, modified, supplemented or updated at any time as applicable 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 Additional Tier 1 Notes

This Condition 3.2 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 3.2(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 Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time) (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 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 Couponholders 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 11.3.

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 8, the Additional Tier 1 Notes will absorb losses in accordance with Condition 3.2(b).

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, and will procure that none of its Subsidiaries (as defined below) will, 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 or any of its Subsidiaries 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 securities of the Issuer or any of its Subsidiaries 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.

(b) "**Subsidiary**" means, in relation to the Issuer, any company (i) in which the Issuer holds a majority of the voting rights or (ii) of which the Issuer is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer, except where such holding, right, membership or control arises solely as a result of the Issuer enforcing any security granted to it in relation to a loan or advance made to a borrower in the ordinary course of the Issuer's business.

5 Interest

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (in the case of an Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 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 5.1:

(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.

5.2 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 an Additional Tier 1 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, 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), all as determined by the Principal Paying Agent or such other party specified in the applicable Pricing Supplement.

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 5.8(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:

"**$\mathrm{SOFR}_{i\text{-}x\mathrm{USBD}}$**" 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 5.8, 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 5.8 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 5.8 shall apply;

"**SOFR Index$_{End}$**" 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$_{Start}$**" 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

"**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 11, 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 5.8(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;

"$\mathbf{d_0}$" 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;

"$\mathbf{n}_i$", 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;

"$\mathbf{SONIA}_i$" 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 5.8(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$_{\text{START}}$**" 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$_{\text{END}}$**" 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 5.8(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 5.8(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 5.8(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 11, 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 remains 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 5.2:

(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 15 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 15. 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

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent is unable 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) 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 / Independent Adviser of the Issuer 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 / Independent Adviser of the Issuer 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 and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, 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 or fraud) 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.

5.3 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.

5.4 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.

5.5 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.

5.6 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 5.2(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:

(i) 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 Business Centre (other than T2) specified in the applicable Pricing Supplement;

(ii) if T2 is specified as a 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 (the "**T2**") is open; and

(iii) 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.

5.7 Payment limitation – Additional Tier 1 Notes

This Condition 5.7 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-paragraph (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 Bank shall make the appropriation from the statutory reserves. In such cases, the Bank 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 5.7, or is cancelled pursuant to Condition 8, 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 5.7 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 5.7. 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 5.7, 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 15) 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 5.7(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.

5.8 Interest on Floating Rate Notes and Index Linked Interest Notes

(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 5.8(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 5.8(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 5.8(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 5.8(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 5.8(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 Signatory 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 5.8(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 Additional Tier 1 Notes and/or the Notes 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 5.8(a) will be notified promptly by the Issuer to the Trustee, the Principal Paying Agent and, in accordance with Condition 15, 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 of the same, the Issuer shall deliver to the Trustee a certificate in English signed by an Authorised Signatory 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 5.8(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.

The Trustee shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof and shall not 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 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 5.8(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 the 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 5.8(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 5.8(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 5.8(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 Additional Tier 1 Notes and/or the Notes 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 5.8(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 5.8(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.

6 Payments

6.1 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.

6.2 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 6.1 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 6.1 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 6.1 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 9.2) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) 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 an Additional Tier 1 Note at the specified office of any Paying Agent, the Outstanding Nominal Amount of the Additional Tier 1 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 Additional Tier 1 Note and (2) the Outstanding Nominal Amount of the Additional Tier 1 Note as at the date on which it is so presented, be endorsed on the relevant Additional Tier 1 Note prior to any payment in respect of such Additional Tier 1 Note being made.

6.3 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 6.1 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 6.1 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 6.1(a), application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

6.4 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.

6.5 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 10) 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 Financial Centre (other than T2) specified in the applicable Pricing Supplement; and

(b) if T2 is specified as a 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 T2 is open.

6.6 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 9 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 7.6); 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 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6.7 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 9 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.

7 Redemption and Purchase

For the avoidance of doubt, any redemption or repurchase of Additional Tier 1 Notes under this Condition 7 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.

7.1 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 7.2, 7.3 or 7.4 and subject to the conditions and limitations set forth therein.

7.2 Redemption or variation for tax reasons

In the case of Senior Notes, at any time prior to the applicable Maturity Date or, in the case of 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 15, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 8 in respect of Additional Tier 1 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 9, or (in the case of Additional Tier 1 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 Additional Tier 1 Notes, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 9.2) 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 Additional Tier 1 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 Additional Tier 1 Notes, the Conditions for Redemption set out in Condition 7.12 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 Additional Tier 1 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 Additional Tier 1 Notes so that they become or remain Qualifying Additional Tier 1 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 Signatory 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 7:

"**Qualifying Additional Tier 1 Notes**" means instruments issued by the Issuer (or by Punjab National Bank acting through another of its branches) that:

(a) 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), including that they are fully paid-in;

(b) have terms and conditions not materially less favourable to a Noteholder than the Additional Tier 1 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 Additional Tier 1 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);

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

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

(e) 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);

(f) have at least the same Outstanding Nominal Amount and interest payment or distribution dates as the Additional Tier 1 Notes and at least equal interest or distribution rate or rate of return as the Additional Tier 1 Notes;

(g) are listed on the same stock exchange as the Additional Tier 1 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);

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

(i) (where the instruments are varied prior to the first-occurring Optional Redemption Date) have the same issuer call date as the Additional Tier 1 Notes;

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

(k) 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) under the RBI Guidelines then applicable to the Issuer.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 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 Additional Tier 1 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 15; 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 7 in respect of Additional Tier 1 Notes, be irrevocable, redeem all or (except in the case of Additional Tier 1 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 5.7 in respect of Additional Tier 1 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 15 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 Additional Tier 1 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.

7.4 Redemption or Variation for Regulatory Reasons

Subject to the Conditions for Redemption in Condition 7.12 having been satisfied, the Issuer may elect at its sole discretion to redeem the Additional Tier 1 Notes in whole, but not in part, at any time prior to the first Optional Redemption 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 15, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 8, be irrevocable), if a Regulatory Event has occurred.

In the case of Additional Tier 1 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 Additional Tier 1 Notes so that they become or remain Qualifying Additional Tier 1 Notes.

A "**Regulatory Event**" occurs if, as 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 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 Signatory of the Issuer stating that the circumstances referred to in this Condition 7.4 exist and are prevailing (including the requirements of Condition 7.12) 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.

Additional Tier 1 Notes redeemed pursuant to this Condition 7.4 will be redeemed at their Early Redemption Amount.

7.5 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 15 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.

7.6 Early Redemption Amounts

For the purpose of Conditions 7.2 and 7.5 above and Condition 11:

(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 Additional Tier 1 Note will be redeemed at its Outstanding Nominal Amount together with any accrued (subject to Condition 5.7) but unpaid interest relating to the then current Interest Period up to (and excluding) the date on which the Additional Tier 1 Note is redeemed,

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

7.7 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 7.6 above.

7.8 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.

7.9 Purchases

The Issuer or any of its Subsidiaries may at any time purchase (i) Senior Notes and (ii) (subject to the Conditions for Redemption) Additional Tier 1 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.

7.10 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 7.9 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.

7.11 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 7.1, 7.2, 7.3 or 7.5 above or upon its becoming due and repayable as provided in Condition 11 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 7.6(b) 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 15.

7.12 Conditions for Redemption or Purchase of Additional Tier 1 Notes

The Issuer shall not redeem or vary any of the Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 Notes; and

(iii) in the case of a redemption or purchase, either (A) the Issuer replaces the Additional Tier 1 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 Additional Tier 1 Notes under this Condition 7, the Issuer shall deliver to the Trustee a certificate signed by an Authorised Signatory 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.

8 Loss Absorption – Additional Tier 1 Notes

Each holder of Additional Tier 1 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 8.

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 Additional Tier 1 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.

8.1 Principal write-down on PONV Trigger Event

This Condition 8.1 is applicable only to Additional Tier 1 Notes. If a PONV Trigger Event occurs, the Issuer will:

(a) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 15 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), 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 Additional Tier 1 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 8.1, 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.

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 44A of 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. 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.

8.2 Principal write-down on CET1 Trigger Event

This Condition 8.2 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 15 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 8.2(b). Once the nominal amount of an Additional Tier 1 Note has been Written Down pursuant to this Condition 8.2, it may only be restored in accordance with Condition 8.2(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 44A 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 8.2(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 15 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.

8.3 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 Signatory 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 8.1; and (ii) any Write-Down in accordance with Condition 8.2(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; and

(j) "**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 Additional Tier 1 Notes and the write-down or conversion into equity of any Tier 1 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.

9 Taxation

9.1 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 9.2), 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 6.5); 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.

9.2 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 15.

10 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 9.2) 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 6.2 or any Talon which would be void pursuant to Condition 6.2.

11 Events of Default and Enforcement

11.1 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 or any of its Subsidiaries becomes capable of being declared due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Subsidiary, 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 or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) the Issuer or any of its Subsidiaries 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 the Issuer or the relevant Subsidiary is prohibited from making payment of any such amount by the order of a court having appropriate jurisdiction, provided 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 subparagraph (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 or any of its Subsidiaries, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution; or

(e) if the Issuer or any of its Subsidiaries ceases or threaten 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 the Issuer or any of its Subsidiaries 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

(f) if the Issuer (or its directors) or any of its Subsidiaries 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

(g) 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 any of its Subsidiaries; or

(h) 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

(i) 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 or any of its Subsidiaries without fair compensation; or

(j) if the Issuer or any of its Subsidiaries is or becomes entitled or subject to, or is declared by law or otherwise to be protected by immunity (sovereign or otherwise) and Condition 20.4 is held to be invalid or unenforceable; or

(k) if (i) proceedings are initiated against the Issuer or any of its Subsidiaries 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 any of its Subsidiaries 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

(l) if the Government ceases to own, directly or indirectly, more than 50.00 per cent. of the voting securities of the Issuer; or

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

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.

11.2 Rights of enforcement relating to Additional Tier 1 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 Additional Tier 1 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 Additional Tier 1 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 7.6.

11.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take 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.

12 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.

13 Principal Paying Agent, Registrar, Exchange Agent, Paying and Transfer Agents

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Registrar, the initial Calculation Agent 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 Exchange Agent, the Registrar, the Calculation Agent or the Transfer Agent and/or appoint additional or other Paying Agents, Exchange 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;

(ii) there will at all times be a Registrar and a Principal Paying Agent; and

(iii) so long as any Registered Global Notes are denominated in a Specified Currency other than U.S. dollars, there will at all times be an Exchange 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 6.2. Any appointment, variation, termination or change in Paying Agents will be given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Principal Paying Agent, the Exchange 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.

14 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 9.

15 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 15.

16 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 in the Trust Deed) 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 is, in its opinion, of a formal, minor or technical nature or 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 15 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 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Issuer may at any time, without the consent of the Trustee, elect to substitute (the "**Substitution**") the Head Office or the GIFT City Branch, or any other foreign branch of the Issuer (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 15.

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 16 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.

17 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.

18 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.

19 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.

20 Governing Law and Submission to Jurisdiction

20.1 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 2.8 of the Trust Deed and in the case of Additional Tier 1 Notes, Condition 3.2, are governed by, and shall be construed in accordance with, Indian law.

20.2 Submission to jurisdiction

(a) Subject to Condition 20.2(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 20.2, 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 20.2(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.

20.3 Appointment of Process Agent

The Issuer irrevocably appoints Punjab National Bank (International) Limited 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 Punjab National Bank (International) Limited 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.

20.4 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 Notes shall be utilised by the Issuer for general corporate purposes or such other activities as are permitted under applicable laws in India. The proceeds from the issue of Notes from the Issuer's Head Office, will be utilised in accordance with the ECB Regulations.

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	
	(₹ in billions)	*(U.S.$ in billions)[(1)]*
SHORT-TERM LIABILITIES		
Deposits due to Banks	22.59	0.24
Other Deposits	770.62	8.14
Demand Liabilities	5,337.99	56.39
Other Liabilities	377.04	3.98
Total	**6,508.24**	**68.75**
LONG-TERM LIABILITIES		
Term Deposits	11,117.17	117.44
Other Liabilities	0.00	0.00
Total	**11,117.17**	**117.44**
Borrowings	**792.64**	**8.37**
SHAREHOLDER FUNDS		
Share Capital	22.99	0.24
Reserve and Surplus	1,462.08	15.45
Total	1,485.07	15.69
Total Capitalisation	19,903.12	210.25
Capital Adequacy Ratio (%) calculated under Basel III	18.13%	18.13%
Tier 1 (%)	16.03%	16.03%
Of which CET 1 (%)	14.52%	14.52%
Tier 2 (%)	2.1%	2.1%

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) Standalone contingent liabilities as at 30 June 2026 were Rs. 5,144.85 billion.

(3) There has been no significant change in the standalone indebtedness or capitalisation or standalone contingent liabilities of the Bank since 30 June 2026.

(4) Other liabilities include bills payable, inter-office adjustments(net), interest accrued, deferred tax liability (net) and others include provisions which has not been segregated as short-term or long-term.

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	**For the year ended 30 June**	
	2026	**2025**
	(₹ in billions)	
	(unaudited but reviewed)	
CAPITAL AND LIABILITIES		
Capital	22.99	22.99
Reserves and Surplus	1,462.08	1,296.67
Minority Interest	-	-
Deposits	17,248.37	15,893.79
Borrowings	792.64	712.61
Other Liabilities and Provisions	377.04	407.09
TOTAL	19,903.12	18,333.15
ASSETS		
Cash and Balances with Reserve Bank of India	712.43	713.84
Balances with Banks and Money at Call and Short Notice	903.12	675.64
Investments	4,862.22	5,094.06
Advances	12,413.99	10,919.81
Fixed Assets	155.23	155.12
Other Assets	856.13	774.68
TOTAL	19,903.12	18,333.15

Particulars	For the year ended 31 March		
	2026	2025	2024
		(₹ in billions)	
		(audited)	
CAPITAL AND LIABILITIES			
Capital	22.99	22.99	22.02
Reserves and Surplus	1,403.51	1,250.64	1,042.74
Deposits	17,111.26	15,666.23	13,697.13
Borrowings	823.14	837.77	504.30
Other Liabilities and Provisions	498.02	404.08	352.16
TOTAL	19,858.92	18,181.71	15,618.35
ASSETS			
Cash and Balances with Reserve Bank of India	608.56	643.05	650.33
Balances with Banks and Money at Call and Short Notice	1,010.91	844.15	640.72
Investments	4,941.12	4,973.11	4,203.18
Advances	12,252.92	10,774.75	9,344.30
Fixed Assets	155.77	130.53	123.19
Other Assets	889.64	816.12	656.63
TOTAL	19,858.92	18,181.71	15,618.35
Contingent Liabilities	4,875.88	6,522.44	2,235.24
Bills for Collection	355.66	395.13	360.19

Standalone Profit and Loss Account derived from the financial statements

	Period ended 31 March		
	2026	2025	2024
		(₹ in billions)	
		(audited)	
I. Income			
Interest earned	1,282.23	1,217.61	1,069.02
Other Income	187.94	163.09	133.83
Total	1,470.17	1,380.70	1,202.85
II. Expenditure			
Interest expended	862.63	789.79	668.19
Operating expenses	314.64	322.61	285.36
Provisions and contingencies	123.86	102.00	166.86

	Period ended 31 March		
	2026	**2025**	**2024**
		(₹ in billions)	
		(audited)	
Total	1,301.13	1,214.40	1,120.41
III. Profit			
Net Profit for the period	169.04	166.30	82.45
Balance in Profit & Loss Account	0.02	0.01	0.01
IV. Appropriations			
Transfer to Statutory Reserves	42.26	41.58	20.61
Transfer to Capital Reserves	15.99	4.74	0.46
Transfer to Investment Fluctuation Reserve	8.30	10.50	2.89
Transfer to Special Reserve as per Income Tax Act	9.25	17.00	3.97
Proposed Dividend	34.48	33.32	16.52
Transfer to Other Reserves	58.76	59.15	37.99
Balance in Profit and Loss Account	0.02	0.02	0.01
Total	169.06	166.31	82.45
Earning per Share (Rs.) (Basic/Diluted)	14.71	14.77	7.49
(Nominal Value Rs.2 per share)			

Standalone Cash Flow Statement derived from the financial statements

Particulars		Year Ended 31 March		
		2026	**2025**	**2024**
			(₹ in billions)	
			(audited)	
A.	**Cash Flow from Operating Activities**			
	Net Profit/ (Loss) after Tax	169.04	166.30	82.45
	Provision for Tax	98.46	85.26	49.49
(I)	**Net Profit/ (Loss) before tax**	**267.50**	**251.56**	**131.94**
(II)	Adjustments for:			
	Depreciation on Fixed Assets	12.72	9.47	8.95
	(Profit)/Loss on sale of Fixed Assets (net)	(0.07)	(0.04)	(0.07)
	Depreciation/(Release) and Provision on Investments (Net)	(10.18)	(11.68)	(7.42)
	Interest paid on Bonds	28.45	31.09	29.56

Particulars		Year Ended 31 March		
		2026	2025	2024
			(₹ in billions)	
			(audited)	
	Provisions for Non Performing Assets	20.04	18.97	123.45
	Provision on Standard Assets	1.62	(3.03)	0.87
	Other Provision (net)	16.07	0.93	7.12
	Dividend from Subsidiary/Others	(0.92)	(0.41)	(0.33)
	Profit on Sale of equity Investments held in AFS	0	0.00	0
	Income from investment in Subsidiaries/Joint Ventures/Associates	0	0	(1.37)
	(Profit)/Loss on sale of Investments held in SBJVAS	(9.48)	0	
	Sub Total	**58.25**	**45.30**	**160.76**
(III)	**Adjustment for:**			
	Decrease / (Increase) in Investments	45.95	(733.47)	(228.10)
	Decrease / (Increase) in Advances	(1,493.26)	(1,443.98)	(1,159.42)
	Decrease / (Increase) in Other Assets	(172.23)	(194.26)	(11.34)
	Increase / (Decrease) in Deposits	1,445.03	1,969.10	885.50
	Increase / (Decrease) in Borrowings	40.27	346.97	(79.64)
	Increase / (Decrease) in Other Liabilities & Provisions	70.05	31.79	39.60
	Sub Total	**(64.19)**	**(23.85)**	**(553.40)**
	Cash generated from Operations	**261.56**	**273.01**	**(260.70)**
	Direct Taxes paid (net off refund)	1.46	(50.29)	(18.25)
	Net Cash from/(used) in Operating Activities	**263.02**	**222.72**	**(278.95)**
B	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets	(15.76)	(15.91)	(11.58)
	Sale of Fixed Assets	0.21	0.16	0.21
	Dividend received from Subsidiary/Others	0.92	0.41	0.33
	Investment in Subsidiary/Others (net)	0.47	0	(4.35)
	Net Cash from/(used) in Investing Activities	**(14.16)**	**(15.34)**	**(15.39)**
C	**Cash flow from Financing Activities**			
	Proceeds of Issuance of Equity Shares including Share Premium (Net of issue expense)	0	49.88	0
	Issue/(Redemption) of Bonds (net)	(54.89)	(13.50)	71.02
	Interest paid on Bonds	(28.45)	(31.09)	(29.56)
	Dividend paid	(33.25)	(16.52)	(7.16)
	Net Cash from/(used) in Financing Activities	**(116.59)**	**(11.23)**	**34.30**
D	**Net Change in Cash and Cash Equivalents Cash and Cash Equivalents at the beginning of the year**	**132.27**	**196.15**	**(260.04)**
	Cash and Balances with Reserve Bank of India	643.05	650.33	781.77

Particulars	Year Ended 31 March		
	2026	2025	2024
		(₹ in billions)	
		(audited)	
Balances with Banks & Money at Call & Short Notice	844.15	640.72	769.32
	1,487.20	**1,291.05**	**1,551.09**
Cash and Cash Equivalents at the end of the year	608.55	643.05	650.33
Cash and Balances with Reserve Bank of India	1,010.92	844.15	640.72
Balances with Banks & Money at Call & Short Notice	**1,619.47**	**1,487.20**	**1,291.05**

Note:

(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

RISK FACTORS

This Offering Circular contains certain forward-looking statements that involve risks and uncertainties. Our financial performance may differ from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Offering Circular. Prospective investors should carefully consider the following risk factors as well as other information included in this Offering Circular prior to making any investment decision. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, results of operations and financial condition could be adversely affected, the trading price of the Notes could decline, and investors may lose all or part of the value of their investment.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. In order to obtain a complete understanding of our business, you should read this section in conjunction with the section "Structure of India's Banking Industry", as well as other financial information contained in this Offering Circular. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue.

Our fiscal year ends on 31 March of each year, and references to a particular fiscal year are to the twelve months ended 31 March of that year. Unless otherwise specified or as the context requires, financial information herein for Fiscals 2024, 2025 and 2026 is derived from our Audited Standalone Financial Statements, and the financial information for the three months ended 30 June 2025 and 2026 is derived from our Unaudited Limited Reviewed Standalone Financial Results, included in this Offering Circular.

Unless otherwise stated, references to "the Bank" or "our Bank", are to Punjab National Bank on a standalone basis and references to "we", "us", "our", are to Punjab National Bank on a consolidated basis.

Risks Relating to Our Business

Weakness or failures of our internal control system may cause significant operational errors, which may in turn materially and adversely affect our business

We are exposed to operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing our business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. Given the high volume of transactions that we handle on a day-to-day basis, certain errors may be repeated or compounded before they are discovered and successfully rectified.

We have, in the past, detected fraud involving certain accounts through connivance or collusion between borrowers and our employees, which led to losses, downgrade of credit ratings and reputational harm. In Fiscals 2024, 2025 and 2026 and the three months ended 30 June 2025 and 2026, there were 7,112, 2,920, 544, 71 and 31 fraud cases reported by the Bank to RBI, respectively. In the past, we have also been subject to a criminal complaint by the RBI alleging that our Bank and other accused persons wilfully made false and misleading statements and furnished false information regarding the implementation of core banking software ("**CBS**") and integration of the SWIFT system with CBS. Subsequently, the bank has strengthened internal control around this include SWIFT integration with CBS, wherein all outward payment SWIFT messages are

automatically generated through CBS without any manual intervention. Set forth below are the number of frauds identified in the corresponding years, and their pecuniary implication:

Particulars	Fiscal			Three months ended 30 June	
	2024	2025	2026	2025	2026
Number of frauds detected	7,112[(1)]	2,920[(2)]	544	71	31
Aggregate pecuniary implication (₹crores).....	1,803.59[(1)]	4,416.00	10,551.64	280.78	948.58

Notes:

(1) 1. Includes 6,981 digital frauds (customer liability cases) reported during the period under review, which amounts to 98.15% of total number of frauds reported. Bank has started reporting digital frauds (customer liability cases) since Fiscal 2024 as per the directives of RBI).

2. Also includes 17 deactivated cases amounting to ₹ 1,246.56 crore reported during the period under review, which amounts to 69.12% of the total fraud amount reported.

3. 114 new fraud cases amounting to ₹ 532.65 crore were reported during Fiscals 2023-2024.

(2) Includes 2,746 digital frauds (customer liability cases) reported during the period under review, which amounts to 94.04% of total number of frauds reported.

We also outsource certain functions to other agencies, such as data entry, cash management and ATM management. As a result, we are also exposed to the risk that such external agencies may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of fraud or operational errors by their respective employees as we are), and to the risk that our (or such agencies) business continuity and data security systems may prove not to be sufficiently adequate.

Our risk management techniques may not be fully effective in mitigating our risk exposure in all market environments or against all types of risks, including risks that are unidentified or unanticipated. Some methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This aforementioned information may not in all cases be accurate, complete, up to date or properly evaluated. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our remedial actions may not be sufficient to guarantee effective internal controls in all circumstances, and this could have a material adverse effect on our financial condition and results of operations.

If we are not able to control or reduce the level of non-performing asset ("NPA") in our portfolio or any increase in our NPAs portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations

Our NPAs are dependent on several factors, including macroeconomic conditions, increased competition, adverse effect on the business and results of operations of our borrowers, a rise in unemployment, a sharp and sustained rise in interest rate, slow industrial and business growth, high levels of debt involved in financing of projects, and significant borrowings by companies in India at relatively high interest rates, and any such significant increase in NPAs may have a material adverse effect on our financial condition and results of operations. Set forth below are our gross and net NPAs as of the corresponding dates:

Particulars	As of 31 March			As of 30 June	
	2024	2025	2026	2025	2026
Gross NPAs (₹ crores)	56,343.05	44,081.60	37,124.12	42,672.97	35,380.80
Gross NPAs, as a percentage of gross advances (%)	5.73%	3.95%	2.95%	3.78%	2.78%
Net NPAs (₹crores)	6,978.77	4,290.55	3,609.56	4,132.24	3,433.20
Net NPAs, as a percentage of net advances (%)	0.73%	0.40%	0.29%	0.38%	0.28%

Historically, we have experienced significant exposure to sectors such as non-bank financial companies, infrastructure, including power, basic metal, textile, gems and jewellery, and food processing, and may continue to do so. Any financial difficulties experienced by any of these sectors of the Indian economy or by our customers, could significantly increase our NPA levels.

Additionally, if the systems and process established by our Bank to identify NPAs fail or are unable to identify the NPAs correctly and in a timely manner, our financial position could be adversely affected. We have, in the past, experienced certain deficiencies in our NPA identification and monitoring systems and processes, and there can be no assurance that our systems and processes will always function appropriately or correctly in order to identify NPAs in a timely manner or at all, or that similar deficiencies will not arise in the future.

The RBI has through the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time, stipulated norms to ensure that provisioning is done on the basis of the classification of assets based on the period for which the asset has remained non-performing and the availability of security and the realisable value thereof. These provisioning requirements are the minimum mandatory provisions that have to be implemented by entities to which these directions are applicable, including our Bank. For more details, see *"Supervision and Regulation"*.

Provisions for NPAs are created by a charge to our profit and loss account and are currently subject to minimum provisioning requirements, linked to ageing of NPAs. In addition to the relevant regulatory minimum provisioning, we also consider our internal estimate for loan losses and risks inherent in the credit portfolio when deciding on the appropriate level of provisions. The determination of a suitable level of loan losses and provisions involves a degree of subjectivity and requires that we make estimates of current credit risks and future trends, all of which may be subject to material changes. Any incorrect estimation of risk may result in our provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in our NPA portfolio. We cannot assure you that the NPAs reported by our Bank in the future will be as assessed by any regulatory authority, and that our Bank will not be subject to increased provisioning requirements. Any future increases in provisions mandated by the RBI or other regulatory changes or increase in provisioning requirements as a result of divergences identified by the RBI, could therefore lead to an adverse impact on our business, future financial performance and the trading price of the Notes. For further information, see "*Supervision and Regulation*".

Our business is particularly vulnerable to interest rate risk, and any volatility in interest rates could adversely affect our net interest margins, the value of our fixed income portfolio, income from treasury operations and our financial condition and results of operations

Change in market interest rates affects the interest rates offered by our Bank on interest-earning assets as well as on interest-bearing liabilities. It also affects the value of our investments. If we are unable to increase rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest-earning assets, an increase in interest rates could result in an increase in interest

expense relative to interest earned. If the yield on our interest-earning assets does not increase at the same time or to the same extent as our cost of funds, or if our cost of funds does not decline at the same time or to the same extent as the decrease in yield on our interest-earning assets, our net interest income and net interest margin would be adversely impacted. In the event of such increase in interest rates, our net interest margin could be adversely affected as the interest paid by us on our deposits could increase at a rate higher than the interest received by us on our advances and other investments. Further, an increase in interest rates could negatively affect demand for our loans and credit substitutes and we may not be able to achieve our volume growth.

The policy rate is the key lending rate of the central bank in a country. It is a monetary policy instrument under the control of the central bank, the RBI - to regulate the availability, cost and use of money and credit. Policy rates set by the RBI have varied over the years because of macroeconomic and other factors.

To control rising inflationary pressures due to supply chain disruptions and geopolitical tensions, the RBI raised the repo rate cumulatively by 250 basis points to 6.5% in financial year 2023 and kept the rate unchanged in 2024. With moderating inflationary pressures and support for domestic growth, the RBI entered a rate cut cycle 2025, slashing rate by 25 basis points in each of its monetary policy meetings in February 2025 and April 2025 and by 50 basis points in June 2025, with the repo rate moving from 6.5% in February 2025 to 5.5% in June 2025.

The RBI further reduced the repo rate by 25 basis points in its December 2025 monetary policy meeting, bringing the repo rate to 5.25%. Since then, RBI has maintained status quo on the repo rate which continues to be at 5.25%.

The requirement that we maintain a portion of our assets in fixed income Government securities could also have a negative impact on our net interest income and net interest margin since we typically earn interest on this portion of our assets at rates that are generally less favourable than those typically received on our other interest-earning assets. Any systemic decline in low-cost funding available in the form of current and savings account deposits would adversely impact our net interest margin. Set forth below are details of the Bank's Net Interest Income, and Net Interest Margin, for each of the corresponding periods:

Particulars	**Fiscal**			**Three months ended 30 June**	
	2024	**2025**	**2026**	**2025**	**2026**
Net Interest Income (₹crore)	40,083.07	42,782.17	41,959.78	10,578.09	10,798.36
Net interest margin (%)	3.09%	2.93%	2.57%	2.70%	2.50%

We are also exposed to interest rate risk through our treasury operations. Any rise in interest rates or interest rate volatility could adversely affect our income from treasury operations or the value of our fixed income securities trading portfolio. Sudden or sharp and sustained increases in interest rates applicable to floating rate loans, could also result in extension of loan maturities and higher monthly instalments due from borrowers, which could result in higher rates of default in loan portfolio. In addition, any change in the volume of business in our treasury operations and profitability, could have an adverse impact on the overall profitability of the Bank. Revisions in deposit interest rates, or introduction of higher interest rates, by banks with whom we compete may also lead to revisions in our deposit rates to remain competitive and this could adversely impact our cost of funds.

We are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of

any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition

We conduct business with certain borrowers who have highly leveraged balance sheets and any default by any of these borrowers would have a significant impact on our profitability. Aggregate exposure (funded, non-funded and investment exposure) to our Bank's 10 largest borrowers as of 30 June 2026 amounted to ₹1,92,216.01 crore, representing 130.68 per cent. of our total Tier I capital (excluding exempted exposure to Government of India ("**GoI**"), Uttar Pradesh, Maharashtra, Karnataka, Bihar and Tamil Nadu Governments). We are also subject to limitations on our exposure to single counterparties, and as of 30 June 2026, we are in compliance with these guidelines. As of 30 June 2026, the GoI, our largest single counterparty (exempted exposure in terms of large exposure framework guidelines) accounted for approximately 142.24 per cent. of our Tier I capital fund, and the largest group of connected counterparties accounted for approximately 17.83 per cent. of our Tier I capital fund, within the permitted limits.

If any of our key borrowers' default or become non-performing, our exposure to credit risk would increase, and our net profits would decline and, due to the scale of the exposures, our ability to meet capital requirements could be risked. We cannot assure you that these borrowers will continue to honour their commitments and that there will be no defaults in future and further, that there will not be any delay in payments of interest and/or principal from these borrowers. In addition, the RBI guidelines, and our focus on controlling and reducing concentration risk, may restrict our ability to grow our business with some customers, thereby impacting our earnings.

Further, set forth below are details of deposits from the Bank's top 10 depositors as of the corresponding dates:

Particulars	**As of 31 March**			**As of 30 June**	
	2024	**2025**	**2026**	**2025**	**2026**
Total deposits by top 10 depositors (₹crores) ..	37,950.80	33,619.37	47,384.92	44,377.97	47,476.19
Total deposits by top 10 depositors, as a percentage of total deposits (%).....	2.85%	2.22%	2.87%	2.89%	2.84%

However, we cannot assure you that there will not be any untimely withdrawal or non-renewal of deposits from these depositors. In the event of such withdrawal or non-renewal, our business, results of operations and financial conditions may be adversely affected.

In addition, we offer loans to a wide range of industries and businesses. Our Bank's largest outstanding were to the non-bank financial company ("**NBFC**"), infrastructure, basic metal and metal products, food processing, textiles sectors at ₹2,21,717 crore, ₹1,07,394 crore, ₹21,420 crore, ₹22,233 crore and ₹13,232 crore respectively, that represented 17.42 per cent., 8.44 per cent., 1.68 per cent., 1.75 per cent. and 1.04 per cent., respectively, of our total advances i.e., ₹12,73,132.46 crore, as of 30 June 2026. Any financial difficulties experienced by our customers or by particular sectors of the Indian economy to which we have historically had and continue to have significant exposure, due to factors outside our control could significantly increase our NPA levels and adversely affect our business, future financial performance and the price of the Notes.

The level of restructured loans in our portfolio may increase and the failure of our restructured loans to perform as expected could adversely affect our business, results of operations and financial condition

Our assets include restructured loans. As of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, our Bank's gross restructured standard assets amounted to ₹16,355.68 crore, ₹13,593.85 crore, ₹15,965.18 crore, ₹14,796.00 crore and ₹12,329.00 crore and as a proportion of net advances were 1.75 per cent., 1.26 per

cent., 1.30 per cent., 1.35 per cent. and 0.99 per cent., respectively. The provision on these accounts is maintained as per the regulatory guidelines. The loan portfolio of our international branches and Subsidiaries also includes foreign currency loans to Indian companies for their Indian operations as well as for their international operations, including cross-border acquisitions. We restructure assets based on a borrower's potential to restore its financial health; however, there can be no assurance that borrowers will be able to meet their obligations under restructured advances as per regulatory requirements and certain assets classified as restructured, may be classified as delinquent. Any resulting increase in delinquency levels may adversely impact our business, financial condition and results of operations.

A combination of changes in regulations regarding restructured loans, provisioning, including the requirements under the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, as amended from time to time, and any substantial increase in the level of restructured assets and the failure of these structured loans to perform as expected could adversely affect our business, future financial performance and the trading price of the Notes.

We are subject to the directed lending requirements of the Reserve Bank of India, and any shortfall in meeting these requirements may be required to be invested in Government schemes that yield low returns, thereby impacting our profitability. We may also experience a higher level of NPAs in our directed lending portfolio, which could adversely impact the quality of our loan portfolio and our business

Under the directed lending norms of the RBI, as consolidated in the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025, as amended from time to time, the RBI requires that every bank extend at least 40 per cent. of its adjusted net bank credit or the credit equivalent amount of off-balance sheet exposure, calculated as per Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025, as amended from time to time, whichever is higher, to "priority sectors" such as agriculture, micro, small and medium enterprise ("**MSME**"), export credit, education, social infrastructure, renewable energy and as determined by the RBI. Of this, banks have targets or sub-targets for lending to key segments or sectors, such as agriculture, micro-enterprises and advances to weaker sections. Our Bank's priority sector loan portfolio contains significant advances to the MSME and agriculture sector. Set forth below are certain details regarding our priority sector credit, loans to micro-enterprises and loans to the agriculture sector:

Particulars	**As of 31 March**		
	2024	**2025**	**2026**
Priority sector credit (₹crores).....	333,010.64	387,682.49	455,428.08
Priority sector credit, as a percentage of Bank's adjusted net bank credit (%)	40.57%	40.36%	41.89%
Loans to micro-enterprises (₹crores).....	66,943.40	77,980.88	105,464.43
Loans to micro-enterprises, as a percentage of Bank's adjusted net bank credit (%).....	8.16%	8.12%	9.70%
Loans to agriculture sector (₹crores).....	149,925.29	173,675.56	196,682.72
Loans to agriculture sector, as a percentage of Bank's adjusted net bank credit.....	18.27%	18.08%	18.09%

Any revision in the definition or classification of segments eligible for priority sector lending could impact our ability to meet priority sector lending requirements. Further, in the event we are required to increase our exposure to the agricultural sector pursuant to GoI mandated directed lending, it may adversely affect our future financial performance.

As a result of priority sector lending requirements, we may experience a higher level of NPAs in our directed lending portfolio, particularly due to loans to the agricultural sector and small enterprises, where we are less able to control the portfolio quality and where economic difficulties are likely to affect our borrowers more severely. Set forth below are certain details regarding the Bank's priority sector NPAs and MSME industry NPAs as of the corresponding dates:

Particulars	**As of 31 March**		
	2024	**2025**	**2026**
Priority sector gross NPAs to total priority sector advances	14.61%	12.02%	8.82%
MSME gross NPAs to total outstanding MSME advances	14.16%	11.65%	8.46%
Agriculture gross NPAs to total agricultural advances	13.89%	10.97%	9.07%

Any future changes by the RBI to the directed lending norms may result in our continued inability to meet the priority sector lending requirements as well as require us to increase our lending to relatively riskier segments and may result in an increase in non-performing loans. Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI's request, in an account with the NABARD under the Rural Infrastructure Development Fund Scheme, or with other financial institutions specified by the RBI, which generate lower levels of interest compared to advances made to the priority sector.

If borrowers who have availed secured loans default, there may be delays and difficulties in enforcing the sale of collateral and we may be unable to recover the expected value of the collateral, which could have an adverse effect on our business, financial condition, results of operations and cash flows

As of 30 June 2026, ₹9,40,641.91 crore of our Bank's advances were secured by tangible assets, which collectively represented 75.78 per cent. of our Bank's total net advances. However, we may be unable to realise the full value of the collateral, if at all, owing to factors such as, (i) delays in bankruptcy and foreclosure proceedings, including due to 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 financial conditions; (ii) deficiencies in the perfection of collateral (including due to 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 economic policies of the Government of India; (xii) borrowers and guarantors not being traceable; (xiii) the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated; and (xiv) a large portion of the secured exposure may depend on a particular type of collateral, asset, geography, borrower or industry, making recoveries vulnerable to a common adverse event.

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, we may not be allowed to initiate recovery proceedings against a corporate borrower, if 60.00 per cent. of the creditors by number and at least 75.00 per cent. of the creditors by value decide to restructure their advances. As per the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, as amended from time to time, a borrower having credit facilities from more than one specified lender, for which a resolution plan is proposed to be implemented through an inter-creditor agreement, decisions must be supported by lenders representing the prescribed

threshold of 75.00 per cent by value of total outstanding credit facilities and 60.00 per cent , of signatories by number, of the inter-creditor agreement, may be binding on the lenders, which may affect the timing and manner in which recovery or enforcement proceedings may be pursued.

In such a situation, we are restricted to a restructuring process only as approved by the majority lenders. If we own 20.00 per cent. or less of the debt of a borrower, we could be forced to agree to an extended restructuring of debt which may not be in our interests. In addition, for collateral we hold in jurisdictions outside India, the applicable laws in such jurisdictions may impact our ability to foreclose on collateral and realise its value. If we are unable to realise the full value of collateral, or otherwise fail to recover the full amount owed to us, there could be a material, adverse effect on our financial condition, results of operations and cash flows.

Our business and financial performance are dependent on maintaining and building a successful branch network. An inability to maintain, increase our coverage and any inability to use these branches productively, may have an adverse impact on our growth and profitability

We have a large and diverse branch network across India and other jurisdictions. As of 30 June 2026, our Bank's distribution network in India included 10,359 branches across 28 States and 7 Union Territories in India. Further, as of 30 June 2026, our Bank's distribution network also included branches outside India. Our business and financial performance are dependent on maintaining our extensive network of branches, see "*Risk Factors – Majority of our offices, branches and ATMs are located on premises taken by us on lease or on leave and license basis. We may not be able to renew these agreements for our branches upon acceptable terms or at all which could have an adverse effect on our business and results of operations*.". Our 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 by the newly opened branches within a reasonable period as envisaged by us, our profitability may be affected. Our branch expansion plans may have an adverse effect on the capital outlay which in turn may adversely affect our business, results of operations and financial condition. There will also be increased expenditure as a result of our strategy to expand into new geographies, including those planned for our branch network expansion, and newer businesses, such as retail assets and, where our brand is not well known in the market. As a consequence of our large and diverse branch network, we may be subject to additional risks inherent with an extensive network, including but not limited to higher technology costs, upgrading, expanding and securing our technology platform in such branches, operational risks including integration of internal controls and procedures, compliance with know-your-customer ("**KYC**"), anti-money laundering ("**AML**") and other regulatory norms, including the Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025, as amended form time to time, ensuring customer satisfaction, recruiting, training and retaining skilled personnel, failure to manage third-party service providers in relation to any outsourced services and difficulties in the integration of new branches with our existing branch network. Any of these reasons may result in our failure to manage a large branch presence, which may adversely affect our business, results of operations and financial condition.

Our primary source of funding is in the form of deposits. If we are unable to secure funding on acceptable terms and at competitive rates when needed, there could be a material, adverse effect on our business, financial condition, results of operations and cash flows

Our funding requirements are met primarily through short-term and medium-term customer deposits. In the past, a substantial portion of our customer term deposits has been rolled over upon maturity and has been a stable source of funding. However, if a substantial number of our depositors do not roll over term deposits upon maturity, our liquidity position will be adversely affected. Although retail deposits constitute a significant part

of our deposit base, we also accept high value deposits depending on funding requirements. Set forth below are details regarding our top 20 largest depositors as of the corresponding dates:

	As of 31 March			As of 30 June	
	2024	2025	2026	2025	2026
Total deposits of top 20 largest depositors (₹ crore)[1]	53,012.40	53,440.86	73,394.40	69,111.02	75,612.66
Total deposits of top 20 largest depositors, as a percentage of total deposits (%)	3.98%	3.54%	4.45%	4.50%	4.53%

Note:

(1) Figures do not include interbank deposits held by the Bank.

We cannot guarantee that there will not be any premature withdrawal or non-renewal of deposits from these or other depositors. If depositors do not renew their deposits or if our Bank is unable to raise new deposits, our Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect our results of operations. Additionally, there has been a general trend wherein people are investing in markets as compared to bank deposits due to better returns. We may also be required to seek funding from more expensive sources to finance our operations. Failure to obtain these sources of funding or replace them with other deposits or borrowings at competitive rates may materially and adversely affect our business, financial condition and results of operations.

We face asset liability mismatches, which could adversely affect our liquidity and, consequently, our financial condition, results of operations and cash flows

We face liquidity risks due to mismatches in the maturity of our assets and liabilities. Liquidity risk is the risk that our Bank either does not have available sufficient financial resources to meet its obligations as they fall due or can secure them only at 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 our Bank implements liquidity management processes to seek to mitigate and control this risk, unforeseen systemic market factors make it difficult to completely eliminate it.

We may rely on funding options with a short-term maturity period for extending long-term loans, which may lead to an asset liability mismatch for certain periods. Mismatches between our assets and liabilities are compounded in case of pre-payments of the advances we grant to our customers. Further, asset liability mismatches create liquidity surplus or liquidity crunch situations and depending upon the interest rate movement, such situations may adversely affect our Net Interest Income. If we are unable to obtain additional borrowings or renew our existing credit facilities for matching tenures of our loan portfolio in a timely and cost-effective manner, if at all, this may lead to mismatches between our assets and liabilities, which could adversely affect our financial condition, results of operations and cash flows.

We are exposed to fluctuations in foreign exchange rates which could adversely affect our business, future financial performance and trading price of the Notes

We are exposed to exchange rate risk in our foreign exchange transactions and related derivative transactions, as a financial intermediary as well as foreign currency borrowings. We hedge our own risk to undertake various foreign exchange transactions and for proprietary trading which are exposed to various kinds of risks, such as, amongst others, credit risk, market risk and exchange rate risk. In order to mitigate such risks, we have adopted

a market risk management policy and investment policy to mitigate risks arising out of customer transactions and proprietary trading through various risk limits such as counterparty bank exposure limits, country wise exposure limits, customer limits, overnight limits, intraday limits, stop loss limits, aggregate gap limits and value-at-risk limits.

As of 30 June 2026, our Bank's credit exposure on account of outstanding gross forward exchange contracts amounted to ₹7,514.30 crores. As of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, our Bank (excluding overseas branches) had foreign currency borrowings of ₹496.26 crores, ₹722.26 crores, ₹611.68 crores, ₹596.03 crores and ₹137.26 crores, respectively, which constitutes 0.03 per cent., 0.04 per cent., 0.03 per cent., 0.03 per cent. and 0.01 per cent. respectively, of our total liabilities, thereby resulting in foreign currency risk in respect of our ability to service such debt. Adverse movements in foreign exchange rates may also impact our borrowers negatively, which may in turn impact the quality of our exposure to these borrowers. Volatility in foreign exchange rates may be further accentuated due to other global and domestic macroeconomic developments and as a result, may materially and adversely affect our business, future financial performance and the trading price of the Notes.

Some of our borrowers also enter into derivative contracts to manage their foreign exchange risk exposures. Our derivative transactions are subject to regular monitoring by our risk assessment committee and to ensure compliance with limits prescribed by RBI. Some of our customers have incurred mark-to-market or crystallized losses on their foreign exchange contracts. The failure of our borrowers to manage their exposures to foreign exchange, derivative risk, adverse movements and volatility in foreign exchange rates may adversely affect our borrowers, the quality of our exposure to our borrowers and our business volumes and profitability. Defaults by our customers on their derivative contracts and their subsequent classification as NPAs may have an adverse impact on our profitability, business and the price of the Notes.

We are required to maintain minimum cash reserve ratio ("CRR") and statutory liquidity ratio ("SLR") in accordance with RBI guidelines, and any increase in these requirements could adversely affect our business

Under RBI regulations, we are subject to a CRR requirement. The CRR is a bank's balance held in an interest-free current account with the RBI calculated as a specified percentage of its net demand and time liabilities, excluding interbank deposits. The CRR currently applicable to banks in India is 3.00 per cent., and our Bank's CRR as of 30 June 2026 was 3.004 per cent.

In addition, under the Reserve bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025, as amended from time to time, we are required to maintain SLR assets having a value of not less than 18.00 per cent of its total net demand and time liabilities ("**NDTL**") in India, calculated with reference to the NDTL as on the last day of the second preceding fortnight. Such SLR assets may comprise cash, gold and unencumbered investments in specified SLR securities, including dated securities of the Government, Treasury Bills of the Government and State Government securities, as well as such other instruments as may be notified by the RBI from time to time. For more information, see "*Supervision and Regulation*".

Our Bank's SLR as of 30 June 2026 was 21.40 per cent. as against the regulatory requirement of 18.00 per cent. Further, the RBI may increase the CRR and SLR requirements as a monetary policy measure. Any substantial increases in the CRR from the current levels could affect our ability to deploy our funds or make investments, which could in turn have a negative impact on our results of operations. If we are unable to meet the statutory reserve requirements of the RBI, the RBI may impose penal interest or prohibit us from receiving any further fresh deposits, which may have a material adverse effect on our business, financial condition and results of operations.

Our investment portfolio comprises largely of government securities that may limit our ability to deploy funds in higher yield investments

Under RBI regulations, the Bank's liabilities are subject to the SLR requirement that a minimum specified percentage, currently 18.0 per cent., of a bank's net demand and time liabilities ("**NDTL**"), be invested in Government securities and other approved securities. The RBI may increase the SLR requirements to curb inflation or absorb excess liquidity. The Bank also needs to hold government securities as part of high-quality liquid assets to maintain the liquidity coverage ratio, mandated by the RBI. This, in turn, means that the Bank could be adversely impacted by a rise in interest rates, especially if the rise were sudden or sharp. A rise in yields on government securities, may likely adversely impact the Bank's profitability.

As of 30 June 2026, government securities represented 83.43 per cent. of our Bank's domestic investment portfolio, and comprised 24.50 per cent. of the Bank's demand and term liabilities.

We earn zero government securities as "held to maturity." However, the concentration of securities in such classification can limit gains in our treasury operations.

Such classifications of the Bank's investment portfolio are subject to restrictions imposed by RBI's directions and guidelines. The RBI has issued the Master Direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 on 12 September 2023. These directions were applicable from 1 April 2024. These directions have been consolidated on 28 November 2025, in the Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025, as amended from time to time. As per these directions, the Bank shall classify its entire investment portfolio, (except investments in its own subsidiaries, joint ventures, and associates) under three categories, which are, held to maturity, available for sale, and fair value through profit and loss.

These directions also prescribe the operational guidelines for dealing in government securities. Further, the Bank shall adhere to the Fixed Income Money Market and Derivatives Association of India code of conduct while executing trades in government securities on the negotiated dealing system – order matching segment and in the over the counter market. The requirement to maintain a large portfolio of government securities and other liquid assets to comply with reserve requirements and the liquidity coverage ratio also has a negative impact on our net interest income and net interest margin because we earn interest on a portion of our assets at rates that are generally less favourable than those typically received on our other interest-earning assets.

Our Bank's branches are primarily concentrated in northern states of India, making us vulnerable to risks associated with having geographically concentrated operations

Our Bank's branches are primarily concentrated in the northern states of India. As of 30 June 2026, 31.50 per cent. of our Bank's branches are distributed in northern states of India, namely, Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Ladakh, Punjab and Rajasthan.

As of 30 June 2026, 32.37 per cent. of our Bank's domestic advances and 39.23 per cent. of domestic deposits were contributed by the northern states of India, namely, Chandigarh, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Ladakh, Punjab and Rajasthan.

Regional factors that impact our profitability include: (i) the growth in population, income levels, and deposits in these states, (ii) general economic and political conditions in the region, (iii) laws and regulations, and (iv) the favourability of these states as investment destinations. As a result, our operations may be more adversely affected than banks that have greater geographic diversity. Any one of these events may result in an adverse change in our business, financial condition, results of operations and cash flows.

The banking industry in India is subject to extensive regulation and significant changes in the banking regulations may adversely affect our business and our future financial performance

Banks in India are subject to detailed regulation and supervision by the RBI. The RBI, an autonomous body created under a statute of the Indian Parliament, i.e., the Reserve Bank of India Act, 1934, is entrusted, *inter alia*, with the sole responsibility of regulation and supervision of banks under the Banking Regulation Act.

The RBI sets guidelines on matters related to our business including cash reserve ratios, statutory liquidity ratios, capital adequacy ratio, priority sector lending, recognition and provisioning for NPAs, export credit, market risk and branch licensing. As we operate under licences or registrations obtained from appropriate regulators, such as RBI, SEBI, IRDAI, we are subject to actions that may be taken by such regulators in the event of any noncompliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators. Our business could be directly affected by any changes in policies for banks in respect of directed lending, reserve requirements and other areas. In addition, banks are generally subject to changes in Indian laws, regulations, Government policies and accounting principles. In addition, we may be subject to other changes in laws and regulations, such as those affecting the extent to which we can engage in specific businesses, those that reduce our profits through a limit on fees or interest rates that we may charge our 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.

For instance, the RBI could change its methods of enforcing directed lending standards so as to require more lending to certain sectors, which could require the Bank to change certain aspects of its business. In addition, the Bank could be subject to other changes in laws and regulations, such as those affecting the extent to which it can engage in specific businesses or those that reduce its margins through a cap on either fees or interest rates chargeable to its customers or those affecting foreign investment or ownership requirements in the banking industry, as well as changes in other governmental policies and enforcement decisions, income tax laws, foreign investment laws and accounting principles. Laws and regulations governing the banking sector may change in the future and any changes may materially adversely affect the Bank's business, its future financial performance and the price of its equity shares.

The RBI also requires the Bank to maintain a capital adequacy ratio, based on the requirements of the Basel III guidelines. The Capital Adequacy Ratio of our Bank was 18.13 per cent. as of 30 June 2026, above the regulatory requirement prescribed under the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 as may be amended, revised, modified, supplemented or updated from time to time, including without limitation, any relevant press releases, notifications, regulations, guidelines, circulars, directions, which may be issued by the RBI in relation to the capital adequacy norms, from time to time, each as amended, revised, modified, supplemented or updated at any time as applicable to the Bank ("**Capital Adequacy Directions**").

The RBI has issued numerous directions over the years, under the statutory powers conferred upon it by various Acts. Under the consolidation effort of the RBI, instructions contained in approximately 3,500 directions, circulars, and guidelines, were consolidated into 238 Master Directions, across 11 types of regulated entities. Instructions contained in remaining directions/ circulars were identified as obsolete and marked for repeal once the consolidated Master Directions were issued. A similar exercise by the RBI was undertaken on 31 July 2026, where the existing universe of supervisory instructions were consolidated into structured function-wise, entity-specific consolidated Master Directions. The exercise involved consolidation of 628 circulars (including Master Circulars and Master Directions) into 64 Master Directions covering up to nine functions across 11 types of regulated entities.

Additionally, Capital Adequacy Directions, impose strict capital requirements, liquidity standards, and risk management practices on banks. Adapting to these regulations often entails substantial capital infusion and operational adjustments. Any changes in these requirements could materially affect the Bank's business and how the Bank is permitted to use and allocate its assets. While the Basel III master circulars have been withdrawn and the instructions have now been consolidated under the Capital Adequacy Directions, the provisions have largely remained the same. However, it is possible for the various limit requirements to change over the course of time, and this may materially affect the Bank's business.

Other areas of increasing regulatory scrutiny and potential material change include data regulation and climate change management. New laws and regulations may also be promulgated to regulate internet activities and additional aspects of the Bank's online banking operations.

The RBI issued the Reserve Bank of India (Commercial Banks - Climate Finance and Management of Climate Change Risks) Directions, 2025; which provides guidance and guidelines applicable to climate finance and management of climate change risks with the objective of enabling commercial banks to carry out a comprehensive assessment of risks associated with climate change, integrate such risk considerations into their risk management frameworks and optimize the flow of credit to green projects, which in turn helps the customers of the commercial banks achieve their sustainability goals.

The RBI has also issued the Reserve Bank of India (Commercial Banks — Asset Classification, Provisioning and Income Recognition) Directions, 2026 ("Asset Classification Directions"), which will come into effect from 1 April 2027. The Asset Classification Directions aim to strengthen credit risk management, increase transparency, and ensure closer alignment with global standards. In terms of the Asset Classification Directions, banks are required to estimate losses using a forward-looking expected credit loss (ECL) framework.

The Government had introduced new labour laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019 (collectively, the "**Labour Codes**"), which came into force from 21 November 2025. The Labour Codes consolidate, subsume and replace numerous existing central labour legislations. While the Bank has considered the impact that these or similar laws might have on its employee benefit liabilities and its business operations, it continues to monitor developments and finalization of rules, which could potentially limit its ability to expand in the future. Additionally, the Labour Codes restrict the portion of wages that can be excluded from calculations for employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the total wages paid to employees.

If these labour laws become applicable to the Bank's employees or if its employees unionize, it may become difficult for the Bank to maintain flexible human resource policies and attract and employ the numbers of sufficiently qualified candidates that it requires.

We are also subject to cash reserve and the statutory liquidity ratios requirements, capital adequacy ratio requirements, priority sector lending requirements, among others, and failure to comply with these requirements may expose us to penalties and regulatory action.

In addition, we are present through our Subsidiaries, Joint Ventures and Associate 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 we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licences from the Government of India and other regulatory bodies. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have an adverse

effect on our business, financial condition and results of operations. Laws and regulations issued by the RBI, governing the banking sector may change in the future and any changes may adversely affect the Bank's business, its future financial performance and the price of the Notes. In addition, we may have to incur expenditure to comply with the requirements of any new regulations, which may also affect our results of operations.

A substantial portion of our income is derived from non-banking activities and fee-based services. Our financial performance may be materially and adversely affected by an inability to generate and sustain such income

We have, over the years, expanded our operations from undertaking banking activities to providing certain non-banking and fee and commission-based services. Our fees from commissions, exchanges and brokerage services increased from ₹4,226.21 crore in Fiscal 2024 to ₹4,573.97 crore in Fiscal 2025 and ₹4,619.12 crore in Fiscal 2026, which accounted for 3.51 per cent., 3.31 per cent. and 3.14 per cent. of our total income in Fiscals 2024, 2025 and 2026, respectively. Our fees from commissions, exchanges and brokerage services increased from ₹1,542.29 crore in the three months ended 30 June 2025 to ₹1,681.35 crore in the three months ended 30 June 2026. Our non-banking activities through our Subsidiaries, Joint Venture and Associates mainly include housing finance, life insurance/bancassurance, merchant banking, corporate advisory and trusteeship services, primary dealership including equity trading and asset reconstruction.

We earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. We also earn fee-based income from corporate agency services, which include marketing and distribution of insurance products. Fee-based income is also earned as part of our foreign exchange business. From time to time we hold assets on our balance sheet which may subject to market risk and credit risk. There can be no assurance that we will be able to sustain current levels of income from, or effectively manage the risks associated with, these businesses in the future.

New initiatives, products and services that we may introduce, will entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If we are unable to successfully diversify our products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may adversely affect our business, financial condition and results of operations.

We distribute third-party products, such as mutual funds, brokerage and insurance products. Our inability to effectively manage any of these businesses may adversely affect our business, results of operation and financial condition

In order to grow our non-interest income, we distribute third-party products, such as, amongst others, mutual funds and insurance products. We have engaged with various third-party product companies to distribute such products. However, we have no control over the actions of such third-party product companies and their products. Any failure on the part of such third-party product companies, including any failure to comply with applicable regulatory norms, any regulatory action taken against such parties or any adverse publicity relating to such party could, in turn, result in negative publicity about us and adversely impact our brand and reputation. Further, in case customers to whom such products are sold, experience deficiency of service or are otherwise aggrieved, we may be subject to litigation or claims for damages by such aggrieved customers, which could have an adverse effect on our reputation and our business, financial position and results of operations.

The effects of the adoption of Indian Accounting Standards ("Ind AS") are uncertain and any failure to successfully adopt Ind AS could adversely affect our business, financial conditions and results of operations

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 implementation of Indian Accounting Standards ("**Ind AS**"), converged with IFRS, by scheduled commercial banks. The RBI subsequently issued a circular dated 22 March 2019, deferring the implementation of Ind AS by scheduled commercial banks until further notice. The RBI has subsequently consolidated and harmonised its applicable requirements relating the preparation and presentation of financial statements and disclosures by commercial banks under the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, as amended from time to time. As per these directions, implementation of Indian Accounting Standards (Ind AS) for banks has been deferred till further notice.

The RBI on 27 April 2026 issued final guidelines for asset classification, provisioning and income recognition. These guidelines which are effective since 1 April 2027 replace the extant framework based on incurred loss with an expected credit loss ("**ECL**") approach, subject to a prudential floor, while retaining the existing asset classification norms. Under the new rules, credit losses are now recognised from initial recognition of a financial asset, without waiting for a credit event to occur. The objective is to ensure that provisions better reflect the underlying credit risk over the life of an exposure, rather than reacting only after deterioration has occurred. The estimation of expected future credit losses may incorporate historical experience, current conditions, and forward looking information. Successful adoption of ECL requires enhancements to systems, processes, data, and sound governance

The adoption of Ind AS would change, among other things, our methodology for estimating allowances for expected loan losses and for classifying and valuing our investment portfolio and our revenue recognition policy.

For estimation of expected loan losses, the new accounting standards may require us to calculate the present value of the expected future cash flows realizable from our advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in us recognizing allowances for expected loan losses in the future that may be higher than under the current Indian GAAP.

The mark-to-market requirements required under Ind AS may also impact our revenues and profitability. We have made no attempt to quantify the impact of the differences between Indian GAAP and Ind AS. However, it is possible that our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under Ind AS than under Indian GAAP.

If we are required to report in Ind AS, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, we will have to modify our internal control framework and adopt new internal controls to report under Ind AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff who are adequately knowledgeable with Ind AS. If we are required to report in Ind AS, we may encounter difficulties in implementation of effective internal controls in a timely manner.

We rely on our correspondent banks in other countries to facilitate our foreign exchange operations. Any failure to maintain such relationships or enter such new relationships with correspondent banks may impact our ability to grow our foreign exchange business

As of 30 June 2026, we maintain relationships with 26 correspondent banks, Nostro, across 15 countries internationally. We offer trade finance, foreign exchange and certain other treasury services from these relationships. We maintain nostro accounts in foreign currencies which facilitates inward and outward

remittance. Our customers can remit funds to India in any of the currencies for which we have opened such accounts, by instructing their banks to remit the funds to our nostro account maintained in that particular currency. We may need to open such nostro accounts with the correspondent banks in those locations in case we intend to cater to a different foreign location or currency. 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.

The regulatory authorities may have a different interpretation of the regulatory provisions, and we may not be in compliance with such interpretation

SEBI vide amendment dated 15 July 2023, amended Regulation 30(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI Listing Regulations**"), prescribing the criteria for determining the materiality, specified that while determining materiality the entity shall take into account, amongst other factors, that the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the (i) 2.00 per cent. of turnover, as per the last audited consolidated financial statements of the listed entity; (ii) 2.00 per cent. of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative; or (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity, shall be considered material. While we have incorporated the same in our materiality policy in respect of materiality of events, our materiality policy gives power to decide the materiality about litigation to our Board of Directors and we have been making disclosure to stock exchanges in accordance with the said policy. Disclosure have been made in this Offering Circular also, as per the policy decided by our Board of Directors. Our interpretation and approach may not be in compliance with SEBI Listing Regulations. In case, our interpretation is not agreed by the regulatory authorities, we may be penalized by regulatory authorities. In case of any such adverse interpretation, it may impact our business.

The Indian banking industry is very competitive and our growth strategy depends on our ability to compete effectively

We operate in a competitive industry. Private sector banks, other public sector banks and foreign banks are our main competitors, followed closely by NBFCs, small finance banks, payment banks, insurance companies, asset management companies, development financial institutions, mutual funds and investment banks. Amalgamated public sector banks have increased their financial strength, management capabilities, resources, operational experience, customer base and distribution channels and, as such, their ability to compete with the Bank.

The Bank also faces competition from private sector banks in India, some of which have larger customer bases and greater financial resources. In addition, new entrants into the financial services industry, including companies in the financial technology sector, may further intensify competition in the business environments in which the Bank operates, especially in the digital business environment. As a result, the Bank may be forced to adapt its business to compete more effectively. For example, non-bank financial companies, particularly international technology companies, including large e-commerce players, have recently been increasing their presence in the financial sector in India and offering payment platforms and select services to customers, which increase competitive pressures on the Bank.

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the criteria laid down by RBI. The RBI is supportive of creating more specialised banks and granting differentiated banking licenses such as for payment banks and small finance banks. The RBI also has plans to create wholesale and long-term finance banks in the near future. Further, in terms of the Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025 dated 28 November 2025, domestic scheduled commercial banks (other than regional rural banks) are permitted to open, unless

specifically restricted, banking outlets in Tier 1 to Tier 6 centres, without prior permission from RBI, subject to the conditions laid down by RBI.. The Bank believes that this will further continue to intensify the competition in the banking sector.

The Bank has been able to retain its position as the market leader in government banking business. While the Bank enjoys a strong working relationship with the Government, the policy of Government business has become quite dynamic and as such the business quantum and earnings from Government business may fluctuate accordingly. For example, on 31 January 2012, the RBI declared that all private sector banks would be eligible to handle Central and State Government business and would be considered on an equal basis with public sector banks. Prior to this declaration by the RBI, only public sector banks and three designated private banks could conduct Government business. However, the aforesaid was restricted by the Ministry of Finance ("**MoF**") in September 2012. This embargo on further allocation of Government business to private sector banks has since been lifted by the MoF, *vide* their circular dated 24 February 2021.

Pursuant to the same, the revised guidelines on appointment of commercial banks as agency banks for the conduct of general Government banking business were issued on 10 May 2021, which were subsequently consolidated in the Reserve Bank of India (Conduct of Government Business by Agency Banks – Payment of Agency Commission and Oversight of Agency Banks) Directions, 2026, dated 30 April 2026 on the basis of which all public sector banks are eligible to conduct Government business as agents of the RBI.

The Government is not obligated to choose the Bank to conduct any of its transactions. If the Bank cannot successfully compete with private banks for Government business, or the Government chooses other public sector banks to conduct transactions currently performed by the Bank, the Bank's business and the income derived from its government operations will be adversely affected.

The Bank also competes with foreign banks with operations in India. In November 2013, the RBI released a framework for the setting up of wholly owned subsidiaries in India by foreign banks. The framework encourages foreign banks to establish a presence in India by granting rights similar to those received by Indian banks, subject to certain restrictions and safeguards. As per the current framework, under the Reserve Bank of India (Setting Up of Wholly Owned Subsidiaries by Foreign Banks) Guidelines, 2025, as amended from time to time, wholly owned subsidiaries of foreign banks are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, wholly owned subsidiaries of foreign banks may be allowed to open branches in Tier 1 to Tier 6 centres (except at a few locations considered sensitive on security considerations) without having the need for prior permission from the RBI in each case, subject to certain reporting requirements. Any growth in the presence of foreign banks or in foreign investments in Indian banks may increase the competition that the Bank faces and as a result may have a material adverse effect on its business.

Further, technology innovations in mobility and digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services. Innovations in the payments system and increasing use of mobile banking are leading to the emergence of new platforms for cashless payments. This can also lead to new types of banks expanding their presence in other financial products, such as insurance and mutual funds. These trends in technology could increase competitive pressures on banks, including us, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. Due to these and other competitive pressures, we may be unable to successfully execute our growth strategy, which could adversely affect our business, financial condition and results of operations.

We are subject to capital adequacy norms and are required to maintain a capital-to-risk asset ratio ("CRAR") at the minimum level required by RBI for domestic banks. Any inability to maintain

adequate capital due to change in regulations or lack of access to capital or otherwise could materially and adversely affect our results of operations and financial condition

We are subject to regulations relating to the capital adequacy of banks, which determines the CRAR, or the minimum amount of capital we must hold as a percentage of the risk-weighted assets on our portfolio. The RBI requires banks in India to maintain a minimum CRAR of 11.50 per cent. (including capital conservation buffer). In addition, in accordance with the Capital Adequacy Directions, the Bank is required to maintain a minimum common equity Tier I ("**CET-I**") capital ratio of 8.00 per cent. (including a capital conservation buffer of 2.50 per cent.), and a minimum Tier I CRAR of 9.50 per cent. (including a capital conservation buffer of 2.50 per cent.) of its risk weighted assets.

As per the Capital Adequacy Directions, as amended from time to time, a bank shall maintain a countercyclical capital buffer (CCCB) in the form of common equity Tier 1 capital, which may range from 0 per cent to 2.5 per cent of the risk-weighted assets of the bank, depending on the RBI's assessment. The credit-to-GDP gap serves as the primary indicator in the CCCB framework, used alongside other supplementary indicators. A decision on the CCCB would ordinarily be pre-announced by the RBI with a lead time of four quarters, although, depending on the CCCB indicators, the Bank may be directed to build up the requisite within a shorter period

Any incremental capital requirement may adversely impact our ability to grow our business and may even require us to withdraw from, or curtail, some of our current business operations.

In accordance with the Basel III norms, as of 30 June 2026, the Bank's Tier I and total capital adequacy ratios were 16.03 per cent. and 18.13 per cent., respectively. We are exposed to the risk of the RBI increasing the applicable risk weight for different asset classes from time to time. Although we have implemented and followed a policy of maintaining a minimum capital adequacy ratio as stipulated in the Capital Adequacy Directions issued by the RBI, there can be no assurance that we will be able to maintain this ratio in the future. Implementation of Basel III or other such capital adequacy requirements imposed by RBI may result in the incurrence of substantial compliance and monitoring costs, and any breach of applicable laws and regulations will adversely affect our reputation, business operations and financial conditions. In addition, if additional or more stringent guidance on capital adequacy norms are imposed, we may be required to raise or maintain additional capital in a manner which could materially and adversely affect our business, financial condition and results of operations.

The Bank's ability to support and grow its business would become limited if the Capital Adequacy Ratio declines. While the Bank may access the capital markets to offset declines in its Capital Adequacy Ratio, it may be unable to access the markets at the appropriate time or the terms of any such financing may be unattractive due to various reasons attributable to changes in the general environment, including political, legal and economic conditions.

We may seek opportunities for growth through acquisitions, divest our existing businesses, or be required to undertake mergers by the RBI and could face integration and other acquisitions risks

We may seek opportunities for growth through acquisitions or be required to undertake mergers mandated by the RBI under its statutory powers. We may in the future examine and seek opportunities for acquisitions in countries where we currently operate. Our Subsidiaries or Associates may also undertake mergers, acquisitions and takeovers in India or internationally. Mergers and acquisitions by our Subsidiaries could lead to reduction in our shareholding in such Subsidiaries (including to below majority ownership in certain Subsidiaries). Any future acquisitions or mergers or takeovers, whether by us or our Subsidiaries, both Indian or international, may involve a number of risks, including the possibility of a deterioration of asset quality, quality of business and business operations, financial impact of employee related liabilities, diversion of our management's attention required to integrate the acquired business and the failure to retain key acquired personnel and clients, leverage synergies or rationalize operations, or develop the skills required for new businesses and markets, or unknown

and known liabilities including any ongoing litigation, claims or disputes concerning such acquisition, merger, its shareholders, share capital or its legal and regulatory compliance obligations or practices, some or all of which could have an adverse effect on our business or that of our Subsidiaries or Associates.

We may also sell all or part of one or more of our businesses, including our Subsidiaries, for a variety of reasons including changes in strategic focus, redeployment of capital, contractual obligations and regulatory requirements. Acquisitions, joint ventures or strategic investments may involve a number of special risks, including, but not limited to:

(a) the obligation to maintain the Bank's shareholding level or to comply with maximum or minimum shareholding levels, which could require it to infuse funds/capital through a purchase of shares in rights issues or other capital raising activities and to seek RBI approval or that of other regulatory authorities, which it cannot guarantee will be forthcoming;

(b) higher provisioning, impacting the Bank's overall asset quality and leading to adverse effects on its reported operating results;

(c) difficulties in evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with the Bank's acquisitions, joint ventures and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with its accounting policies; and

(d) obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licences and approvals from governmental and regulatory authorities and agencies.

If the Bank is unable to manage one or more of the events or challenges listed above, it could have a material adverse effect on its ability to successfully complete its acquisitions, investments or joint ventures and could prevent it from achieving its strategic and financial goals and operational synergies.

Our inability to maintain or grow our CASA ratio may result in higher cost of deposits and impact our financial condition

We have traditionally maintained high CASA deposits due to our large retail customer base spread across India. In Fiscal 2024, 2025 and 2026 and the three months ended 30 June 2025 and 2026, the share of domestic CASA deposits was 41.44 per cent., 37.95 per cent., 36.97 per cent., 36.98 per cent. and 36.70 per cent. of our Bank’s total domestic deposits. Any decline in CASA share on total deposit could adversely impact the profitability of our Bank. Our liquidity position will also be adversely affected if a significant portion of our depositors do not roll over deposited funds upon maturity or do so for a shorter maturity than that of our assets. Our ability to raise fresh deposits and grow our deposit base depends in part on our ability to expand our network of branches. Further, though retail deposits constitute a huge portion of our deposit base, we also accept high value deposits depending on the funding requirements. Accordingly, we may be required to seek more expensive sources of funding to finance our operations, which would result in a decline in our profits and have a material adverse effect on our business, liquidity, financial condition and results of operations.

We intend to grow our CASA ratio, in order to reduce cost of funds and improve our core deposits. Our strategy is to improve our CASA ratio and growing CASA book through deeper engagement with existing relationships. In order to attract retail customers and increase our CASA deposits, we intend to introduce new products and promote our products through marketing campaigns. The interest rates that we must pay to attract customer deposits are determined by numerous factors such as the prevailing interest rate structure, competitive landscape, Indian monetary policy and inflation. However, there is no assurance that we will be successful in growing our CASA base.

We may not be able to maintain our CASA deposits and ratio owing to the increased competition from other banks and lending institutions. If we fail to maintain or grow our CASA ratio, our financial condition and cash flows may be materially and adversely affected.

Non-compliance with RBI inspection/observations may have an adverse effect on our business, financial condition or results of operation. Our overseas branches are also subject to inspections from regulators in such jurisdictions. Any adverse observations from such regulators could have an adverse effect on our business, financial condition or results of operation

We are subject to periodic inspections by RBI under the Banking Regulation Act, during the course of which, the RBI advises on issues related to various risk and regulatory non-compliances. During such inspections in the past, the RBI has made certain observations regarding our business and operations and incorporates such findings in its final inspection report and requires that we take certain actions to its satisfaction. The RBI has, among other things, identified deficiencies in our Bank's operations including, governance and risk management, fraud detection and reporting, strengthening of the control functions, cyber security capabilities, credit monitoring arrangements, effective monitoring of loan portfolio and classification of loans, including timely review of ratings, strengthening its collateral management system to include a framework for centralized monitoring of collaterals, ensuring timely creation of charge and periodic valuation of securities, implementation of unique customer identification code etc. Further, the RBI has observed that certain compliance requirements were not being met by our Bank, including in relation to risk management. The RBI also made certain observations in relation to our overseas subsidiaries. Currently, the inspection for supervisory evaluation for the year 2026 is under process. While we have undertaken steps to comply with these observations and have informed the RBI regarding the status of our compliance, there can be no assurance that the RBI will consider such steps to be adequate and treat the observations as being duly complied with. In the event we are not able to comply with the observations made by the RBI, we could be subject to supervisory actions which may have a material adverse effect on our reputation, financial condition and results of operations. Further, our overseas branches are also subject to inspections/observations from regulators in such jurisdictions and any adverse observation may have an adverse effect on our business and financial conditions.

The Bank is also required to furnish supervisory returns and reports to the RBI in accordance with the Reserve Bank of India (Commercial Banks – Supervisory Returns) Directions, 2026 dated 31 July 2026, as amended from time to time. While the Bank attempts to be in compliance with all regulatory provisions applicable to it, in the event it is not able to comply with the observations made by the RBI, it could be subject to supervisory actions which may have a material adverse effect on its reputation, cash flows, financial condition and results of operations.

Our treasury income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity, and credit risk and income volatility

Our 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, Our Bank had a debt investment portfolio (consisting of government securities, treasury bills and other debt securities) in available for sale and Fair Value through Profit and Loss of ₹1,07,883.57 crores and fair value through profit and loss of ₹8,613.60 crores as of 30 June 2026. In the event of a rise in interest rates, our portfolio will be exposed to the adverse impact of the mark-to-market valuation of such investments and may, under certain circumstances, require us to mark down the value of these investments on our balance sheet and recognize a loss on our income statement. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect our business, financial condition and results of operations. We may also face income volatility due to the illiquid nature of market for the disposal of some of our debt investment portfolio.

While our gross non-performing investments are monitored and recovery efforts are carried out, any increase in the amount of non-performing investments due to adverse developments in the domestic or international markets, may adversely affect our financial condition.

Similarly, our derivative portfolio is subject to fluctuations in interest rates and foreign exchange rates, and any movement in those rates may require us to mark down the value of our derivatives portfolio. While we invest in corporate debt instruments as part of our normal business, we are exposed to the risk of an issuer defaulting on its obligations. Changes in corporate bond spreads also affect valuations and expose us to risk of valuation losses. Although we have risk and operational controls and procedures in place for our treasury operations, such as sensitivity limits, value at risk ("**VaR**") limits, position limits, stop loss limits and exposure limits that are designed to mitigate the extent of such losses, there can be no assurance that we will not lose our investments in the course of trading on our fixed income book in held for trading and available-for-sale portfolio. Any such losses could materially and adversely affect our business, financial condition, results of operations and prospects.

Our risk management policies and procedures may not adequately address unidentified or unanticipated risks

Our risk management functions are divided on the basis of principal risks defined under applicable Basel III guidelines, as consolidated in the Capital Adequacy Directions, i.e., credit risk, market risk, operational risk and liquidity risk. While we have a well-defined risk management governance framework that comprises of a risk management committee and sub committees for management of credit, market, liquidity and operational risk, to the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures, in particular to market environments or against particular types of risk. We have devoted significant resources to develop our risk management policies and procedures and aim to continue to do so in the future. See "*Our Business-Risk Management*". Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures which could be significantly greater than those indicated by the historical measures. Management of operational, legal and regulatory risks require, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective. As we seek to expand the scope of our operations, we also face the risk that we may not be able to develop risk management policies and procedures that are properly designed for new business areas or to manage the risks associated with the growth of our existing businesses effectively. Implementation and monitoring may prove particularly challenging with respect to businesses that we plan on developing. An inability to develop and implement effective risk management policies may materially and adversely affect our business, financial condition and results of operations.

We are involved in certain legal and other proceedings which, if determined against us, could have a material adverse impact on our financial condition

We are involved in various legal proceedings and other proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of tax proceedings, recovery proceedings, consumer disputes, regulatory proceedings, criminal complaints and other civil proceedings, and are pending at different levels of adjudication before various courts, tribunals, statutory and regulatory authorities/other judicial authorities. Although it is our policy to make provisions for probable loss, we do not make provisions or disclosures in our financial statements where our assessment is that the risk is insignificant. We have also been penalised by RBI for certain non-compliances or contravention of applicable law in the past, from time to time. See "*Risk Factors – Risks relating to our Business - Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and*

financial results or cause serious reputational harm across our businesses.". We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If any new developments arise, for example, rulings against us by the appellate courts or tribunals, we may face losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities. If such claims are determined against us, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Notes. If our provisioning is inadequate relative to actual losses on final judgment, such additional losses could have an adverse impact on our business and financial condition. We may still incur legal costs for a matter even if it has not established a provision. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts provisioned for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could affect our results of operations, cash flows and financial condition.

We are exposed to risks derived from the performance of our Subsidiaries, Joint Venture and Associates

As of 30 June 2026, we have 5 Subsidiaries, 1 Joint Venture and 3 Associates (excluding Regional Rural Banks), with 1 associate *i.e.* JSC Tengri Bank is under liquidation. Our Bank has total of 8 Regional Rural Banks namely, Assam Gramin Bank ("**AGB**"), Bihar Gramin Bank ("**BGB**"), Himachal Pradesh Gramin Bank ("**HPGB**"), Manipur Rural Bank ("**MRB**"), Punjab Gramin Bank ("**PGB**"), Haryana Gramin Bank ("**HGB**"), Tripura Gramin Bank ("**TGB**") and West Bengal Gramin Bank ("**WGB**").

The performance of any or all of certain key Subsidiaries, Joint Ventures and Associates could have a material impact on our performance on a consolidated basis. For instance, our Associate incorporated in Kazakhstan, JSC Tengri Bank was penalized by the National Bank of the Republic of Kazakhstan ("**NBRK**") for an amount of ₹0.36 crore in the nine months ended 31 December 2020 for non-compliance with guidelines issued by the NBRK. There have also been certain arrests and allegations of fraud with respect to this entity by regulatory authorities in Kazakhstan. The regulatory authorities subsequently revoked the license of JSC Tengri Bank with effect from 18 September 2020, thereby prohibiting it from conducting banking operations and other activities in the securities market, and appointing a temporary administrator for the entity. With effect from 15 February 2021, the Chairman of the Agency for Regulation and Development of the Financial Market ("**AFR**") appointed a liquidation commission to manage the property and affairs of JSC Tengri Bank during the liquidation process. Liquidation creditor has commenced the payment of the 7th line of creditors and 7th line has been satisfied up to 100.00 per cent as on 6 August 2026 and our Bank's claim as a creditor is 9th in the priority list.

In addition, our overseas branches of Dubai, Hong Kong and PNB International UK, have been advised to file their claim to liquidation commission timely for amount aggregating to U.S.$ 60.55 million. Our advisors have informed us that claim up to sixth line of creditors in connection with the liquidation of JSC Tengri Bank is settled 100 per cent. Liquidation Creditor has commenced the payment of the 7th line of creditors and 7th line has been satisfied up to 99.73 per cent as on 6 August 2026 and our Bank's claim as a creditor is 9th in the priority list. After acceptance of our claims, the committee of creditors was constituted, and the last committee of creditors' meeting was held on 15 July 2026. The penalties imposed by such regulators may generate adverse publicity for our Bank and its business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in penalties, public reprimands, reputational loss, significant time and attention from management, costs for investigations and remediation of non-compliances, may adversely affect our business and financial results.

Our business operations are heavily reliant on our information technology systems. Any failure of or disruptions in our systems could have an adverse impact on our operations and financial condition

Our business is largely dependent on our information technology systems. We service our customers, undertake our risk management functions, provide deposit services, loan origination functions, as well as increase our portfolio of products and services, through our information technology systems. We also rely on our technology platform to undertake financial control and for transaction processing. In addition, our systems connect our ATMs, branches and other delivery channels. Our hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet backbone providers. Our information technology systems may be subject to interruptions and temporary disruptions and may not meet our requirements or be suitable for use at all times. We cannot assure you that we will not encounter service disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Further, any continued disruption in our information technology systems may also result in certain measures being imposed by the RBI, including limiting certain business activities. Any inability to maintain the reliability and efficiency of our systems could adversely affect our reputation, and our ability to attract and retain customers. In the event we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures) or any other failures, or if we are unable to develop necessary technology, our business, financial condition and results of operations may be adversely affected. Following are the material IT disruptions which occurred in last three Fiscals and in the three months ended 30 June 2026 and have been informed to the RBI:

S. No.	Material IT disruptions as reported to RBI by the compliance department	Date of Reporting/Incidence
1	Aadhaar Enabled Payment System ("**AEPS**") transaction decline due to intermediary systems	23 June 2026
2	1,304 Real-Time Gross Settlement ("**RTGS**") outward transactions rejected in RTGS production environment.	22 June 2026
3	Unified Payments Interface ("**UPI**") services were down due to issue in UPI debit	19 June 2026
4	Intermittent UPI transactions decline due to intermediary systems	07 June 2026
5	Intermittent UPI Transaction decline	07 June 2026
6	ATM switch transaction getting declined	02 June 2026
7	Immediate Payment Service ("**IMPS**") transactions were declining intermittently due to issue in intermediatory system	20 May 2026
8	Intermittent UPI transactions decline due to issues in intermediary system	15 May 2026
9	Intermittent UPI transactions decline due to due to network issues in intermediary system	12 May 2026
10	Intermittent UPI transactions decline due to network issue	06 May 2026
11	Intermittent UPI Transactions decline due to network issue	05 May 2026
12	Probable data breach as per the report of Indian Computer Emergency Response Team ("**Cert In")**	21 April 2026

S. No.	Material IT disruptions as reported to RBI by the compliance department	Date of Reporting/Incidence
13	Core Banking System ("**CBS**") debit contention observed on all four nodes due to which intermittent alternative delivery channel ("**ADC**") transactions declined	25 April 2026
14	Due to wrong execution of query regarding marking of failure of transactions related to refund to PayPal customers	21 April 2026
15	Immediate Payment Service ("**IMPS**") transactions were declining intermittently due to an issue at IMPS database end. National Payments Corporation of India ("**NPCI**") brought down the PNB IMPS production node for 69 minutes from 08:56 to 10:05 on 17 April 2026.	17 April 2026
16	Non-working of internet facing applications	21 February 2026
17	UPI transactions decline of 4.04 per cent.	19 February 2026
18	UPI transaction decline of more than 3 per cent.	14 February 2026
19	IMPS transaction decline of to 3.03 per cent.	05 February 2026
20	Transaction decline of 9.41 per cent. has been reported.	13 January 2026
21	One Time Password ("**OTP**") service disruption for customers of internet banking service ("**IBS**") and mobile banking service ("**MBS**").	13 January 2026
22	Transaction decline of 8.28 per cent. has been reported.	26 December 2025
23	The IMPS application experienced a connectivity issue with the database. Due to this, NPCI was compelled to make the node down, which resulted in an increase in Technical Decline (TD) beyond the threshold of 3 per cent..	22 December 2025
24	In National Electronic Funds Transfer ("**NEFT**") outward, 541 transactions amounting ₹4.10 crore which were parked as future dated transaction on 10 November 2025 for 11 November 2025, were sent to Structured Financial Messaging System ("**SFMS**") on 12 November 2025 instead of 11 November 2025.	13 November 2025
25	PNB One, PNB One Biz, IBS Retail and IBS Corporate applications were intermittently inaccessible publicly for approximately 1 hour and 15 minutes (which include application shifting time to disaster recovery site).	19 August 2025
26	A short-circuit occurred in the input power supply located in the basement area, separate from the primary data center.	07 August 2025
27	CBS DB contention observed on all four nodes due to which intermittent ADC transaction declined.	30 July 2025
28	Mobile Banking Corporate (PNB ONE BIZ) services were not available as server were not accessible. Downtime duration was from 09:51 AM to 12:33 PM.	28 July 2025

S. No.	Material IT disruptions as reported to RBI by the compliance department	Date of Reporting/Incidence
29	Login issues were observed in PNB One Mobile Banking application.	18 July 2025
30	Intermittent login issues were observed in Corporate Internet Banking & Corporate Mobile Banking applications due to debit connectivity issue.	11 June 2025
31	Due to the issue observed at CBS ,UPI and IMPS, transactions were declining intermittently on 22 May 2026.	23 May 2025
32	High technical decline of 10.7 per cent in debit card transactions.	23 May 2025
33	In DC Hall 4 (Data Center Hall 4) heating issue observed at 04:08 AM. This impacted the servers and storage mounted there.	20 May 2025
34	Probable Distributed Denial of Service of PNB website (pnbindia.in).	11 May 2025
35	704 NEFT outward transactions were sent to Beneficiary Bank on 1 April 2025 from CBS however actual debit had not happened in customer account due to technical glitch in transaction creation in CBS.	01 May 2025
36	Bank has discontinued Instant Money Transfer ("**IMT**") functionality in ATMs and/or Bulk Note Acceptors provided by Empays Payment Systems India Private Limited through ATM Switch.	04 April 2025
37	CBS services were not available for Branches and ADC (ATM, UPI, IMPS, POS, AEPS) transactions.	03 April 2025
38	Transaction decline of 7.15 per cent in UPI has been observed on 02 April 2025.	03 April 2025
39	IBS (retail & corporate) and MBS (PNB One) are unavailable to customers due to inaccessible web servers.	27 March 2025
40	High technical decline in digital payment transactions in a day.	07 March 2025
41	CBS Services were not available for Branches and all ADC (ATM,UPI,IMPS,ATM,POS,AEPS) transactions.	05 March 2025
42	Due to an issue the CBS database server, transactions across all delivery channels were declines including IMPS.	04 March 2025
43	Double Credit (Duplicate run) of National Automated Clearing House ("**NACH**") outward file.	01 March 2025
44	Downtime in MBS corporate due to application not able to connect to Database.	18 February 2025
45	CBS and ATM Connectivity issue at Branches. At around 10:35 am on 05 February 2025, it was observed that Bank branches were unable to access CBS Application. Also, ATM machines were disconnected. Although, interim measures	05 February 2025

S. No.	Material IT disruptions as reported to RBI by the compliance department	Date of Reporting/Incidence
	were undertaken to restore the system at around 10:52 am, however intermittent issue persisted.	
46	Issue was observed in Mobile Banking applications PNB One and PNB One Biz for Android users as the traffic was very low to PNB One and PNB One Biz web servers due to which very less logins and transaction were happening in these applications.	14 January 2025
47	Downtime in IBS Corporate from 11:06 A.M. to 12:04 P.M due to issue in IBS Corporate.	01 January 2025
48	Technical decline of more than 3 per cent. was observed in UPI in a day on 19 December 2024.	20 December 2024
49	ADC (UPI,IMPS,ATM,POS,AEPS) transaction decline. All ADC transactions declining.	18 December 2024
50	Technical Decline of more than 3 per cent. was observed in UPI in a day on 2 December 2024.	03 December 2024
51	Possible Bank Identification Number attack on credit cards of the Bank. Steps taken by the Bank with regards to this issue: 1) Analyzed transaction pattern of the transactions declined from a single card. 2) Reconciliation is in process. 3) Remaining transactions below ₹5 were found to be genuine as confirmed by the respective customers.	03 September 2024
52	Intermittent CBS login issue due to degraded performance of CBS services. Only Branch services were affected with no impact on ADC.	30 August 2024
53	Issue in NACH credit services. Due to issue in NACH processing, NACH transactions are not being processed.	07 August 2024
54	NEFT, RTGS, and NACH services went down due to server hardware failure at the Bank’s primary data centre. NEFT, RTGS, and NACH services were shifted to the Bank’s disaster recovery data centre at Mumbai. Malfunctioned server has been brought up by the Bank’s primary data centre team by replacing the faulty part.	30 July 2024
55	Partially, intermittent CBS login issue was reported by the branches and branches facing slowness in CBS setup. It was identified that the fresh login not happening in the first URL. During this period, all channels were running successful.	26 July 2024
56	Key exchange issue was observed between some PNB ATM/BNA terminals and ATM Switch due to which ON-US and acquirer transactions on those terminals were declining.	24 July 2024
57	There was a planned activity for ATM switch hardware stack refresh and application upgrade. After the completion of activity, due to post upgrade teething issues and related resolution, the debit	23 July 2024

S. No.	Material IT disruptions as reported to RBI by the compliance department	Date of Reporting/Incidence
	card and pre-paid card based transactions were intermittently affected.	
58	Intermittent CBS login issue was reported by the branches and branches facing slowness in CBS setup.	18 July 2024
59	PNB e-commerce transactions through debit cards were affected on 22 June 2024. This incident was alerted via email to the Cyber Security and Information Technology Examination ("**CSITE**") on 23 June 2024 at 00:11 a.m.	26 June 2024
60	Downtime of more than 30 minutes was observed in IMPS on 25 June 2024 from 6:36 p.m. to 7:40 p.m.	25 June 2024
61	Technical decline of more than 3% was observed in IMPS on 3 June 2024.	5 June 2024
62	Technical decline of more than 3% was observed in UPI on 3 June 2024.	4 June 2024
63	Downtime in IBS (retail and corporate) due to the dependent system IBS shield which is used for adaptive authentication.	5 June 2024
64	Due to a technical decline observed in UPI, the application was shifted from data centre to data recovery site. These resulted in downtime of 31 minutes between 2:17 p.m. to 2:48 p.m. including the switchover time of NPCI.	3 June 2024
65	Technical decline of more than 3 per cent. was observed in UPI in a day on 30 May 2024. The incident reported is as per analytics shared by NPCI with the Bank on 31 May 2024.	31 May 2024
66	Technical decline of more than 3 per cent. was observed in UPI on 18 May 2024. The incident is as per analytics shared by NPCI with the Bank on 18 May 2024.	20 May 2024
67	Unplanned DR shifting of CBS and channel services.	17 May 2024
68	Technical decline of more than 3 per cent. was observed in UPI.	16 May 2024
69	Technical decline of more than 3 per cent. was observed in UPI.	3 April 2024

Any failure by our third-party vendors to perform any key processes and critical application systems could adversely affect our business, financial condition and results of operations. Although we intend 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 an adverse effect on our business, financial condition and results of operations.

Our international operations are subject to legal and regulatory risks. If we do not effectively manage our foreign operations or any further international expansion, our operations may incur losses or otherwise adversely affect our business and results of operations

Our international operations included two branches in Dubai and Gift City, IBU, as of 30 June 2026. In addition, one Joint Venture in Nepal, one Subsidiary in the United Kingdom and one Subsidiary in Bhutan. As a result,

we are subject to additional risks related to complying with wide variety of international banking and financial services laws and regulations and regulatory and enforcement authorities in the jurisdictions in which we operate. In addition, we also face risks related to economic and political environment challenges, restrictions on the import and export of certain intermediates, banking regulations, technologies and multiple and possibly overlapping tax structures.

The laws and regulations governing the banking and financial services industry in the jurisdictions we operate, have become increasingly complex, governing a wide variety of issues, including interest rates, liquidity, capital adequacy, securitization, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices, with sometimes overlapping jurisdictional or enforcement authorities. We have in the past experienced certain instances of non-compliance with applicable regulations, and have been penalized for such non-compliances. See "*Risk Factor– We are exposed to risks derived from the performance of our Subsidiaries, Joint Venture and Associates*". In addition, the regulatory authorities in the Republic of Kazakhstan revoked the license of our Associate, JSC Tengri Bank, with effect from 18 September 2020 for failing to comply with certain prudential standards and other mandatory norms and regulatory limits, thereby prohibiting it from conducting banking operations and other activities in the securities market, and appointing a temporary administrator for the entity. Agency of Republic of Kazakhstan for Regulation and Development of Financial Market revoked license of JSC Tengri Bank with effect from 18 September 2020 to conduct banking, other operations and activities in the securities market and is under liquidation. In addition, our Bank had also provided liquidity support by way of Inter Bank placement to JSC Tengri Bank aggregating USD 52.55 million from Branch Office: Dubai and Branch Office: Hong Kong and USD 8.00 million from Punjab National Bank (International) Limited, UK. Claim of the Bank as shareholder and creditor and Punjab National Bank (International) Limited, UK as a creditor has been filed with Head of Liquidation Commission within stipulated time. Our advisors have informed us that Liquidation Creditor has commenced the payment of the 7th line of creditors and 7th line has been satisfied up to 100.00 per cent and as on 6 August 2026 and our Bank's claim as a creditor is 9th in the priority list. After acceptance of our claims, CoC was constituted and last CoC meeting was held on 15 July 2026.

Any failure to comply with applicable regulations in various jurisdictions, including unauthorized actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and future inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture or comply with unfamiliar laws and regulations. In addition, we face competition from banks in other countries that may have more experience and resources in those countries or in international operations generally. We remain a small-size operator in foreign markets where we are currently present and many of our competitors have much greater resources. If we do not effectively manage our foreign operations, our results of operations may be adversely affected.

Unfavourable developments in any of the above areas may create difficulties for the Bank's business. For example, the Bank may encounter difficulties in obtaining the necessary governmental approvals in a timely manner or at all or face challenges as a result of the pervasiveness of corruption and other irregularities in business practices. Similarly, restricted access to global markets would impair its ability to grow its overseas businesses. As a result, its business, prospects, cash flows, financial condition and results of operations may be adversely affected.

Any downgrade in the Bank's credit ratings could affect our ability to access cost effective funding, thereby adversely affect our business, results of operations and financial condition

The pricing on our issuances of debt will be negatively impacted by any downgrade or potential downgrade in our credit ratings, which could increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis. There is no downgrade of Bank's/Bank's Instrument for past three Fiscals and in the three months ended 30 June 2026. Set forth below are details of our credit ratings as of the corresponding periods:

Rating Agency	Instrument/Purpose/Issue	As at 31 March			As at 30 June	
		2024	2025	2026	2025	2026
INDIA	**Additional Tier 1 (AT1) bonds**	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
	Basel III Tier 2 bonds	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
	Senior Infrastructure Bonds	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable	IND AAA/Stable
CRISIL	**Tier I Bonds (Under Basel III)**	CRISIL AA/Stable	CRISIL AA/Stable	CRISIL AA+/Stable	CRISIL AA/Stable	CRISIL AA+/Stable
	Perpetual Tier-I Bonds (under Basel II)	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
	Tier II Bonds (Under Basel III)	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
	Upper Tier-II Bonds (under Basel II)	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
	Lower Tier-II Bonds (under Basel II)	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
	Infrastructure Bonds	CRISIL AA+/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable	CRISIL AA+/Stable	CRISIL AAA/Stable
Brickwork	**Additional Tier 1 Bonds (Basel III)**	BWR AA/ Stable	BWR AA/ Stable	BWR AA+/ Stable/ Upgraded	BWR AA+/ Stable	BWR AA+/ Stable/ Upgraded
	Tier II Bonds (Basel III)	BWR AA+/ Stable	BWR AA+/ Stable	N.A.	N.A.	N.A.
CARE	**Additional Tier-I bonds (Basel III)**	CARE AA/Stable	CARE AA/Positive	CARE AA+/Stable	CARE AA/Positive	CARE AA+/Stable
	Perpetual Bonds (Basel II)	CARE AA/Stable	CARE AA/Positive	N.A.	CARE AA/Positive	N.A.
	Tier-II bonds (Basel III)	CARE AA+/Stable	CARE AA+/Positive	CARE AAA/Stable	CARE AA+/Positive	CARE AAA/Stable
	Upper Tier II Bonds (Basel II)	CARE AA+/Stable	N.A.	N.A.	N.A.	N.A.
	Lower Tier II Bonds (Basel II)	CARE AA+/Stable	CARE AA+/Positive	N.A.	CARE AA+/Positive	N.A.
	Infrastructure Bonds	CARE AA+/Stable	CARE AA+/Positive	CARE AAA/Stable	CARE AA+/Positive	CARE AAA/Stable
ICRA	**Basel III AT-I Bonds**	ICRA AA/Stable	ICRA AA/Stable	ICRA AA+/Stable	ICRA AA/Stable	ICRA AA+/Stable
	Basel III Tier II Bonds	ICRA AA+/Stable	ICRA AA+/Stable	ICRA AAA/Stable	ICRA AA+/Stable	ICRA AAA/Stable
	Basel II Lower Tier II Bonds	ICRA AA+/Stable	ICRA AA+/Stable	ICRA AAA/Stable	ICRA AA+/Stable	ICRA AAA/Stable
	Infrastructure Bonds	ICRA AA+/Stable	ICRA AA+/Stable	ICRA AAA/Stable	ICRA AA+/Stable	ICRA AAA/Stable

While our credit ratings have been downgraded in the past, our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis, which may adversely affect our profitability and future growth.

Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debts in domestic and international markets, which would increase our financing costs and adversely affect both our future debt issuances and our ability to raise new capital on a competitive basis, which may, in turn, adversely affect our profitability and future growth. In addition, any downgrade of our credit ratings could result in additional terms and conditions being included in any financing or refinancing arrangements in the future. We cannot guarantee that our ratings will not change, or that any other rating agency will not downgrade India's credit rating. Also see, "*Risk Factors – Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available*".

We may not be able to detect money-laundering and other illegal or improper activities in a comprehensive manner or on a timely basis, which could expose us to additional liability and harm our business or reputation

Although the Bank complies with the guidelines related to AML issued by the RBI and Financial Intelligence Unit-India and all necessary reporting is also being done but Banking Channels have an inherent risk of misuse by money launderers, terrorists and cyber criminals. Since July 2019, regulatory reports are being submitted as per guidelines, and no penalty has been imposed till date regarding regulatory reporting.

While we continue to strengthen our AML and KYC procedures, to the extent we fail to fully comply with applicable laws and regulations, the relevant governmental and regulatory agencies may impose fines and other penalties and, in certain circumstances, ask us to cease operations. In addition, any adverse action taken by such agencies could adversely affect our reputation, thereby affecting our business and future financial performance.

Our ability to pay dividends in the future will depend upon applicable RBI regulations, our earnings, financial condition and capital requirements. Any inability to declare dividend may adversely affect the trading price of our Notes

While we have a formal board approved dividend policy to govern our dividend pay-out, our future ability to pay dividends and the amount of any such dividends, if declared, will depend upon a number of factors, including our future earnings, financial condition, capital requirements, our compliance with regulatory requirements, meeting the RBI mandated CRAR and net NPA parameters and our operating performance. Dividends distributed by us may attract dividend distribution tax at rates applicable from time to time. We cannot assure you that we will generate sufficient income to cover our operating expenses and shall be able to pay dividends. Our present and future dividend policy is based on the terms of the extant GoI/RBI guidelines and directives, and is dependent on our revenues, profits, cash flow, financial condition, capital requirements and other factors.

The RBI has prescribed limits on the dividend pay-out ratio of banks in India linked to certain parameters such as the risk-based capital ratio and net non-performing assets ratio. Under the Capital Adequacy Directions, banks are subject to higher minimum capital requirements and must maintain a capital conservation buffer above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments.

Any change in restrictions on payment of dividend or capital requirements may limit our ability to pay dividends to our shareholders. The declaration and payment of dividends are subject to the provisions of the Banking Regulation Act and regulations made thereunder, the RBI Act and regulations and guidelines made thereunder

including the Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividend and Remittances of Profits) Directions, 2026 ("**RBI Dividend Directions**").

The RBI issued these directions, to revise the guidelines applicable to declaration of dividend by commercial banks, on 10 March 2026. These guidelines are aimed at enabling the banks with higher net profits, lower net NPAs and higher cushion in terms of capital adequacy to be eligible to declare higher dividends.

The Bank follows the Banking Regulation Act, the RBI Dividend Directions and Regulation 43A of the SEBI Listing Regulations in this regard. Dividends that our Bank has paid in the past may not be reflective of the dividends that our Bank may pay in a future period.

Our business and financial condition may be adversely affected if we are unable to develop new products and services

The role of technology in driving differentiation and business growth is crucial in the highly competitive banking sector. Our Bank is committed to leveraging technological advancements to continually innovate and enhance customer experiences across all digital platforms. Our strategic focus includes the development of user-friendly digital banking services such as mobile banking, internet banking, UPI, and streamlined digital processes such as the PNB Krishi Tatkal Rin Yojana, KCC Renewal, PNB e-Mudra Scheme, Pre-approved Personal Loans, and Pre-Approved Business Loan offerings. Additionally, our collaborative efforts with 59 companies have introduced cutting-edge products, further expanding our digital footprint. Partnerships with third parties underscore our proactive approach in meeting the evolving needs of our diverse customer base. We have also increased the presence of authorized dealer branches, Foreign Currency Non-Resident Bank Account Authorized Branches, World Travel Card authorized Branches, and also have designated 50 Branches as Non-Resident Indian ("**NRI**") specialized Branches. In addition to above, NRI Customer Service centre has been set up to cater the needs of NRI customers.

While we have been diversifying and expanding our products and services to deliver innovative, customer-centric solutions and forging strategic partnerships, we cannot assure you that we will be able to continue delivering value and maintain our competitive edge in the banking sector. The successful diversification of our product and service offerings, while managing associated risks and challenges, is essential. Potential outcomes, such as returns on new products falling short of expectations, could materially impact our liquidity, business prospects, financial condition, and overall operational results. Furthermore, heightened competition that better anticipates customer needs within our target markets could potentially diminish our market share and adversely affect our business operations.

There are limitations in the scope of the procedures adopted by our statutory auditors in the audit of our financial statements

We are a commercial bank with a network of 10,359 branches in India as of 30 June 2026. As noted in the audit reports for the financial statements for Fiscals 2024, 2025 and 2026, there are certain limitations in the scope of the audit of such financial statements. The audited standalone financial statements for Fiscal 2024 incorporate financial information from 9,638 branches in India which have not been subjected to audit. These unaudited branches accounted for 26.68 per cent. of advances, 66.60 per cent. of deposits, 20.53 per cent. of interest income and 60.27 per cent. of interest expenses in Fiscal 2024. The audited standalone financial statements for Fiscal 2025 incorporate financial information from 9,290 branches in India which have not been subjected to audit. These unaudited branches accounted for 24.31 per cent. of advances, 55.76 per cent. of deposits, 18.74 per cent. of interest income and 51.09 per cent. of interest expenses in Fiscal 2025. The audited standalone financial statements for Fiscal 2026 incorporate financial information from 9,312 branches in India which have not been subjected to audit. These unaudited branches accounted for 25.01 per cent. of advances, 56.92 per cent. of deposits, 19.32 per cent. of interest income and 52.50 per cent. of interest expenses in Fiscal 2026. For further details, see "*Financial Statements*". An inability to maintain an effective internal audit system or

adequate procedures by our officials in the audit of our financial statements may affect the reliability of our financial statements.

Our statutory auditors have highlighted certain matter of emphasis in relation to our historical audited financial statements for Fiscal 2024, 2025 and 2026 and in the unaudited limited review financial results for the three months ended 30 June 2025 and 2026

Our statutory auditors have highlighted certain matters of emphasis in relation to our historical audited financial statements for Fiscal 2024.

There can be no assurance that our statutory auditors will not include such matters of emphasis in relation to our audited financial statements in the future, or that any matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider these remarks in evaluating our financial condition, results of operations and cash flows. Any such matters of emphasis on our audited financial statements in the future may also adversely affect the trading price of the Notes.

We may be barred by state and central government departments and other public sector bodies from undertaking transactions on their behalf. If such prohibitions persist, our results of operations and financial condition may be adversely impacted

Any direction by the state and central government directing institutions to withdraw their deposits from our Bank and all their transactions with us could impact our financial transactions and liquidity management in the region. Should the relevant government further enforce the closure of accounts held by our Bank, we may face disruptions in our financial operations, including delays in payments, increased transaction costs and the need to establish new banking relationships, which would adversely impact on our business, financial condition and results of operations.

Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect our business and financial results, or cause serious reputational harm across our businesses

The RBI is empowered under the Banking Regulation Act and the circulars, guidelines and notifications issued thereunder to impose penalties on banks and their employees, to enforce applicable regulatory requirements or in case of infringement of any provisions of the Banking Regulations Act. In the past, the RBI has levied penalty on us for non-compliance with guidelines and instructions issued by the RBI from time to time, as well as on account of fraud.

We are periodically subject to inspections by the relevant authorities. Certain of these inspections have resulted in investigations and cases commenced against us or some of our employees. Going forward we will remain subject to similar inspections, investigations and cases. If one or more of such inspections, investigations or cases leads to a significant award or penalty against us, our business may be adversely affected. The table below sets forth details of regulatory penalties imposed by the RBI during the last three Fiscals and up to 31 August 2026:

Period	Date of Action/Penalty	Brief Description of the Action/Penalty	Quantum of Penalty (₹Crores)
2024	30 October 2023	Non-compliance with certain provisions of 'Reserve Bank of India (Interest Rate on Deposits) Directions, 2016', 'Reserve Bank of India (Interest Rate on Advances) Directions, 2016' and 'Master Circular on Customer Service in Banks'.	0.72

Period	Date of Action/Penalty	Brief Description of the Action/Penalty	Quantum of Penalty (₹Crores)
2025	7 July 2024	Non-compliance with certain directions issued by RBI on 'Loans and Advances – Statutory and Other Restrictions', and 'Reserve Bank of India Know Your Customer (KYC) Direction, 2016'.	1.32
2026	04 April 2025	For non-compliance with certain directions issued by RBI on 'Customer Service in Banks'	0.30

The penalties imposed by such regulators have in the past generated adverse publicity for us and our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, reputational loss, significant time and attention from our management, costs for investigations and remediation of affected customers, may adversely affect our business and financial performance.

We cannot predict the initiation or outcome of any such investigations by other authorities or different investigations by relevant authorities. Any penalty imposed as a result of such investigations may generate adverse publicity for our business. Such adverse publicity, or any future scrutiny, investigation, inspection or audit which could result in fines, public reprimands, and damage to our reputation, significant time and attention from our management, costs for investigations and remediation of affected customers, may adversely affect our business and financial results.

Our failure to adapt to technological advancements that can potentially disrupt the banking industry could affect the performance and features of our products and services and reduce our attractiveness to customers

Failing to adapt to technological advancements that have the potential to disrupt the banking industry could significantly impact the performance and features of our products and services, potentially diminishing our attractiveness to customers. In today's rapidly evolving digital landscape, staying ahead of technological changes is imperative for the Bank. Embracing innovation allows us to enhance customer experience, streamline operations, and maintain competitiveness in the market. By proactively integrating cutting-edge technologies into our offerings, we ensure that we not only meet but exceed customer expectations, thereby safeguarding our position as a leader in the banking sector. Our failure to adapt to such technological advancements quickly and effectively could affect the performance and features of our products and services and could reduce our attractiveness to existing and potential customers.

As on date of this Offering Circular, our Board does not have prescribed strength in terms of the Banks Nationalisation Act and the SEBI Listing Regulations

As on the date of this Offering Circular, our Board does not have the prescribed strength as the following positions are vacant:

1. Director who is an employee and a workman of the Bank under section 9(3)(e) of the Banks Nationalisation Act.
2. Director who is an employee, but not a workman of the Bank under section 9(3)(f) of the Banks Nationalisation Act.
3. Director who has been a Chartered Accountant under section 9(3)(g) of the Banks Nationalisation Act.

4. Director nominated by the Government under section 9(3)(h) of the Banks Nationalisation Act.

Given that our Bank is a public sector undertaking, matters pertaining to, among others, appointment of our Directors are determined by the Government of India, Ministry of Finance, except appointment of Shareholders Director under section 9(3)(i) of the Banks Nationalisation Act. Therefore, we do not have the ability to appoint directors on our Board. As a result of this, we cannot provide any assurance that such non – compliance will be rectified in a timely manner or at all. Such delay or failure could result in statutory/regulatory authority(ies) taking action against us including imposing penalty on the Bank, any of which could adversely affect the Bank's business, reputation and results of operations.

A portion of our Bank's loans have a tenor exceeding one year or are unsecured, exposing the Bank to risks associated with economic cycles. In the event of non-payment by borrowers of these loans, we may be unable to collect the unpaid balance

We offer unsecured personal loans to the retail customer segment, including salaried individuals and self-employed professionals. In addition, we offer unsecured loans to corporates, small businesses and individual businessmen. As of 30 June 2026, our unsecured loans amounted to ₹3,99,142.00 crore, which contributed 23.38 per cent. of our Bank's gross exposure of ₹17,07,417.42 crore. Unsecured loans are at higher credit risk for us than our secured loan portfolio as they may not be supported by realizable collateral that could help ensure an adequate source of repayment for the loan. Although we may obtain direct debit instructions or post-dated checks from our customers for our unsecured loan products, we may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in our unsecured loan portfolio could require us to increase our provision for credit losses, which would decrease our earnings

In addition as of 30 June 2026, loans with a tenor exceeding one year constituted 99.48 per cent. of our Bank's total standard domestic advances. The long tenor of these loans may expose our Bank to risks arising out of economic cycles exposing us to liquidity risks.

We have existing indebtedness, and may incur additional indebtedness, which could adversely affect our financial condition, and/or our ability to obtain financing in the future, react to changes in our business and/or satisfy our obligations

As of 30 June 2026, our Bank had ₹79,263.66 crores of outstanding debt liabilities, *inter alia*, in the form of debt securities such as unsecured redeemable bonds, Tier I bonds, upper Tier II bonds, subordinate debts for Tier II capital and long-term infrastructure bond. Our existing indebtedness could impose restrictions on our business operations which may be in the nature of following:

- it may be challenging for us to obtain additional financing, should such a need arise, which may limit our ability to satisfy obligations with respect to our debt;
- a portion of our financial resources must be dedicated to the payment of principal and interest on our debt, thereby reducing the funds available to use for other purposes;
- it may be difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on, and acceleration of, such debt;
- we may be more vulnerable to general adverse economic and industry conditions;
- our ability to refinance debt may be limited or the associated costs may increase; and
- our flexibility to adjust to changing market conditions could be limited, or we may be prevented from carrying out capital spending that is necessary or important to our growth strategy and efforts to improve operating margins of our businesses.

In addition, failure to comply with the terms of these financing agreements may lead to action against us, and may require us to accelerate payment of our loans. Default in our repayment obligations may also affect our ability to raise financing in future

Any deficiencies, inaccuracies or mis-specification in the models and data we rely on for our risk analysis could impact our decision-making and operations

As part of ordinary decision-making process, our Bank relies on various models for data analysis and risk assessment. These models are based on historical data supplemented with managerial inputs and comments. These models analyse data which may not always be accurate or adequate to guide for strategic and operational decisions and protect from risks. Any misspecification, deficiencies or inaccuracies in the data used for model development might have a material adverse impact on bank's business, operations and financial conditions. As our Bank endeavours to broaden its operations in newer geographies and new product areas, there is a risk that we may struggle to create tailored risk management policies/procedures/models suitable for these new areas and products, or effectively handle the risks linked to the expansion of our current businesses. Also, Implementation and monitoring may prove to be challenging with respect to our expansion and development.

Majority of our offices, branches and ATMs are located on premises taken by us on lease or on leave and license basis. We may not be able to renew these agreements for our branches upon acceptable terms or at all which could have an adverse effect on our business and results of operations

Majority of our offices, branches and ATMs are located on premises taken by us on lease or leave and license basis from third parties. The arrangement for Head Office Building is on owned premises. In case of non-renewal of our leases or if such agreements are renewed on unfavourable terms and conditions, we may be forced to procure alternative space for our existing branches and incur additional costs in such relocation. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease or license agreements. This may cause a disruption in our operations or result in increased costs, or both, which may materially and adversely affect our business, financial condition and results of operations in respect of such defaulting premises. Further, some of our lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which could adversely affect the continuance of our operations and business. Although we procure space that satisfies the safety, operational and financial criteria for our branches, we cannot assure you that we will be able to identify such space at commercially reasonable terms or at all.

We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. The transactions we have entered into and any further transactions that we may have with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Bank. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our business and financial results, including because of potential conflicts of interest or otherwise.

Our employees are unionized and any union action may adversely affect our business

Majority of our employees are members of national banking unions, including All India Punjab National Bank Officers Association ("**AIPNBOA**") for officers, and All India Punjab National Bank Employees Federation ("**AIPNBEF**") for workmen. We are a member of the Indian Banks' Association, which negotiates wages and other service conditions with the major unions.

From time to time, the labour unions for the banking employees organize strikes, as a result of which, we have been and may in the future be affected by strikes, work stoppages or other labour disputes. We have had past instances of industry wide strikes by the unions which affected all banks and we have also had past instances of strikes which only affected our Bank. In the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations. While we believe that we have a strong working relationship with our unions, associations and employees, and also believe that the same shall continue in future, there can be no assurance that we will continue to have such a relationship in the future, and that there will not be significant strikes or disputes with employees that could affect our operations in future.

A reduction in long-term interest rates may increase our pension liabilities which may adversely affect our future financial performance and results of operations

We operate a defined benefit pension fund scheme. A discount rate is used to calculate the present value of our future liabilities in relation to the scheme and is linked to the long-term yield on GoI securities. A reduction in the long-term interest rate would increase the present value of our pension obligations. As a result, we may be required to make further cash contributions to the scheme in order to cover the 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 the increase in present value of pension obligation to an extent.

Our inability to renew or maintain our statutory and regulatory permits and approvals required to operate our business may adversely impact our business, financial condition and results of operation

We are required to obtain various statutory and regulatory licences, permits and approvals to operate our business which require us to comply with certain terms and conditions in the ordinary course of our business. Inability to obtain these licences/permits/approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the regulatory authorities if the irregularities pointed out by the inspecting officials of the concerned authorities are not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

In addition, our branches in some states are also required to be registered under the relevant shops and establishments laws of the concerned states within whose territorial jurisdiction, our branch is located, unless otherwise exempt under such enactments. Inability to obtain these licences/permits/approvals or non-compliance of the terms and conditions mentioned therein may attract penalties and strictures from the authorities if the irregularities pointed out by the inspecting officials of the concerned authority is not rectified within the time allowed by them and in extreme cases, it may result in the interruption of all or some of our operations and may have a material adverse effect on our business, financial condition, results and cash flow and could also adversely affect our financial performance and reputation.

Our inability to attract and retain talented professionals may negatively affect our results of operation and financial position

Attracting and retaining talented professionals is a key element to our growth strategy. Our remuneration schemes are guided by industry level negotiations between bank management represented by the Indian Banks' Association ("**IBA**"), and officers/workmen represented by their respective unions. In addition to such remuneration, we also offer our employees certain incentive such as bonus payments, as may be approved by our Board. Our remuneration scheme is in accordance with industry level settlement formulated by the IBA following negotiation with various unions or associations. The remuneration prevalent in the public sector banks are similar except for perks which is determined by individual banks.

If the banking industry increasingly moves toward incentive-based pay schemes, attrition rates could increase and we could be forced to alter our remuneration scheme. The resultant pressures may result in diminished profitability, especially if rates of return do not experience a commensurate rise. An inability to attract and retain such talented professionals or the resignation or loss of such professionals may have an adverse impact on our business, future financial performance and trading price of the Notes. In addition, we may experience difficulties in managing our expanding workforce.

We may face conflicts of interest relating to one of our Associate Companies, PNB Housing Finance Limited ("PNBHFL")

One of our Associate Companies, PNB Housing Finance Limited, is one of the leading housing finance companies in India with branches across India, as of 30 June 2026. It also uses the "PNB" name, brand and trademark pursuant to an agreement dated 7 December 2009 pursuant to which we granted PNBHFL the royalty-free, non-exclusive right to use the name, brand, trademark and logo "PNB" strictly in relation to its business. We have no agreements with PNBHFL that restricts them from offering similar products and services as us and as a result, our relationship with PNBHFL may cause certain conflicts of interest, particularly with respect to distribution of housing and non-housing loans and deposit products that PNBHFL distributes and we may compete with PNBHFL on the basis of the range of our product offerings, interest rates and fees as well as customer service, particularly in the retail housing market. Bank has given its brand to PNB Housing Finance Limited in terms of Trademark License Agreement ("**TLA**") dated 24 May 2021. The Bank has the right to charge royalty from PNBHFL post reduction in shareholding below 30 per cent. and withdraw the name post reduction of shareholding below 20 per cent. Post rights issue of PNBHFL, the Bank's shareholding has come below 30.00 per cent. (28.03 per cent. present shareholding). As a result, it has triggered the event for payment of royalty fees as stated in Clause 5 of TLA from Fiscal 2024. Such royalty payment was triggered on 4 May 2023 where the change in our Bank's shareholding went below 30 per cent is effective.

We may also compete with PNBHFL for capital and other low-cost sources of funding as well as for the services of third party service providers, including for direct marketing associates and deposit brokers. There can be no assurance that we will be able to successfully compete with PNBHFL and if it continues to offer and distribute our products in the businesses that we are currently engaged in or if we forego certain business opportunities because of our relationship with PNBHFL, our business, financial condition, results of operations and prospects could be affected.

India's existing credit information infrastructure may cause increased risks of loan defaults. We depend on the accuracy and completeness of information furnished by the customers and counterparties and any misrepresentation, errors or incompleteness of such information could cause our business to suffer

Our principal business is providing financing to borrowers, including individuals, SMEs and MSMEs. The credit risk of our borrowers may be higher than in other economies due to the higher uncertainty in our regulatory, political and economic environment and the inability of our borrowers to adapt to global technological advancements. Although India has credit information companies, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. In the event that the reports of such credit information companies are not up-to-date, we may not be able to accurately assess the creditworthiness of our borrower which may increase our risk of exposure to default by borrower. Inadequate loan servicing histories for borrowers increase the risk of exposure and may lead to an increase in our NPAs which may adversely affect our business, results of operations and financial condition.

We rely on information furnished by customers and counterparties while determining whether to extend credit or to enter into other transactions with such customers and counterparties. Our financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally

accepted accounting principles or with other information that is materially misleading. We also rely on credit ratings and bureau scores assigned to our customers. Our financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading.

Currently, India has four Credit Information Companies ("**CICs**"): (i) Credit Information Bureau (India) Limited ("**CIBIL**"); (ii) CRIF Highmark; (iii) Experian India; and (iv) Equifax India which provide Credit Information Reports. Our Bank is member of all the four CICs. However, these CICs provide the reports on borrower's repayment history only. The difficulties associated with the inability to accurately assess the value of collateral and to enforce rights in respect of collateral, along with the absence of such accurate statistical, corporate and financial information, may decrease the accuracy of our assessments of credit risk, thereby increasing the likelihood of borrower default on our loan and decreasing the likelihood that we would be able to enforce any security in respect of such a loan or that the relevant collateral will have a value commensurate to such a loan. The absence of reliable information, including audited financial statements, recognised debt rating reports and credit histories relating to our present and prospective corporate borrowers or other customers makes the assessment of credit risk, including the valuation of collateral, more difficult, especially for individuals and small businesses. 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 our ability to accurately assess the credit risk associated with such lending. As a result, higher credit risk may expose us to greater potential losses, which could adversely affect our business, financial condition and results of operations.

Our Bank's retail assets portfolio has experienced significant growth. If our Bank is unable to address credit risk in our retail asset portfolio, then our financial performance may be adversely affected.

As part of our Bank's business and growth strategy, we will continue to focus on growth in its retail banking business. Set forth below are details of our Bank's retail credit portfolio as of the corresponding periods:

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
Retail credit portfolio (₹crore)	2,22,574.10	259,363.40	280,778.77	262,219.00	285,880.08
Total Domestic Advance (₹crore)	9,42,390.81	10,66,048.11	11,92,949.89	10,79,079.95	12,03,859.48
Retail credit portfolio, as a percentage of total loans (%)	23.62%	24.33%	23.54%	24.30%	23.75%

The availability of comprehensive credit history reports for new first-time borrowers is limited in India. As a result, our Bank is exposed to higher credit risk in the retail business compared to banks in more developed markets. If our 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 our future financial performance and credit rating and the market price of the Notes. Although India has a credit bureau industry and we review credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. Additionally, the economy in India is largely cash based, making it difficult for us to monitor the credit of our retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. Further, if our Bank is unable to maintain the quality of our retail loan portfolio as Bank grows its retail business, NPAs may increase, which could adversely affect our business, results of operations and financial condition.

Our insurance coverage may be inadequate to cover losses. If we incur substantial uninsured loss or loss that exceeds our insurance coverage, it could have a material adverse effect on our business, cash flows, results of operations and financial condition

While we are covered by a range of insurance that we believe is consistent with industry practice in India to cover risks associated with our business, we cannot assure you that the existing coverage will insure our Bank completely against all risks and losses that may arise in the future. We may not have insurance to cover all of the risks associated with our business, as insurance coverage is either unavailable for certain risks or is prohibitively expensive. In addition, even if such losses are insured, we may be compelled to contribute a substantial deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are generally subject to annual renewal, and our ability to renew these policies on similar or otherwise acceptable terms, cannot be assured. If we incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have an adverse effect on our business, cash flows, results of operations and financial condition.

Our contingent liabilities could materially and adversely affect our financial condition and results of operations

As of 30 June 2026, our Bank had contingent liabilities amounting to ₹5,11,485.41 crore. The table below sets forth the details of contingent liabilities:

Particulars	**As of 30 June 2026**
	(₹ crore)
Claims against our Bank not acknowledged as debts	867.01
Disputed income tax and interest tax demands under appeals, references etc.	11,549.64
Liability for partly paid investments	146.66
Liability on account on outstanding forward exchange contracts	391,747.49
Guarantees given on behalf of constituents:	
(a) In India	73,660.99
(b) Outside India	3,670.15
Acceptances, endorsements and other obligations	22,252.69
Other items for which the Bank is contingently liable	7,590.78
Total	511,485.41

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, financial conditions, result of operations and prospects. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, financial condition, cash flows, results of operations and prospects may be adversely impacted.

Any non-compliance with law or unsatisfactory service by the third-party service providers engaged by us for certain services could have an adverse impact on our business and results of operations

We enter into outsourcing arrangements with third party vendors, separate employees and independent contractors, in compliance with the RBI guidelines on outsourcing, including the Reserve Bank of India (Commercial Banks – Managing Risks in Outsourcing) Directions, 2025, as amended from time to time. These

vendors, employees and contractors provide various services including, among others, ATM/card related services, business correspondents, facility management services related to information technology, software services and call centre services. We outsource several services through our customer care centre, such as our call centre, doorstep banking and Queue Management System ("**QMS**") in five selected branches exclusively on a proof of concept basis. During Fiscal 2024, 2025 and 2026 and the three months ended 30 June 2026, there have been no material failures by third parties in performing their contractual obligations of these services. We are also dependent on various vendors for certain non-core elements of our operations including implementing IT infrastructure and hardware, branch roll-outs, networking, managing our data centre, and back-up support for disaster recovery. As a result of outsourcing such services, we are exposed to various risks including strategic, compliance, operational, legal and contractual risks. Any failure by a service provider to provide a specified service or a breach in security/confidentiality or non-compliance with legal and regulatory requirements, may result in financial loss or loss of reputation. We cannot assure you that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with us, our business, financial condition and results of operations will be adversely affected. In case of any dispute, we cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect our business, financial condition and results of operations. The "Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Bank" issued by the RBI places obligations on banks, its directors and senior management for ultimate responsibility for the outsourced activity. Banks are required to provide prior approval for use of subcontractors by outsourced vendor and to review the subcontracting arrangements and ensure that such arrangements are compliant with aforementioned RBI guidelines. Legal risks, including actions being undertaken by the RBI, if our third-party service providers act unethically or unlawfully, could adversely affect our business, financial condition and results of operations.

We face security risks, including denial of service attacks, hacking, social engineering attacks targeting our colleagues and customers, malware intrusion or data corruption attempts, and identity theft that could result in the disclosure of confidential information, adversely affect our business or reputation, and create significant legal and financial exposure

Our businesses rely on our secure processing, transmission, storage and retrieval of confidential, proprietary and other information in our computer and data management systems and networks and in the computer and data management systems and networks of third parties. Given our reliance and focus on technology and presence in diverse geographies, our technologies, systems, networks, and our customers' devices are subject to security risks and are susceptible to cyber-attacks (such as, denial of service attacks, hacking, terrorist activities or identity theft) that could negatively impact the confidentiality, integrity or availability of data pertaining to us or our customers, which in turn may cause direct loss of money to our customers or to us, damage to our reputation and adversely impact our business and financial results. Third parties with which we do business or that facilitate our business activities could also be sources of operational and information security risk to us, including from breakdowns or failures of their own systems or capacity constraints.

We, our customers, regulators and other third parties, including other financial services institutions and companies engaged in data processing, have been subject to, and are likely to continue to be the target of, cyberattacks. These cyber-attacks include computer viruses, malicious or destructive code, phishing attacks, denial of service or information, ransomware, improper access by employees or vendors, attacks on personal email of employees, ransom demands to not expose security vulnerabilities in our systems or the systems of third parties or other security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of ours, our employees, our customers or of third parties, damage our systems or otherwise materially disrupt our or our customers' or other

third parties' network access or business operations. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. There have been no security breaches, hacking or other successful cyberattacks in preceding financial year. The cyber incidents are required to be reported to RBI as per its regulatory guidelines, including the Reserve Bank of India (Commercial Banks – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026, as amended from time to time. Further, we also receive threat intel and advisories from NCIIPC, GroupIB, CSITE, Cert-In and other regulatory bodies which are promptly acted upon.

Any third-party technology failure, cyber-attack or other information or security breach, termination or constraint could, among other things, adversely affect our ability to effect transactions, service our clients, manage our exposure to risk or expand our business. Cyber-attacks or other information or security breaches, whether directed at us or third parties, may result in a material loss or have material consequences. Furthermore, the public perception that a cyber-attack on our systems has been successful, whether or not this perception is correct, may damage our reputation with customers and third parties with whom we do business. A successful penetration or circumvention of system security could cause us serious negative consequences, including our loss of customers and business opportunities, costs associated with maintaining business relationships after an attack or breach; significant business disruption to our operations and business, misappropriation, exposure, or destruction of our confidential information, intellectual property, funds, and/or those of our customers; or damage to our computers or systems, and could result in a violation of applicable privacy laws and other laws, litigation exposure, regulatory fines, penalties or intervention, loss of confidence in our security measures, reputational damage, reimbursement or other compensatory costs, additional compliance costs, and could adversely impact our results of operations, liquidity and financial condition.

If we are covered by RBI guidelines relating to prompt corrective action then our business, future financial performance and results of operations could be materially and adversely affected

On 31 July 2026, the RBI issued the Reserve Bank of India (Commercial Banks – Miscellaneous) Supervisory Directions, 2026, which prescribes the revised the prompt corrective action ("**PCA**") framework, as applicable to the Bank. When the PCA framework is triggered, RBI has a range of discretionary actions it can take in addition to the corrective actions mentioned in the PCA. These discretionary actions include conducting supervisory meetings, conducting reviews, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, removing of managerial persons and superseding the Board, as per the classification of different risk threshold. If we trigger any risk threshold under the PCA framework, it could materially and adversely affect our business, future financial performance and results of operations.

As the GoI controls a majority of our issued share capital, its public policy decisions may impact our strategy and operations

The GoI controls a majority of our Bank's issued share capital. As of 30 June 2026, the GoI directly held 70.08 per cent. of our Bank's issued and paid up share capital. As our Bank's controlling shareholder, the GoI is able to exercise effective control over our Bank. Although historically we have enjoyed certain autonomy from the Government of India in the management of our affairs and strategic direction, as its controlling Shareholder, the Government of India is able to exercise effective control over the Bank. Furthermore, the Chairman, Managing Director ("**MD**") and Chief Executive Officer ("**CEO**"), the Executive Directors and certain other Directors are appointed by the Government of India. Although our management runs the day-to-day operations, the Government of India may determine material policies and implement such policies or schemes, 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 Shareholders for approval, except for those matters requiring a special resolution of the Shareholders.

The Banks Nationalisation Act mandates that the GoI's shareholding in our Bank cannot fall below 51.00 per cent. This requirement could result in restrictions in our equity capital raising efforts as the GoI may not be able to fund any further investments that would allow it simultaneously to maintain its stake at a minimum of per cent. and seek funding from the capital markets. As the Indian economy grows, more businesses and individuals will require capital financing. In order to meet and sustain increasing levels of growth in capital demand, we will need to accrete our capital base, whether through organic growth or capital market financing schemes. If we are unable to grow our capital base in step with demand, our business, financial prospects and profitability may be materially and adversely affected. Further, the approval issued by the Department of Financial Services, Ministry of Finance, Government of India to our Bank dated 27 May 2024 in relation to the Issue, requires us to raise capital in such a way that GoI's shareholding does not fall below 52 per cent.

Significant security breaches of our systems and network infrastructure could adversely impact our business

We seek to protect our computer systems and network infrastructure including ATMs from physical break-ins as well as security breaches and other disruptive problems caused by our increased use of the internet. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and network infrastructure. There may be areas in the system that have not been properly protected from security breaches and other attacks. We employ security systems, including advance threat defence systems, sophisticated threat management systems and password encryption, designed to minimize the risk of security breaches. Although we intend 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.

Further, RBI has observed certain vulnerabilities in our cyber security framework, which may expose us to cyber security risks, and has in the past observed certain non-compliances relating to risk-based transaction monitoring requirements prescribed by RBI under its Cyber Security Framework vide circular no. DBSCO/CSITE/BC.11/33.01.001/2015-16 dated 2 June 2016.

The RBI has subsequently updated and consolidated its requirements relating to information technology governance, risk management, controls and assurance practices under the Reserve Bank of India (Commercial Banks – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026, as amended from time to time, together with other applicable RBI directions such as Reserve Bank of India (Commercial Banks – Digital Payment Security Controls) Directions, 2026 , as amended from time to time and related guidelines relating to cyber security, fraud risk management and transaction monitoring ("**Cyber Security Framework**").

Failed security measures or failure to adhere with the cyber security policy under the Cyber Security Framework issued by the RBI or inadequate focus in addressing major issues such as those relating to implementation of risk management system, increase in reported frauds, absence of straight through processing in critical systems and their integration with CBS, inadequate collateral management and delayed compliance in implementing the observations of the risk assessment reports, could have a material adverse effect on our business and operations, our future financial performance and the trading price of the Notes. Our Bank has ensured to put in place all the necessary control measures as required by the RBI. Our audit department conducts annual audit of the same by external auditors to adhere with the Cyber Security Framework issued by the RBI. Further, our business operations are based on a high volume of transactions. Although we take measures to safeguard against systems related and other fraud and have been compliant with the Cyber Security Framework as per regular internal and external information security audits, there can be no assurance that we will be able to prevent fraud. Our reputation could be adversely affected by significant fraud committed by employees, customers or outsiders.

While compliance checks are regularly reported to top executives and committees, and the bank is fully committed to protecting its IT infrastructure from all types of external and internal threats, we cannot guarantee that there are no potential breaches. While our prompt response to threat intelligence received from various platforms and our collaboration with external regulatory agencies have kept us compliant with the cyber security regulations, there remains a risk that such breaches could affect our business operations.

Our intellectual property rights may be subject to infringement or we may breach third party intellectual property rights

We have established a strong brand, "PNB" which is registered under various classes of the Trademarks Act, 1999, as amended, as well as under the (Indian) Copyright Act, 1957, as amended. We have also applied for certain intellectual property registrations. We are subject to the risk of brand dilution and consequently, loss of revenue in case of any misuse of our brand name by our agents or any third party. As such, any damage to our reputation or that of the "PNB" brand name, could substantially impair our ability to maintain or grow our business, or materially and adversely affect our business, financial condition, results of operation and prospects. If we fail to maintain this brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. We also enter into partnerships with external organizations over which we have limited control. Any negative news affecting such external organizations might also affect our reputation and brand value. In such an event, we may not be able to compete for customers effectively, and our business, financial condition and growth prospects may be materially and adversely affected.

In addition, we cannot guarantee that there shall be no infringement and unauthorized use of our intellectual property by third parties, including by our competitors. We may also be subject to claims brought by third parties, regarding alleged unauthorized use of their trademark or perceived breach of any intellectual property rights registered by such third parties. Any legal proceedings pursuant to such claims may divert management attention and require us to pay financial compensation to such third parties, as determined by a court of competent jurisdiction. If we are unable to obtain or maintain these registrations, it may adversely affect our competitive business position. This may affect our brand value and consequently our business, financial condition, results of operations and prospects may be adversely affected.

Increasing regulatory focus on personal information protection could impact our business and expose us to increased liability

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Digital Personal Data Protection Act, 2023 ("**Data Protection Act**") has been enacted for implementing organisational and technical measures in processing personal data laying down norms for cross-border transfer of personal data to ensure the accountability of entities processing personal data. The Data Protection Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The Data Protection Act is introduced to maintain the highest level of security and protection for all such information regarding our various customer.

The Ministry of Electronics and Information Technology has notified the Digital Personal Data Protection Rules, 2025 ("**DPDP Rules**") on 13 November 2025. The DPDP Rules specify a phased implementation in the following manner:

(a) Phase 1 (Sections 1(2), 2, 18-26, 35, 38-43, and 44(1) & (3) of the DPDP Act along with rules 1, 2 and 17 to 21 of the DPDP Rules came into force on 13 November 2025): These provisions, mainly relating to the establishment of the Data Protection Board of India, became effective.

(b) Phase 2 (Sections 6(9) and 27(1)(d) of the DPDP Act along with rule 4 of the DPDP Rules shall come into force on 13 November 2026): Provisions relating to consent managers will become effective, including mandatory registration for consent managers, requirements to maintain consent records and penalties for breach of registration conditions.

(c) Phase 3 (Sections 3 – 5, 6(1) – (8) & (10), 7-17, 27 (except 27(1)(d)), 28-34, 36-37, and 44(2) of the DPDP Act along with rules 3, 5 to 16, 22 and 23 of the DPDP Rules shall come into force on 13 May 2027): All remaining substantive provisions of the DPDP Act, including specific compliance obligations, will become effective.

This marks the full operationalisation of the Data Protection Act. Together, the act and the rules form a clear and citizen-centred framework for the responsible use of digital personal data. They place equal weight on individual rights and lawful data processing. With the notification of these rules, India now has a practical and innovation-friendly system for data protection. It supports ease of understanding, encourages compliance and strengthens trust in the country's growing digital ecosystem. The rules introduce an eighteen-month period for phased compliance. This gives the organisations enough time to adjust their systems and adopt responsible data practices

The RBI has also issued a circular DPSS.CO.OD No.2785/06.08.005/2017-2018, dated 6 April 2018 on the procedure of storage of payment systems data to ensure that data relating to payment systems that we operate are stored only in India. Additionally, RBI approval is required to share payment data with an overseas regulator. There is no bar on the processing of payment transactions outside India; and the payments data which may be processed overseas must be deleted from the overseas systems and brought back into India within the prescribed timeline.

While we are ISO 27001: 2013 compliant and are in process of acquiring the ISO 27701 certification (Privacy Information Management System) which demonstrates our compliance to primary regulations and provide confidence to stakeholders and customers and also in defining clear roles and responsibilities, we cannot assure you that we will be able to continue to be compliant with evolving regulatory norms on personal information protection. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection-related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/or judgments which may adversely affect our business and reputation.

Our Bank may not be successful in implementing its growth strategies or penetrating new markets

Our Bank's strategies may ultimately fail to contribute to our Bank's growth or profitability and may ultimately be unsuccessful. Even if such strategies are partially successful, our Bank cannot assure you that it will be able to manage its growth effectively or fully deliver on its growth objectives. For further information, see "*Business – Strategies*".

Challenges that may result from our Bank's growth strategies include our 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 necessary to compete effectively;
- assess the value, strengths and weaknesses of future investments;
- finance strategic investments;

- align the current information technology systems adequately with those of a larger group;
- apply risk management policy effectively to a larger group;
- hire and train additional skilled personnel; and
- manage a growing number of branch offices without over-committing management or losing key personnel,
- each of which would have a potential adverse effect on our Bank's business and results of operations.

Our Bank may not be able to effectively manage this growth or achieve the desired profitability in the expected time frame, if at all, or the expected improvement in indicators of financial performance from the expansion. In addition, we also may fail to develop or retain the technical expertise required to operate and develop these new digital solutions. To the extent that our Bank fails to meet required targets, develop and launch new products or services successfully, it may lose any or all of the investments that it has made in promoting them, and our Bank's reputation with its customers could be harmed. Moreover, if our Bank's competitors are better able to anticipate the needs of individuals in its target market, our Bank could lose market share and our business, results of operations and financial condition could be adversely affected.

Statistical and industry data in this Offering Circular may be incomplete or unreliable

Statistical and industry data used throughout this Offering Circular has been obtained from various government and industry publications. While we believe that the information contained has been obtained from sources that are reliable, but neither we nor the Joint Lead Managers / Dealers have independently verified it and the accuracy and completeness of this information is not guaranteed and its reliability cannot be assured. The market and industry data used from these sources may have been reclassified by us for purposes of presentation. In addition, market and industry data relating to India, its economy or its industries may be produced on different bases from those used in other countries. As a result, data from other market sources may not be comparable. The extent to which the market and industry data presented in this Offering Circular is meaningful will depend upon the reader's familiarity with and understanding of the methodologies used in compiling such data. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Offering Circular. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors. Accordingly, investment decisions should not be based on such information.

We and our 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 and the United Kingdom, restrict investments or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by such government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Through our foreign branches and our international operations, we may provide various services to customers doing business with, or located in, countries to which certain economic sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, and we have not been notified that any penalties or other measures will be imposed on us, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. There can be no assurance that our future business will be free of risk under sanctions implemented by these jurisdictions or that we will be able to conform our business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, investors in the Notes could incur reputational or other risks as a result of our or our customers' dealings in or with sanctioned countries or with persons that are the subject of such sanctions.

Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" of this Offering Circular for general corporate purposes or such other activities as are permitted under applicable laws in India, subject to the restrictions under the ECB Regulations for the proceeds from the Notes issued by the Issuer from its Head Office. As on the date of this Offering Circular, our funding requirements are based on management estimates in view of past expenditures and have not been appraised by any bank or financial institution. They are based on current conditions and are subject to change in light of changes in external circumstances, costs, business initiatives, other financial conditions or business strategies. While we will use the Net Proceeds towards augmenting the Bank's Tier I Capital to meet the Bank's future capital requirements and to support growth plans and to enhance the business of the Bank or any other purposes in the manner specified in "*Use of Proceeds*", the amount of Net Proceeds to be actually used will be based on our management's discretion. However, the deployment of the Net Proceeds will *not* be monitored by any monitoring agency. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

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 and the trading price of the Notes.

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 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 would be favorable 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. For details, please see the section titled "*Our Business — Legal and Regulatory Proceedings*".

Risks Relating to India

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.

Significant volatility in the exchange rate and foreign capital flows may affect India's foreign exchange reserves, domestic liquidity conditions and interest rates, which could adversely impact the Bank. Foreign capital flows into India, particularly portfolio flows, have been volatile in response to domestic macroeconomic developments and changes in the global risk environment. India's current account surplus narrowed to 0.7 per cent. of GDP in the quarter ended 31 March 2026 from 1.4 per cent. of GDP in the quarter ended 31 March 2025. While net services receipts and personal transfer receipts increased during this period, the surplus was

lower year-on-year due to a wider merchandise trade deficit Further, increased volatility in foreign 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 any abnormal currency depreciation.

RBI could intervene in the foreign exchange market to curtail extreme volatility. As of March 2026, India's foreign exchange reserves stood, at US$ 691.1 billion, which is sufficient to cover 11 months of imports. Global geopolitical tensions — including the ongoing conflicts between Russia and Ukraine and between Israel and Hamas, heightened friction between China and Taiwan, and the broader assertiveness of the US administration's trade and foreign policy agenda — have created significant uncertainty in global financial markets. The introduction of sweeping tariffs by the United States on key trading partners, including India, and retaliatory measures by China and others, have disrupted supply chains, stoked inflationary pressures, and raised the risk of a broader realignment of global trade relationships. These developments may accelerate a shift of foreign fund flows away from emerging markets toward developed markets, while a reduction in global liquidity could further dampen the attractiveness of emerging market assets.

However, expected rate cuts by central banks in developed economies could partially offset this dynamic by encouraging fund flows back into emerging markets. In the domestic context, RBI may intervene in foreign exchange markets to contain excess volatility arising from external shocks, including protectionist pressures or broader financial market turbulence. Any such intervention could result in a drawdown of India's foreign exchange reserves, tightening domestic liquidity and placing upward pressure on interest rates. The Bank is also exposed to regulatory, reputational, and market risks arising from the evolving sanctions and trade restriction landscape, including measures imposed by the United States, the United Kingdom, the European Union, and Canada on Chinese individuals and entities, and corresponding retaliatory actions by China that may affect the Bank and its customers.

Any of these factors, which are beyond the Bank's control, could have a material adverse effect on the Indian economy and, in turn, on the Bank's financial condition and results of operations. Further, increased volatility in capital flows may also complicate monetary policy decision-making. A sustained period of net capital outflows, for instance, could compel the RBI to maintain a tighter monetary stance than would otherwise be warranted, in order to guard against currency depreciation — even where looser conditions might better serve domestic growth objectives. While the government's focus on boosting capital expenditure, moderating commodity prices, and encouraging robust credit growth is expected to support investment activity, these efforts face headwinds from weak external demand, geoeconomic fragmentation, and protracted geopolitical tensions. Exchange rate volatility that adversely affects domestic liquidity and interest rates could, in turn, exert pressure on the Bank's margins and have a material adverse impact on its financial condition more generally.

Trade deficits could have a negative effect on the Bank's business.

India's trade relationships with other countries can influence Indian economic conditions. India had a trade deficit of U.S.$283 billion in FY25 compared to U.S.$237 billion in FY24, U.S.$265 billion in FY23 and U.S.$191 billion in FY22. The reduction in India's trade deficit in FY24 was supported by lower commodity prices. India's merchandise trade deficit for the April-January 2025-26 period reached US$283.23 billion, increasing from US$247.38 billion in the corresponding period of 2024-25. The deficit peaked at an all-time high of $41.7 billion in October 2025 before moderating to a 5-month low in November 2025. However, given the uncertainty associated with global growth and growing geopolitical risks, there is an upside risk to elevated commodity prices which might result in elevated crude prices. If India's trade deficit increases or becomes unmanageable, the Indian economy, and, therefore, the Bank's business and future financial performance and the trading price of the Notes could be adversely affected.

Any downturn in the macroeconomic environment in India may adversely affect our business, financial condition, results of operations and cash flows

The majority of our business, assets and employees are located in India, so our 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 our business, financial condition, results of operations and cash flows. The Indian economy faces potential adverse impacts from a range of factors, including pandemics, epidemics, political and regulatory shifts, social unrest, religious or communal tensions, terrorist attacks, violence or conflicts like those in the Russia-Ukraine hostilities, or the Israel-Hamas conflict.

Despite geopolitical tensions, Indian and global stock markets have so far managed to stay stable. However, investors are closely monitoring the situation, especially for any signs that Iran might escalate the conflict. Traders are concerned about potential disruptions to crude oil supplies from the Middle East, which is the world's largest oil-producing region.

In the Middle East, the Israel-Hamas conflict, while partially de-escalated following a ceasefire and hostage release agreement in October 2025, remains volatile, with allegations of ceasefire violations on both sides. These conflicts continue to affect energy markets, complicate trade routes and have led to elevated defence spending across countries. The tensions in the Middle East have intensified with Iran launching missile and drone strikes against Israel and other regional countries, including United Arab Emirates, drawing retaliatory military action from Israel and, in certain instances, from the United States, further escalating tensions. While the United States and Iran have signed an initial memorandum of understanding to permanently terminate military operations against each other, the situation remains fluid and any resumption or escalation of hostilities could further disrupt global energy markets and global supply chains. In Europe, political fragmentation within the European Union has slowed progress on key economic and climate initiatives, while elevated energy costs and ongoing debates over fiscal consolidation continue to strain macroeconomic coordination across the bloc.

The escalation of political risks could also have consequences both for the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across businesses, which could lead to adverse consequences for global financial and foreign exchange markets. Acts of violence or war, such as India's ongoing geopolitical tensions with its neighbouring states, Pakistan and China, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. These conflicts continue to affect energy markets, complicate trade routes and have led to elevated defence spending across countries.

China, Nepal, India and Bhutan are connected by ecology and India's shared survival and future depends on protecting the Himalayan ecology. Deadly flooding along the China-Nepal border has put a sharp spotlight on how risks from natural disasters in the Himalayas are growing, at the same time that countries in the region are rapidly building out their high-altitude infrastructure footprints. The ecological disaster created cross border flood concerns because rivers originating in Nepal can carry increased flows into Indian territory, especially Bihar and Uttar Pradesh. Thus, the recent devastating flash floods in Nepal in August, 2026 had triggered high flood alerts in downstream regions of India.The surge from Nepal's Bhote Koshi and Trishuli river systems has traveled down into the Narayani-Gandak basin Border districts in Bihar (such as West Champaran, East Champaran, Gopalganj, and Muzaffarpur) and parts of eastern Uttar Pradesh were on high alert.

High rates of inflation in India could have an adverse effect on our results of operations

India has, in the past, experienced sustained periods of high inflation. A return to high rates of inflation with a resulting rise in interest rates and any corresponding tightening of monetary policy may have an adverse effect on economic growth in India. Although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In addition, high rates of inflation could increase our expenses related to

salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our results of operations.

While India has a fast-growing economy, Indian GDP growth fluctuates from year to year due to various factors. For the financial year 2025-26, the real GDP of India has been estimated to grow at 7.6% while the nominal GDP has witnessed a growth rate of 8.6%. Industries such as manufacturing, financial, real estate and professional services have seen a substantial growth over the past financial year.

The occurrence of natural or man-made disasters, terrorist attacks, civil unrest or rioting in India and other acts of violence or war could adversely affect our business, financial condition, results of operations and cash flows—and could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Notes

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, fires, explosions, pandemics (such as COVID-19) and epidemics, and man-made disasters, including acts of terrorism, other acts of violence and war, could adversely affect our business, financial condition, results of operations and cash flows. In addition, terrorist attacks and other acts of violence or war as well as civil unrest or rioting in India could create a perception that investment in Indian companies involves a higher degree of risk, thereby adversely affecting the market price of the Notes.

Geopolitical tensions between India and Pakistan remain elevated following the deadly terrorist attack on tourists in Pahalgam in Jammu and Kashmir in April 2025. Terrorist attacks, including the one in Pahalgam, as well as those in Mumbai in November 2008 and in Pulwama in February 2019, and other acts of violence or war may negatively affect the Indian markets on which the Bank's equity shares trade and adversely affects the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and, as a result, ultimately adversely affect its business. In addition, any deterioration in relations between India and Pakistan or between India and China might result in investor concerns about stability in the region, which could adversely affect the price of the Notes.

The Indian stock market is likely to experience significant volatility this year, influenced by macroeconomic indicators, global developments, central bank policies. Investor behaviour, which involves buying during price drops and selling to lock in profits during price increases, can exacerbate this perception. Additionally, global tensions and economic uncertainties may contribute to heightened volatility and the impression of increased market risk.

India has also witnessed civil disturbances in recent years and future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on the Bank. Such incidents also create a greater perception that investment in Indian companies involves a higher degree of risk, which could have an adverse impact on its business.

Political instability or changes in the Government could adversely affect economic conditions in India and by consequence, our business

Political instability or changes in government can significantly impact India's economic conditions in several ways:

1. **Investment Climate:** Uncertainty about the political future can deter both domestic and foreign investors. Businesses may delay or cancel investments due to concerns over policy changes, regulatory shifts, or potential disruptions in governance. This can slow down economic growth and development.

2. **Policy Continuity:** Frequent changes in government or political instability can lead to inconsistent or unpredictable economic policies. This lack of continuity can affect long-term planning and decision-making for businesses and investors, leading to decreased economic confidence and slower economic activity.

3. **Economic Reforms:** Political instability might hinder the implementation of crucial economic reforms. Reform agendas may be stalled or reversed due to shifting political priorities, affecting the overall economic development and competitiveness of the country.

4. **Market Sentiment:** Political uncertainty can lead to volatile financial markets. Investors may react negatively to political turmoil, causing fluctuations in stock prices, currency value, and bond yields. This volatility can further impact economic stability and investor confidence.

5. **Public Spending:** Political instability can disrupt government spending and fiscal policies. Budget approvals might be delayed, or spending priorities might shift, affecting public infrastructure projects, social programs, and overall economic activity.

Consequently, the banking sector, heavily reliant on economic stability for asset quality, loan demand, and credit risk management, may face increased NPAs, reduced profitability, and heightened operational challenges, thereby affecting its overall business performance and stability.

Since the 1991 reforms, Indian governments have typically been multi-party coalitions, except for the last decade (2014 – 2026). Despite this, successive governments have consistently pursued economic liberalization and financial sector reforms, driving business growth. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. Other matters affecting investment in the Notes could change as well. A significant change in India’s economic liberalisation and deregulation policies could adversely affect economic conditions in India generally and thereby adversely affect our business, financial condition, results of operations and cash flows.

In recent years, India has been following a course of economic liberalisation and the Bank's business could be significantly influenced by economic policies followed by the Government. Further, the Bank's businesses are also impacted by regulation and conditions in the various states in India where it operates. The Government has reduced taxes, focused on easing business and regulatory environment in its budget for financial year 2026, and introduced a new Production-Linked Incentive (PLI) scheme for electronics components more recently. Further, the government reduced rates on Goods and Services Tax in September 2025.

There can be no assurance as to the policies future governments will follow or that it will continue the policies of the existing government. The rate of economic liberalisation is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in the Bank's securities are continuously evolving as well. Any significant change in India’s economic liberalisation, deregulation policies or other major economic reforms could materially adversely affect business and economic conditions in India generally and the Bank's business in particular.

Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business, financial condition, results of operations and cash flows

As an Indian bank, the Bank is exposed to the risks of the Indian financial system, which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions, such as clearing agencies, banks, securities firms and exchanges, may be closely related as a result of credit, trading, clearing or other relationships. Our transactions with these financial institutions expose us to credit risk in the event of default by the counterparty, which can be exacerbated during periods of market illiquidity. As the Indian financial system operates within an emerging market, the Bank faces

risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs, notwithstanding the existence of a national deposit insurance scheme. The problems faced by individual Indian financial institutions, and any instability in or difficulties faced by the Indian financial system generally, could create an adverse market perception about Indian financial institutions and banks in general. This in turn could adversely affect our business, financial condition, results of operations and cash flows and could result in a decrease in the price of the Notes regardless of whether or not our business, financial condition, results of operations and cash flows were adversely affected.

Any downgrade in India's sovereign debt rating by international rating agencies could adversely impact our ability to raise additional foreign currency financing, interest rates and other commercial terms at which such financing is available

Banks' foreign currency debt ratings are tied to India's sovereign debt rating, meaning any downgrade in India's international debt credit rating also affects their ratings. The ability to secure additional foreign currency financing, along with the interest rates and other commercial terms for such financing, could be negatively impacted by any downgrade in the assessments of India's sovereign debt by international rating agencies. This could significantly harm the company's operations, cash flows, and financial condition.

Although, the current scenario is signalling towards an upgrade in near future after S&P Global Ratings revised its outlook on India to positive from stable on 29 May 2026. The positive outlook on India is predicated on the account of India's robust economic growth in recent years, pronounced improvement in the quality of government spending, and political commitment to fiscal consolidation. This could have a triggering effect as well with other rating agencies to follow up in coming months. Therefore, all those factors of debt financing mentioned above could reverse and impact positively our business, financial condition, results of operations and cash flows.

It may not be possible for investors to enforce any judgment obtained outside India against us, our Directors or our Executive Officers except by way of a lawsuit in India

The enforcement by investors in the Notes of civil liabilities, including the ability to effect service of process and to enforce judgments obtained in courts outside of India, may be adversely affected by the fact that we are incorporated under the laws of the Republic of India, and that almost all of our executive officers and directors reside in India. Nearly all of our assets and the assets of our executive officers and directors are also located in India. As a result, it may be difficult to enforce the service of process upon us and any of these persons in jurisdictions outside of India, or to enforce judgments obtained against us and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Sections 13, 14 and Section 44A of the Civil Code on a statutory basis. Section 44A of the Civil Code provides that, where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties, and it does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, United Arab Emirates, Singapore and Hong Kong, among others, have been declared by the government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings

in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon 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 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/or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It may be 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 may be unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution, and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Rupees on the date of the judgment or award and not on the date of the payment.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows

The Bank prepares its financial statements in accordance with Indian GAAP, which differs in certain important aspects from U.S. GAAP, IFRS and other accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP included in this Offering Circular will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Prospective investors should review the accounting policies applied in the preparation of the financial statements included in this Offering Circular and consult their own professional advisers for an understanding of the differences between these accounting policies and those with which they may be more familiar. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Offering Circular should accordingly be limited.

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. Although the Government owned 70.08 per cent. of the Bank's issued and paid up share capital as at 30 June 2026, 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. The Additional Tier 1 Notes will rank pari passu and without preference among the Additional Tier 1 Notes. 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, 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 RBI Guidelines); 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 RBI Guidelines. 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 Capital Adequacy Directions.

The Basel III Reforms include a requirement for all Additional Tier 1 instruments (such as the Additional Tier 1 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 8.1). 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 Capital Adequacy Directions, 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 may not follow the trading behaviour associated with other types of securities. Potential investors in any Additional Tier 1 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 8.2 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 Core Equity Tier 1 Capital Ratio. Any indication that the Bank's and/or the Group's Core Equity Tier 1 Capital Ratio is trending towards 6.125 per cent 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 Core 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 favorable 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 5.7 of the terms and conditions of the Notes does not constitute a default under the Additional Tier 1 Notes for any purpose.

Further, pursuant to Condition 5.7 of the terms and conditions of the Notes, 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 RBI Guidelines. 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 Domestic Systemically Important buffers) as set out in the RBI Guidelines.

A failure to meet these requirements will result in a mandatory cancellation of interest payments. Condition 5.7 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 RBI Guidelines. Investors should be aware that any change to the RBI Guidelines 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 5.7.

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 D-SIBs buffer), 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 periods 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:

(2) These exclude D-SIBs.

(3) 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.

Interest Amounts on the Additional Tier 1 Notes are not cumulative and will not be required to be paid under certain circumstances.

. Interest payments on the Additional Tier 1 Notes are not cumulative. Accordingly, if interest is not paid on any Interest Payment Date as a result of the foregoing, holders of the Additional Tier 1 Notes will not be entitled to receive such interest on any subsequent Interest Payment Date or any other date.

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 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, the applicable pricing supplement and the applicable RBI Guidelines. 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. During any period when the Bank may elect to redeem or vary the terms of the Additional Tier 1 Notes, the market value of the Additional Tier 1 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. As such, the optional redemption feature that the Bank has upon the occurrence of certain tax and regulatory events prior to the first Optional Redemption Date may result in the Additional Tier 1 Notes not being redeemed at their market value.

There is no assurance that the holders of the Additional Tier 1 Notes will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Additional Tier 1 Notes. During any period when the Bank may redeem the Additional Tier 1 Notes, the market value of the Additional Tier 1 Notes generally will not rise substantially above the Early Redemption Amount (as defined in the Conditions) payable. Potential investors should consider re-investment risk in light of other investments available at that time.

Investors will have limited rights under the Additional Tier 1 Notes.

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 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 a court order is made or an effective resolution is passed for the winding up of the Bank.

The Additional Tier 1 Notes are subordinated to most of the Bank's liabilities and the terms of the Additional Tier 1 Notes contain no limitation on issuing debt or senior or pari passu securities.

The Additional Tier 1 Notes will constitute unsecured and subordinated obligations of the Bank which rank pari passu and without preference among themselves. The Additional Tier 1 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 winding up of the Bank's operations, the claims of the holders of the Additional Tier 1 Notes will be subordinated in right of payment to the prior payment in full of all of the Bank's other liabilities (whether actual or contingent, present or future) including all deposit liabilities and other liabilities of the Bank and all of the Bank's offices and branches, except those liabilities which by their terms rank equal with or junior to the Additional Tier 1 Notes.

As a consequence of the subordination provision, in the event of a winding up of the Bank's operations, the holders of the Additional Tier 1 Notes may recover less rateably than the holders of deposit liabilities or the holders of the Bank's other liabilities that rank senior to the Additional Tier 1 Notes. The Additional Tier 1 Notes, the Trust Deed and the Agency Agreement do not limit the amount of liabilities ranking senior to the Additional Tier 1 Notes which may be hereafter incurred or assumed by the Bank except for certain Tier 1 instruments.

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 published by the RBI. See "*Supervision and Regulation — 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 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 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 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, including regulations related to foreign exchange. 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 have limited liquidity.

The Notes constitute a new issue of securities for which there is no existing market. Approval-in-principle has been granted for the listing and quotation of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the India INX. The offer and sale of the Notes is not conditioned on obtaining a listing of the Notes on the India INX, or any other exchange. 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.

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.

U.S. Dividend Equivalent Withholding.

Section 87 1(m) of the U.S. Internal Revenue Code of 1986 causes a 30 per cent. withholding tax on amounts attributable to U.S. source dividends that are paid or "deemed paid" under certain financial instruments if certain conditions are met (such instruments, "**Specified Notes**"). If the Issuer or any withholding agent determines that withholding is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld. Prospective investors should refer to the section "*Taxation — U.S. Dividend Equivalent Withholding*".

For the purposes of withholding under the U.S. Foreign Account Tax Compliance Act, commonly known as FATCA, Specified Notes are subject to a different grandfathering rule than other Notes. Prospective investors should refer to the section "*Taxation — Foreign Account Tax Compliance Act*".

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) agree, without the consent of Noteholders and without regard to the interests of particular Noteholders, to: (i) any modification (except such modifications in respect of which an increased quorum is required as mentioned in the Trust Deed) 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 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 is, in its opinion, of a formal, minor or technical nature or to correct a manifest error, or to comply with mandatory provisions of laws.

The Trustee may request holders of the Notes to provide an indemnity and/or security and/or pre-funding to its satisfaction.

Under certain circumstances, including without limitation giving notice to the Issuer upon an Event of Default and taking enforcement steps pursuant to the terms of the Trust Deed, the Trustee may, at its sole and absolute discretion, request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Noteholders. The Trustee will not be obliged to take any such steps and/or actions and/or institute such proceedings if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the Trust Deed, the Agency Agreement and the applicable law, it will be for the Noteholders to take such actions 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.

The Notes are subject to selling restrictions and may be transferred only to a limited pool of investors.

The Notes can only be issued to and held by investors, i.e. eligible lenders who are now broadly defined as "recognized lenders", including; (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended from time to time)) or a branch of a financial institution) set up in an IFSC is permitted to acquire, own or sell the Notes issued by the Issuer through its Head Office. The proceeds of the Notes Issuer through its Head Office will not be used for purposes which are prohibited under the ECB Regulations.

The offshore and IFSC branches of Indian banks will also be able to extend Rupee ECBs. Additionally, any individual will be able to lend even if not a foreign equity shareholder, i.e. related parties on an arm's length basis has also been permitted.

Investors should note that the aforesaid conditions also apply to a transfer of the Notes.

Early redemption of the Notes issued by the Head Office prior to its stated average maturity or its stated maturity requires prior RBI or Authorised Dealer Bank approval, or other approvals in accordance with the ECB Regulations, as the case may be.

Any early redemption of the Notes issued by the Head Office (whether as a result of an event of default or any early redemption event) prior to the Minimum Average Maturity Period stipulated under the ECB Regulations may require the prior approval of the RBI or the AD Bank. Compliance with any conditions specified in any such RBI or AD Bank approval will be required, along with adherence to the extant provisions of the ECB Regulations issued by the RBI, including other notifications, regulations and guidelines. Prior approval of the

RBI may be required by the Bank for the payment of withholding tax in any Tax Jurisdiction other than India in a foreign currency. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner, whether conditional, or at all.

Risks Relating to an Investment in Rupee denominated Notes

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, as per RBI , as amended from time to time.

INR "Non-convertibility".

Rupee Denominated Notes are not freely convertible. 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 Rupee Denominated Notes as well as any amount which may be payable upon redemption of the Notes. Early redemption of Rupee Denominated Notes issued by the Head Office may require RBI approval. Early redemption of Rupee Denominated Notes issued by the Head Office prior to its stated maturity (whether as a result of an event of default or any early redemption event) requires prior RBI or approval from the Issuer's designated authorised dealer bank ("AD Bank"), as the case may be. Compliance with any conditions specified in any such RBI or AD Bank approval will be required. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" section, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on 31 March of each year, and references to a particular fiscal year are to the twelve months ended 31 March of that year. Unless otherwise specified or unless the context otherwise requires, financial information herein for Fiscals 2024, 2025 and 2026 is derived from our Audited Standalone Financial Statements, and the financial information for the three months ended 30 June 2025 and 2026 is derived from our Unaudited Limited Reviewed Standalone Financial Results included in this Offering Circular.

The degree to which the financial information prepared in accordance with Indian GAAP will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Offering Circular should accordingly be limited.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, and includes extracts from publicly available documents from various sources, including officially prepared materials from the Government of India (the "**GoI**") and its various ministries, the Reserve Bank of India and Ministry of Statistics and Programme Implementation, and has not been prepared or independently verified by our Bank, the Book Running Lead Managers or any of their affiliates or advisers.*

Unless otherwise stated, references to "the Bank" or "our Bank", are to Punjab National Bank on a standalone basis and references to "we", "us", "our", are to Punjab National Bank on a consolidated basis.

Overview

The Bank was incorporated on 19 May 1894 as India's first Swadeshi Bank and is the third-largest public sector bank in terms of total business and deposits as of 30 June 2026. (*Source: Based on the unaudited limited reviewed financial results for the three months ended 30 June 2026 of the scheduled public and private sector banks in India submitted to the Stock Exchanges*).

Our principal business operations are broadly categorized into four segments: corporate/wholesale banking segment comprises commercial banking products and transactional services, which are provided to our corporate and institutional clients; retail banking comprises financial products provided to our retail customers; treasury operations comprising primarily of statutory reserves management, liquidity management and other such services and other banking operations comprising primarily of rural business and agri-business.

The range of products and services offered by the Bank includes loans and advances, deposits, foreign exchange products, retail lending and deposits and fee and commission-based products and services. Our principal banking operations include:

- *Retail banking*: Our retail banking products include loans and deposit products targeted primarily at individuals (salaried, self-employed professionals and other self-employed individuals) to meet their personal financial requirements, such as housing, vehicle, education and other personal requirements.

- *Corporate banking*: Our corporate banking operations cater to the business needs of various companies, institutions and other enterprises in the public and private sector. Our corporate banking loans include fund based and non-fund based products, of which the fund based products consist of term loans as well as working capital facilities. We also offer trade loans, bridge financing and foreign currency loans. We also provide finance to corporates through syndication of loans.

- *MSME banking*: Our micro, small and medium enterprises ("**MSME**") banking products include loans to entrepreneurs engaged in manufacturing and service activities as well as working capital.

- Agricultural banking: Our agricultural banking operations cater to farmers and agriculture-based entrepreneurs through various short, medium and/or long-term loan products.

The Bank is also present, through its Subsidiaries, Joint Venture and Associates, in diverse segments of the Indian financial sector, including housing finance, life insurance, corporate advisory, merchant banking and trustee services. The Bank contributed 97.62 per cent. of our total consolidated assets as of 30 June 2026.

The Bank has a presence throughout India with a total of 10,359 domestic branches, of which 63.30 per cent. are located within rural and semi-urban areas in India, 10,605 ATMs, 33,284 banking correspondents, as of 30 June 2026. The Bank also has an overseas presence in Bhutan, United Kingdom, Nepal, Bangladesh and Myanmar, Dubai, Gift City through its branches, representative offices, Subsidiaries, Joint Venture and Associates outside India. The President of India, acting through the Ministry of Finance, Government of India ("**GoI**") owned 70.08 per cent. of the Bank's share capital as of 30 June 2026.

The Bank's branch network is further complemented by its online and mobile banking solutions that enable it to provide its customers with access to on-demand banking services. We are focused on continuing investment in our technology platforms and systems. Our direct banking platforms enable us to connect with our customers through alternate channels by improving customer retention and supporting the increase in the volume of customer transactions.

As of 30 June 2026, the Bank had gross deposits, gross advances and a total asset base of ₹17,24,837.29 crore, ₹12,73,132.46 crore and ₹19,90,311.73 crore, respectively. As of 31 March 2026, the Bank's market share of aggregate domestic deposits was 5.98 per cent., and its market share of aggregate domestic non-food credit was 5.58 per cent. (*Source: RBI data.)* In addition, the Bank's retail term deposits (deposits less than ₹3 crore) accounted for 39.68 per cent. of the Bank's domestic deposits.

The Bank also has a large stable percentage of relatively low-cost CASA deposits within its deposit mix. As of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, the Bank's CASA was ₹5,52,499.36 crore, ₹5,73,542.93 crore, ₹6,09,618.84 crore, ₹5,68,623.54 crore and ₹6,13,119.80 crore, respectively. As of 31 March 2024, 2025, 2026, and as of 30 June 2025 and 30 June 2026, the Bank's domestic CASA was ₹5,52,478.65 crore, ₹5,73,509.76 crore, ₹6,09,615.05 crore, ₹5,68,623.54 crore and ₹6,13,116.02 crore, respectively, while the Bank's ratio of domestic CASA deposits to its total domestic deposits as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026 was 41.44 per cent., 37.95 per cent., 36.97 per cent., 36.98 per cent. and 36.70 per cent., respectively.

Under the RBI's current framework for priority sector lending targets and classification, as consolidated in the Master Directions - Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025, as amended from time to time (the "**Priority Sector Directions**"), 40.00 per cent. of the higher of the adjusted net bank credit ("**ANBC**") or the Credit Equivalent of Off-Balance Sheet Exposures ("**CEOBSE**") should be provided to the priority sector ("**Priority Sector Credit**"), with 18.00 per cent. and 12.00 per cent. of such Priority Sector Credit provided to the agriculture sector and the weaker sections (as identified in the Priority Sector Directions), respectively. 7.5 per cent of ANBC or CEOBSE, whichever is higher, must be provided to micro enterprises.

Our achievement under Total Priority Sector, Agriculture and Weaker Section was 41.89 per cent., 18.09 per cent. and 13.72 per cent., respectively during Fiscals 2025 - 2026. We have achieved the goals set for priority sector lending for each of Fiscal 2024, Fiscal 2025, Fiscal 2026 and the three months ended 30 June 2025 and 2026.

For further information, see "*Supervision and Regulation*".

The table below sets forth summaries of certain of the Bank's key operating and financial performance parameters, as of and for the periods indicated below:

	As of and for the years ended 31 March			As of and for the three months ended 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
			(₹crore)		
Average interest-earning assets[1]	12,95,980.91	14,60,761.00	16,32,023.83	15,70,358.38	17,32,208.65
Net interest income	40,083.07	42,782.17	41,959.78	10,578.09	10,798.36
Average total assets[1]	15,30,884.81	17,07,407.46	18,95,657.29	18,25,277.93	20,33,293.53
Average yield[1]	8.28%	8.34%	7.80%	8.14%	7.53%
Average cost of funds[2]	4.36%	4.63%	4.55%	4.70%	4.36%
Spread[3]	2.62%	2.51%	2.21%	2.32%	2.13%
Net interest margin[4]	3.09%	2.93%	2.57%	2.70%	2.50%
Return on average equity[5]	11.66%	19.33%	15.67%	6.59%	17.33%
Return on average assets[6]	0.54%	0.97%	0.89%	0.37%	1.04%
Earning per share	7.49	14.77	14.71	1.46	4.57
Book value per share	88.59	103.36	114.77	105.23	119.91
Book value per share – tangible	67.75	84.83	102.95	92.64	108.58
Tier I capital adequacy ratio	13.17%	14.05%	15.15%	14.62	16.03%
Tier II capital adequacy ratio	2.80%	2.95%	2.59%	2.88%	2.10%
Total capital adequacy ratio	15.97%	17.01%	17.74%	17.50%	18.13%
Net NPAs[7]	6,798.77	4,290.55	3,609.56	4,132.24	3,433.20
Net NPAs ratio[8]	0.73%	0.40%	0.29%	0.38%	0.28%
Credit to deposit ratio[9]	71.79%	71.28%	73.55%	71.1%	73.80%
Cost to income ratio[10]	53.37%	54.59%	51.79%	55.31%	50.31%
Staff cost to income ratio	34.58%	36.14%	30.86%	32.59%	29.97%
Other cost to income ratio	18.80%	18.45%	20.93%	22.72%	20.34%
Interest coverage ratio[11]	113.68%	122.26%	121.07%	109.17%	125.29%
Provisioning coverage ratio (including technical write-off)[12]	95.39%	96.82%	97.14%	96.88%	97.23%
Credit cost	1.40%	0.19%	0.18%	0.14%	0.25%
CASA ratio[13]	41.44%	37.95%	36.97%	36.98%	36.7%
Slippage ratio[14]	0.72%	0.73%	0.60%	0.71%	0.68%
Total business	23,53,037.51	26,83,260.37	29,69,685.26	27,19,276.37	29,97,969.75
Gross total advances	9,83,324.70	11,16,637.09	12,58,558.93	11,29,897.82	12,73,132.46
Gross Deposits	13,69,712.81	15,66,623.28	17,11,126.33	15,89,378.55	17,24,837.29

Notes:

(1) Average balances are daily averages for deposits/advances/investments and all others are based on monthly averages as reported to the RBI.

(2) Cost of funds is interest expense divided by total monthly average assets.

(3) Spread is net interest income divided by monthly average assets.

(4) Net interest margin is the difference of interest earned and interest expended divided by the total average interest-earning assets, where advances, investment and money at call and short notice are based on daily averages and others are based on monthly averages.

(5) Return on average equity is the ratio of the net profit after tax to the quarterly average tangible net worth (capital plus reserves excluding revaluation reserves, DTA and other deduction).

(6) Return on average assets is the ratio of the net profit after tax to the monthly average assets.

(7) Net NPAs reflect the Bank's gross NPAs less provisions for NPAs.

(8) Net NPAs ratio is the ratio of net NPAs divided by net advances.

(9) Credit to deposit ratio is calculated as a ratio of total gross advances to total deposits.

(10) Cost to income ratio is calculated as a ratio of operating expenses divided by total operating income (total of net interest income and non-interest income).

(11) Interest coverage ratio is calculated as net profit and depreciation on the Bank's property, divided by interest expended.

(12) PCR (including technical write-off) comprises provisions plus technical write off as percentage to Gross NPA plus technical write off.

(13) Ratio of domestic current account deposits and savings account deposits to domestic deposits (including inter-bank deposits).

(14) Slippages are fresh accretion to NPAs during a period. Slippage Ratio is fresh NPAs divided by Standard Advances at the beginning of the period.

Competitive Strengths

Strong Industry Presence with long operating history

With over 130 years of banking services, we believe that we are one of the well-recognized public sector bank brands in India. Through our expansive operations across India, we have over the years provided a banking platform that has aided in the growth of financial and commercial activity across India, enabling us to strengthen our brand, reputation and goodwill. Following the amalgamation with Oriental Bank of Commerce and United Bank of India effective from 1 April 2020, we have significantly expanded our geographical footprint, broadened our customer base, and substantially increased our asset base.

We have the second largest domestic branch network in India, as of 30 June 2026. We have capitalized on our strong brand by establishing an extensive branch network throughout India serving a broad range of customers in rural, urban and semi-urban regions. As of 30 June 2026, the Bank had 10,359 domestic branches, 10,605 ATMs and over 33,284 banking correspondents. Of our 10,359 branches as of 30 June 2026, approximately 63.30 per cent. were located in rural and semi-urban areas. The Bank's branch network is further complemented by its digital strategy, including online and mobile banking solutions, to provide its customers with access to on-demand banking services, which we believe allows us to develop strong and loyal relationships with our customers.

As a result of our brand recognition and widespread presence across India, we believe that we rank favourably among public sector banks in India. We have an established market presence in several business segments in which we operate. We provide retail, agricultural and MSME ("**RAM**") loans ("**RAM Advances**") in India. The Bank's gross deposits aggregated to ₹13,69,712.81 crore, ₹15,66,623.28 crore, ₹17,11,126.33 crore, ₹15,89,379.55 crore and ₹17,24,837.29 crore as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively, growing at a CAGR of 11.77 per cent. from 31 March 2024 to 31 March 2026 and a growth rate of 8.52 per cent. from 30 June 2025 to 30 June 2026. The Bank's gross total advances aggregated to

₹9,83,324.70 crore, ₹11,16,637.09 crore, ₹12,58,558.93 crore, ₹11,29,897.82 crore and ₹12,73,132.46 crore as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively, growing at a CAGR of 13.13 per cent. from 31 March 2024 to 31 March 2026 and a growth rate of 12.68 per cent. from 30 June 2025 to 30 June 2026.

Additionally, we have also adopted alternate channels to increase our presence across India in a cost-effective manner, by engaging banking correspondents in rural and semi-urban areas. As of 30 June 2025, the Bank had engaged an aggregate of 31,764 banking correspondents, which increased to 33,284 business correspondents as of 30 June 2026.

As of 30 June 2026, out of an aggregate of 33,284 banking correspondents engaged, 29,397 business correspondents were located in rural and semi-urban areas. We believe that our operational performance reflects our industry position.

The Bank's domestic NIM was 3.23 per cent., 3.08 per cent., 2.70 per cent., 2.84 per cent. and 2.64 per cent. in Fiscal 2024, 2025 and 2026, and in the three months ended 30 June 2025 and 2026, respectively. During Fiscal 2024, 2025 and 2026, and in the three months ended 30 June 2025 and 2026, the Bank's return on average equity (tangible net worth) was 11.66 per cent., 19.33 per cent., 15.67 per cent., 6.59 per cent. and 17.33 per cent., respectively, the return on average assets was 0.54 per cent., 0.97 per cent., 0.89 per cent., 0.37 per cent. and 1.04 per cent., respectively, and the cost to income ratio was 53.37 per cent., 54.59 per cent., 51.79 per cent., 55.31 per cent. and 50.31 per cent., respectively.

In addition, our Promoter and majority shareholder, the President of India, acting through the Ministry of Finance, GoI, held 70.08 per cent. of our paid-up and issued share capital as of 30 June 2026. We believe that our relationship with the President of India, acting through the Ministry of Finance, GoI enhances our brand value and goodwill.

Strength of portfolio, with a focus on balance, quality and profit

Well balanced offerings

Our expansive network enables us to provide banking services to a large, diverse and growing customer base, including large industries, corporates and state-owned enterprises, as well as commercial, agricultural, industrial and retail customers. We offer a range of banking products and services and we are also a participant bank for direct benefit transfer ("**DBT**") transactions, a GoI program to effect direct transfers of subsidies targeted at women, children and social welfare. Our comprehensive product and service offering includes short-term and long-term deposits, secured and unsecured loans, internet banking, mobile banking, agricultural and micro-finance banking products as well as project finance loans. We are also present through our Subsidiaries, Joint Venture and Associates in diverse segments of the Indian financial sector, including asset and funds management, housing finance, life and medi-claim insurance, corporate advisory, merchant banking and trustee services. The Bank has increased its focus on branch activation, new business premium and renewal persistency for insurance and mutual fund business. The Bank also offers customized medi-claim policies of three general insurance companies (Oriental Insurance Company Limited, Bajaj General Limited, and Cholamandalam MS General Insurance Company Limited) and two standalone health insurance companies (Care Health Insurance Company Limited and Star Health & Allied Insurance Company Limited), each of which offers a customized health insurance policy exclusively for our account holders and employees, which are sold through our branches across India, with premiums which we consider comparable with other health insurance providers. We believe we are able to address the entire range of our customers' banking and financial product and service requirements through our diverse product and service portfolio.

To grow and maintain our customer base, we implement several strategic initiatives, which include offering specialised services such as wealth management and customized banking solutions to cater to diverse client

needs. We are enhancing our operational efficiency through process automation and system enablers to improve turnaround time. To further enhance customer satisfaction, we are focusing on imbibing a strong customer service culture. Our strategies also involve non-traditional digital channels and fintech partnerships, such as embedded banking, to expand the reach of our financial products. Additionally, we are utilizing merchant acquisition solutions and salary account mobilization to attract more clients. Our revamped CMS for current deposits, dedicated marketing teams for deposit mobilization, and targeted customer segmentation, along with the launch of privilege programs, are all part of our efforts to deepen customer engagement and loyalty.

For instance, our diversified product and service offerings enable us to have a diverse customer base. As of 30 June 2026, approximately 94.56 per cent. of the Bank's gross advances, aggregating to ₹12,03,859.48 crore were provided domestically. Out of the Bank's total loan portfolio of gross domestic advances, as of 30 June 2026, approximately 42.81 per cent., aggregating to ₹5,15,372.64 crore were to corporate and others, 16.87 per cent. aggregating to ₹2,03,025.03 crore were to MSMEs, 23.75 per cent. aggregating to ₹2,85,880.08 crore were to retail and 16.58 per cent. aggregating to ₹1,99,581.73 crore were to the agriculture and allied services.

Portfolio Quality

We also believe that our diversified portfolio of loans limits our exposure to NPAs. As of 30 June 2026, the infrastructure sector accounted for approximately 8.44 per cent. of the Bank's global advances and 0.62 per cent. of the Bank's gross NPAs, the metal sector accounted for approximately 1.68 per cent. of the Bank's global advances and 1.38 per cent. of the Bank's gross NPAs, textiles accounted for 1.04 per cent. of the Bank's global advances and 2.13 per cent. of the Bank's gross NPAs, food processing accounted for 1.75 per cent. of the Bank's global advances and 4.66 per cent. of the Bank's gross NPAs, chemicals accounted for 0.74 per cent. of the Bank's global advances and 0.47 per cent. of the Bank's gross NPAs.

Our gross NPAs were 5.73 per cent. of total advances as of 31 March 2024, 3.95 per cent. as of 31 March 2025, 2.95 per cent. as of 31 March 2026, 3.78 per cent. as of 30 June 2025 and 2.78 per cent. as of 30 June 2026, and our net NPA was 0.73 per cent., 0.40 per cent., 0.29 per cent., 0.38 per cent. and 0.28 per cent. as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. We believe that our NPAs have reduced since Fiscal 2024 as a result of the steps taken by us to diversify and improve the quality of our loan portfolio.

We have also implemented certain initiatives to control slippages, as a result of which Slippage Ratio has decreased to 0.68% during the three months ended 30 June 2026 as compared to 0.71% during the three months ended 30 June 2025.

Also see "*Risk Factors —We are exposed to various categories of borrowers, depositors and industry sectors, and a default by any large borrower, premature withdrawal of deposits or a deterioration in the performance of any of these industry sectors in which we have significant exposure would adversely affect our results of operations, the quality of our portfolio and financial condition.*" and "*Risk Factors — If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations*."

Investments in Subsidiaries and Associates

As of 30 June 2026, we had 5 Subsidiaries, 1 Joint Venture and 3** Associates (excluding 8 Regional Rural Banks).

***JSC Tengri Bank (Associate) – Agency of Republic of Kazakhstan for Regulation and Development of Financial Market (AFR) revoked license of JSC Tengri Bank with effect from 18 September 2020 to conduct banking, other operations and activities in the securities market and is under liquidation. In addition, our Bank had also provided liquidity support by way of Inter Bank placement to JSC Tengri Bank aggregating USD 52.55 million from Branch Office: Dubai and Branch Office: Hong Kong and USD 8.00 million from Punjab National*

Bank (International) Limited, UK. Claim of the Bank as shareholder and creditor and Punjab National Bank (International) Limited, UK as a creditor has been filed with Head of Liquidation Commission within stipulated time. Our advisors have informed us that claim up to sixth line of creditors is settled 100 per cent. Liquidation creditor has commenced the payment of the 7th line of creditors and 7th line has been satisfied up to 99.73 per cent as on 6 August 2026 and our Bank's claim as a creditor is 9th in the priority list. After acceptance of our claims, the committee of creditors was constituted, and the last committee of creditors' meeting was held on 15 July 2026.

Our Subsidiaries collectively accounted for ₹36,156.72 crore, ₹37,594.80 crore, ₹44,182.05 crore, ₹38,743.86 crore and ₹44,795.77 crore in total assets as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. During Fiscal 2024, 2025 and 2026 and the three months ended 30 June 2025 and 2026, our Subsidiaries contributed ₹196.77 crore, ₹749.62 crore, ₹185.73 crore, ₹110.00 crore and ₹65.79 crore, respectively, of our total consolidated income and our Subsidiaries, Joint Venture and Associates collectively contributed ₹862.58 crore, ₹1,850.09 crore, ₹1,488.71 crore, ₹444.88 crore and ₹561.41 crore, respectively, of our total consolidated profit after tax, during the same period.

The following table sets forth information relating to the Bank's Subsidiaries, Joint Venture and Associates as of 30 June 2026.

Subsidiary/Joint Venture/Associates	**Business**	**Bank's Ownership Percentage**	**Net Income (as of and for the three months ended 30 June 2026)**
		(%)	*(₹ crores)*[4]
Subsidiaries			
PNB Gilts Limited	Primary dealer in government securities	74.07	68.40
PNB Investment Services Limited ("**PNBISL**")	Corporate advisory, merchant banking and trustee services	100.00	0.34
Punjab National Bank (International) Ltd., UK[2]	Banking services	100.00	13.73
Druk PNB Bank Limited[2] (Fiscal year: 1 January to 31 December)	Banking services	51.00	4.72
PNB Cards & Services Limited ("**PNBCSL**")	Sourcing of credit card, retail loans and CASA for PNB	100.00	2.31
Associates[1]			
PNB MetLife India Insurance Company Limited	Life insurance company	30.00	36.06
PNB Housing Finance Limited ("**PNBHFL**")	Housing finance company	28.03	150.83
JSC Tengri Bank[2] [3] (Fiscal year: 1 January to 31 December)	Banking services	41.64	Under Liquidation
Joint Venture			

Subsidiary/Joint Venture/Associates	Business	Bank's Ownership Percentage	Net Income (as of and for the three months ended 30 June 2026)
		(%)	*(₹ crores)*[4]
Everest Bank Limited[2] (Fiscal year: 16 July to 15 July).....	Banking services	20.02	15.36

Notes:

(1) Excluding RRBs. For details of RRBs, see "- *Regional Rural Banks*".

(2) These entities are incorporated outside India.

(3) Agency of Republic of Kazakhstan for Regulation and Development of Financial Market revoked license of JSC Tengri Bank with effect from 18 September 2020 to conduct banking, other operations and activities in the securities market and is under liquidation. In addition, our Bank had also provided liquidity support by way of Inter Bank placement to JSC Tengri Bank aggregating USD 52.55 million from Branch Office: Dubai and Branch Office: Hong Kong and USD 8.00 million from Punjab National Bank (International) Limited, UK. Claim of the Bank as shareholder and creditor and Punjab National Bank (International) Limited, UK as a creditor has been filed with Head of Liquidation Commission within stipulated time. Our advisors have informed us that claim up to sixth line of creditors is settled 100 per cent. Liquidation Creditor has commenced the payment of the 7th line of creditors and 7th line has been satisfied up to 99.73 per cent as on 6 August 2026 and our Bank's claim as a creditor is 9th in the priority list. After acceptance of our claims, the committee of creditors was constituted, and the last committee of creditors' meeting was held on 15 July 2026.

(4) In respect of Subsidiaries, the amount stated represents Total Profit earned by the entities as considered in the Unaudited Limited Review Financial Results for the three months ended 30 June 2026; in respect of Associates and Joint Venture, the amount stated represents our Bank's share in the profit as considered in the Unaudited Limited Review Financial Results for the three months ended 30 June 2026.

Of our foreign subsidiaries, Punjab National Bank (International) Ltd., UK, provides banking solutions in the United Kingdom through 7 branches and as of 30 June 2026, had assets aggregating ₹14,134.35 crores as per the subsidiaries financials considered in compilation of the Consolidated Financial Statements.

Druk PNB Bank Limited was the first bank in Bhutan with foreign direct investment and conducts its banking operations through 9 branches and 30 ATMs in Bhutan.

PNBHFL, one of our Associates, is a housing finance company with operations across India. As of 30 June 2026, PNBHFL provided the following details:

Particulars	As of 30 June 2026	
	Standalone	Consolidated
	(₹crores)	
Total Assets	96,188.45	96,215.43
PAT (Recasted as per IGAAP).....	546.04	548.29

Particulars	As of 30 June 2026	
	Standalone	Consolidated
	(₹crores)	
PNB % holding in PNBHFL	28.03%	28.03%

PNB Metlife Insurance Company Limited is a provider of domestic life insurance and as of 31 March 2026 has insured over 43,23,193 persons and has a presence all across India.

PNB Gilts Limited is a primary dealer in the primary and secondary market for government securities. As of 30 June 2026, it had total assets of ₹26,928.50 crores and our share of its profits as of and for the three months ended 30 June 2026 was ₹81.56 (PBT) crores and ₹50.66 Crore (Recasted as per IGAAP, standalone) as per the subsidiaries' financials considered in compilation of Consolidated Financial Statements.

Our active customer base comprises those with exchange traded instrument, paid-up endowment, term or annuity, premium paying, paid up policy status. Our active customer, non-active customer and total customer count as of 30 June 2026 was 34,13,308, 9,09,885 and 43,23,193, respectively. Our active customer count as on 31 March 2026 was 34,06,668, non-active customer count as on 31 March 2026 was 8,86,922, and total customer count as on 31 March 2026 was 42,93,590.

Strong focus on RAM Advances, with a focus on financial inclusion

Retail credit has been a principal focus area for the Bank. The Bank's retail advances, which comprise housing loans, vehicle loans, education loans, personal loans, mortgages and gold loans ("**Retail Advances**") increased by 26.15 per cent. from ₹2,22,574.10 crore as of 31 March 2024 to ₹2,80,778.77 crore as of 31 March 2026 and was ₹2,85,880.08 crore, as of 30 June 2026. As of 30 June 2026, our Retail Advances segment comprised primarily of secured loans with housing loans, vehicle loans, education loans and other loans contributing to 54.21 per cent., 14.20 per cent., 3.20 per cent. and 28.39 per cent. of the Retail Advances portfolio, respectively. Within the Bank's Retail Advances segment, taking into account pool and inter-bank participation certificate ("**IBPC**"), the Bank's housing and vehicle loans experienced a growth of 28.46 per cent. and 76.82 per cent., respectively, from 31 March 2024 to 30 June 2026.

Further, we have also launched a scheme, PNB Pride, to provide housing and vehicle loans to government employees at a concessional interest rate. Key initiatives undertaken by the Bank to diversify asset portfolio include the revival of cluster-based approach for lending, credit offered based on data analytics undertaken, enter into strategic partnerships for channel financing, OEMs for commercial vehicle and construction equipment loans and fintech companies for micro-loan financing using their end-to-end digital solutions. We believe this will also help us establish our presence in underpenetrated areas. The Bank is also co-originating loans with NBFCs.

We have large customer deposits. Our gross deposits aggregated to ₹13,69,712.81 crore, ₹15,66,623.28 crore, ₹17,11,126.33 crore, ₹15,89,378.55 crore and ₹17,24,837.29 crore, as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively.

As of 31 March 2026, the Bank's market share of aggregate domestic deposits was 5.98 per cent., and its market share of aggregate domestic non-food credit was 5.58 per cent. *(Source: RBI data.*)

We also have a large, stable percentage of relatively low-cost CASA deposits within our deposit mix. The Bank's ratio of domestic CASA deposits to its total domestic deposits was 41.44 per cent., 37.95 per cent., 36.97 per cent., 36.98 per cent. and 36.70 per cent. as of 31 March 2024, 2025, 2026, 30 June 2025 and 30 June 2026, respectively. The Bank's savings deposits as of 31 March 2024, 2025 and 2026 and as of 30 June 2025

and 2026 were ₹4,80,298.33 crore, ₹4,98,429.41 crore, ₹5,30,321.27 crore, ₹4,97,981.51 crore and ₹5,33,798.53 crore as of the three months ended 30 June 2026. Our funding requirements are met through deposits and borrowings and a substantial share is derived from the low-cost demand and savings deposits from customers. Deposits constituted 86.66 per cent. of our total liabilities as of 30 June 2026 and contributed 94.76 per cent. to our average cost of funds as of and for the three months ended 30 June 2026.

Initiatives undertaken by us to grow our deposit base include online opening of savings account and account opening at door-step of customers through tablet banking and online opening of savings account through video KYC.

The Bank is in the process of launching new savings and current account products of different variants for different customer segments. Through the use of data analytics, the Bank has segmented customer profiles for cross-selling different products such as mutual fund, life insurance and health insurance products. The Bank has also begun opening Demat account online through digital modes. To focus HNI and NRI customers, dedicated officials have been deployed at all customer acquisition centres ("**CACs**") for cross-selling and up selling the bouquet of financial products offered by the Bank. As of 30 June 2026, the Bank has functionalized 51 CACs to specifically targeting bulk business from institutions, corporates and government bodies.

Under the Priority Sector Directions, 40 per cent. of the higher of the ANBC or CEOBSE should be provided to the priority sector, with 18.00 per cent. and 12.00 per cent. of such priority sector credit provided to the agriculture sector and weaker sections (as identified in the Priority Sector Guidelines), respectively. Priority sector loans to individual women beneficiaries up to Rs. 0.2 million per borrower are considered as part of the priority sector lending to weaker sections. We have achieved the goals set for priority sector lending for each of Fiscal 2024, 2025, 2026 and the three months ended 30 June 2025 and 2026.

Set out below are details of our financial inclusion targets.

Parameter	**National Goals (based on Priority Sector Circular)**	**Achieved**	**Outstanding Balance as of 31 March 2026**
			(₹crores)
Priority Sector.....			
Priority Sector (% of ANBC)	40.00 %	41.89 %	4,55,428.08
Total agriculture advances (% of ANBC)	18.00%	18.09%	1,96,682.71
Small and marginal farmers (% of ANBC)	10.00%	10.53%	1,14,487.28
Other national goals.....			
Micro enterprises accounts (year on year growth) (%)	7.50%	9.70%	1,05,464.43
Credit to micro enterprises (% of ANBC).....	12.00%	13.72%	1,49,171.51

As of 31 March 2024, 2025 and 2026 we had achieved the targets set out for us by the RBI for lending to the priority sector, amounting to 40.57 per cent., 40.36 per cent., 41.89 per cent., of our ANBC, respectively. The GoI launched the Pradhan Mantri Jan-Dhan Yojana ("**PMJDY**") in Fiscal 2015 to ensure access to financial services to a large segment of the country with a view to promoting financial inclusion.

Pursuant to the scheme, as at 30 June 2026, the Bank had approximately 5,73,45,938 PMJDY accounts, amounting to a total value of ₹28,230.00 crore, with an average balance of approximately ₹4,923.00 per account.

Experienced leadership team

Our leadership team, including our Board of Directors, consists of professionals with experience in the banking and finance industries. Our executive directors and senior management have served in national banks and the financial services sector at various levels. Our Board is supported by a team of senior management professionals. The experience and expertise of our Board and senior management team across a variety of disciplines and industries assist us in understanding the preferences of our customers and adapt our business and operations accordingly.

We believe that our leadership team's comprehensive industry experience and expertise has contributed to the development of our brand over the years. We believe that having a management team with such breadth and depth of experience is well suited to leverage the competitive strengths that we have developed across our large, diverse and growing network and that our management team has created a clear, strategic direction for us which will allow us to expand and maintain its position as a leading public sector bank in India.

Strategies

Continued focus on improving operating performance

We continue to enhance our productivity by creating an organizational culture of cost control and operational efficiencies. In order to achieve this, we aim to optimize our allocation and utilization of resources, and effectively balance human resources, processes and technology. We also intend to continue to focus on improving efficiency levels of the Bank measured through its cost-to-income ratio, which was 53.37 per cent., 54.59 per cent., 51.79 per cent., 55.31 per cent. and 50.31 per cent. in Fiscal 2024, 2025 and 2026 and the three months ended 30 June 2025 and 2026, respectively.

We believe we have optimized the utilization of resources by adopting alternate channels to increase our presence across India, in a cost-effective manner, by engaging banking correspondents. As of 31 March 2024, we had engaged an aggregate of 33,614 banking correspondents, which decreased to 33,349 as of 31 March 2025 and 33,314 as of 31 March 2026. As of 30 June 2025, we had engaged an aggregated of 31,764 banking correspondents, which increased to 33,284 as at 30 June 2026. By engaging banking correspondents, we have decreased costs on human resources and capital expenditure on establishing brick and mortar branches. Banking correspondents agents/Bank Mitras provide basic banking services in rural, semi-urban, urban and metro centres depending upon the requirements of the Bank. The Banking correspondents agents/Bank Mitras use laptops, mobiles and tablets to provide banking services.

For further details on the digital initiatives undertaken by us, see "*Our Business—Focus on digitization and technology*". Also see "*Risk Factors—Significant security breaches of our computer systems and network infrastructure could adversely impact our business.*".

In order to achieve increased customer usage, we conduct technology learning programs to engage with our customers and to encourage increased usage of the Bank's internet banking services, ATMs, cash deposit machines, mobile banking applications and debit cards, in addition to providing guidance on secure usage of these channels.

Further, we assimilate and intend to continue assimilating relevant customer information at our branches and ATMs in order to assess the suitability of the branch or ATM location and accordingly monitor our cost efficiencies. For instance, we are in the process of merging or closing certain of our branches and ATMs which are not presently being utilized at optimal capacity, in order to decrease our operating costs.

Risk Management and Compliance

We intend to enhance our risk management and compliance to further complement our operational efficiency and performance. This entails building a holistic risk culture by strengthening our risk reporting mechanisms for timely mitigation, leverage technology for digitalization, automation and predictive capabilities, implementation of our various frameworks on risk management, climate risk and operational risk resilience, and a ramp-up of network security through next generation firewalls and upgradation of our intrusion prevention systems.

Focus on portfolio quality

Though a reduction in impaired assets and an improvement of the quality of our assets through recovery and due diligence measures have been our key focus area in the recent past, we intend to continue to focus on reducing our impaired assets with the objective of reducing our NPA levels, while improving the quality of our assets. The Bank's gross NPAs, as a percentage of gross advances, were 5.73 per cent., 3.95 per cent., 2.95 per cent., 3.78 per cent. and 2.78 per cent. as at 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. As at 30 June 2026, NPA in corporate and others, agriculture, MSME and retail comprised 0.09 per cent., 9.07 per cent., 7.21 per cent. and 0.75 per cent. of the Bank's gross domestic advances, respectively. The reduction in our NPA levels will be further facilitated by a dedicated setup for monitoring asset quality and boosting recovery and collection, i.e. our application for real time follow up of potential NPA accounts, automation of recovery actions through the Samarth portal and one time settlement ("**OTS**") and express OTS ("**eOTS**") schemes. We will also utilise technology-driven credit underwriting, delivery and monitoring structures to improve risk evaluation and loan quality, which would concurrently strengthen and utilise our call centre as a collection channel.

The Bank's average ticket size of advances to retail, agriculture, MSME and corporate and other loans was ₹0.07 crore, ₹0.04 crore, ₹0.12 crore, ₹7.41 crore, respectively, as of 30 June 2026. We have diversified our gross domestic advances, such that as at 30 June 2026, out of the Bank's total loan portfolio of gross domestic advances aggregating to ₹5,15,372.64 crore were to corporate and others, ₹2,03,025.03 crore were to MSME, ₹2,85,880.08 crore were to retail and ₹1,99,581.73 crore were to agriculture as compared to ₹4,68,549.68 crore, ₹1,69,426.05 crore, ₹2,62,219.00 crore and ₹1,78,885.22 crore, respectively, as at 30 June 2025, demonstrating a yearly growth of 9.99 per cent., 19.83 per cent., 9.02 per cent. and 11.57 per cent. respectively. Our growth across these segments have driven our decision making in over 20 propensity models for different bank products, leveraging unstructured data, capital conservation through credit risk weighted assets optimisation, taxation based nudges for boosting our retail products, utilising an analytics based digital collection management system, machine learning ("**ML**") based cash retention limits for ATMs and bunched note acceptors ("**BNA**"), ML based risk mitigation and recommendation engines for a Next Best Offer model.

Further, we intend to increase our RAM share in our overall advances portfolio through a specialised credit delivery structure equipped with devoted credit professionals. The targeted areas for credit growth include sunrise sectors, the infrastructure sector and other key industries. We will forge strategic co-lending partnerships, leveraging on-ground channels through 51 CACs and our subsidiaries PNBCSL and PNBISL, as well as cluster-based financing.

Focus on digitization and technology

We believe that the increased usage of internet by consumers and access to data networks in India has led to the need for a comprehensive digital strategy by banks and financial institutions to proactively develop new methods of reaching customers. We intend to leverage our digital channels to source business, and in particular, grow our CASA and advances. We will also leverage our advanced technology infrastructure to further improve client and transaction management and achieve enhanced efficiency and productivity levels. We currently provide a range of options for customers to access their accounts, including internet banking and mobile

banking, which is as on 30 June 2026, the Bank had 4.76 crores (retail and corporate) and 2.70 crores internet banking and PNB One activated mobile banking users respectively. While active users, which are those who at least logged in once during the last six months, are 0.16 crore as on 30 June 2026. The Bank's internet banking transactions were 6.81 crores during Fiscal 2024 and 6.53 crores during Fiscal 2026 while PNB One transactions have grown from 5.59 crores during Fiscal 2024 to 9.25 crores during Fiscal 2026. Further, digital transactions a standalone basis) increased from 658.77 crores during Fiscal 2024 to 1,288 crores during Fiscal 2026. Our customers can also access their bank accounts through mobile applications based on a UPI developed by the National Payments Corporation of India called "Bharat Interface for Money" ("**BHIM**"). As at 30 June 2026, we have 0.24 crores of our accounts registered with BHIM (NPCI), 1.22 crores of our customers on BHIM PNB and a total of 3.82 crores of customer registered on third party UPI.

We intend to focus on harnessing the power of data to drive decision making and operational excellence while providing personalized experience to each customer. The endeavour will be to migrate customers to digital channels and move transactions away from branches to contactless banking modes. The Bank has a large database and is using advanced enterprise data warehouse technology to enable data mining. A 'Centre of Excellence' has been set up to focus on emerging technologies like machine learning and artificial intelligence and is working across the Bank to identify and realize new cross-sell opportunities.

We secured the first position at the Digital Payments Awards 2023-2024 under the Public Sector Bank Category. In addition, we were awarded as winner of best bank for AI/ML implementation and runner up of best bank at the 3rd ICC Emerging Asia Banking Awards 2025. We also received recognition as 'SKOCH GOLD Winner 2025-2026' for "Perpetual Pipeline", which is the Bank's end-to-end automated lead curation engine.

We believe additional investment in our technology infrastructure and in-house analytics to further develop our digital strategy will allow us to cross-sell a wider range of products available on our digital platform in response to our customers' needs and thereby expand our relationships across a range of customer segments. As our customers can interact with us more frequently than previously and easily access their accounts wherever and whenever they desire, we believe that a comprehensive digital strategy will provide opportunities for development of long-term customer relationships.

We plan to focus on operational and cost efficiencies, expansion of service delivery models and increasing penetration among existing and new customer segments. We have migrated branches to our core banking application platform and expanded our ATM and internet banking networks, providing a comprehensive suite of mobile banking, debit and prepaid card services, and payment systems. We continue to focus on increased operational efficiencies by further optimizing our operating platform through technology enhancement and process streamlining, in order to achieve a more efficient operating model and to support new business models and distribution channels.

We have made significant strides in end-to-end digital lending and digital initiatives, leveraging digital infrastructure to accelerate growth while prioritizing major security measures to safeguard data. We offer user-friendly digital banking services such as Mobile banking, Internet banking, UPI, and comprehensive digital journeys like PNB Krishi Tatkal Rin Yojana, kisan credit card ("**KCC**") Renewal, PNB e-Mudra Scheme, Pre-approved Personal Loan, and Pre-Approved Business Loan etc. for secure and convenient banking anytime, anywhere. Security is ensured through Device Binding, subscriber identity module ("**SIM**") Binding, Biometric authentication, Velocity checks, and Two-factor authentication for transactions and beneficiary addition. Additionally, Internet Banking is integrated with our enterprise fraud risk management ("**EFRM**") solution. We have also collaborated with 59 Fintech companies in digital domains to introduce new technology and innovative products, enhancing customer outreach.

Further, we have implemented 9 industry-first digital initiatives with eOTS, Digital journey for new-to-bank Credit Card, Credit Card on UPI, Co-Lending portal, Aadhar-based PNB One, Current Account v-KYC, Bharat Bill Payment System ("**BBPS**") for loan equated monthly instalment ("**EMI**"), e-PM SVANidhi and Credit Card against fixed deposits digitally.

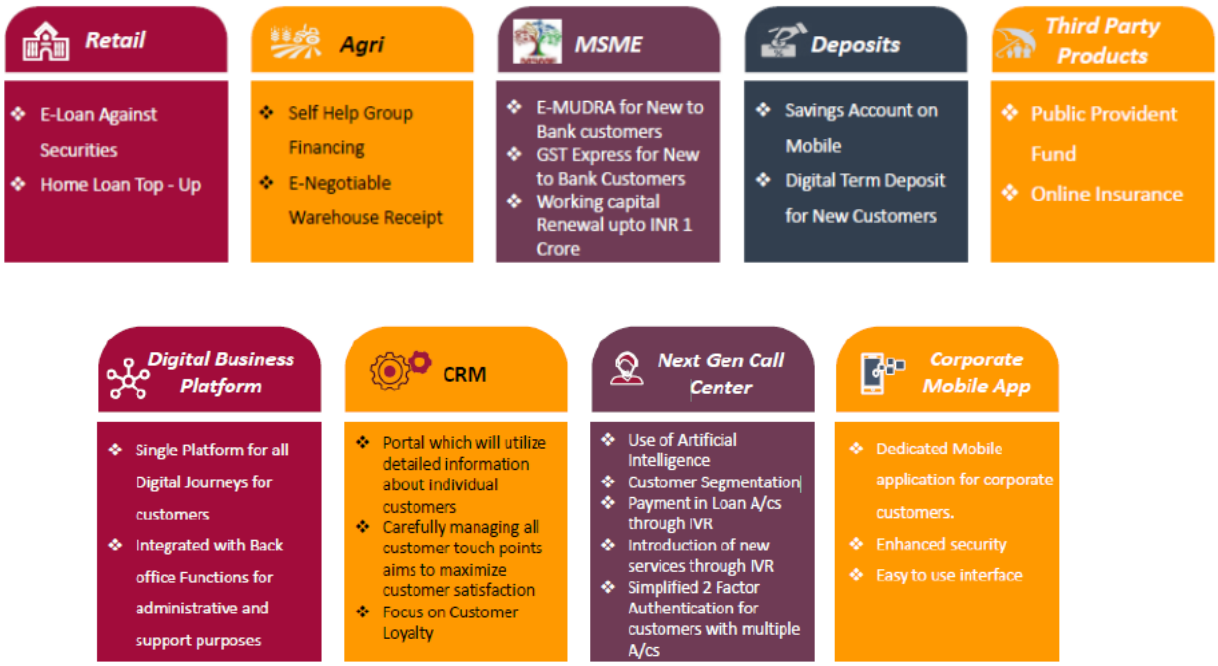
The table below sets forth our diversified digital reach across various segments:

Segment	**Digital Infrastructure**
Retail	• Digi Car Loan • Personal Loan • Digi Education Loan • Digi Home Loan • Loan against Deposits • Digi PM Surya Ghar • Digi Saarthi (Two Wheeler Loan) • HL (Top-up) • PNB Shram Saathi • Credit Risk Guarantee Home Loan
MSME	• Digi MSME • Digi MSME Prime • PM Vishwakarma • e-PM SVANidhi 2.0 • GST Sahay • MSME Renewal
Agri.....	• Krishi Tatkal Rin • KCC Review, Renewal & DP Enhancement (upto ₹10.00 Lakh) • Digi Gold Loan • Digi Self Help Group (SHG) • Digi Dairy KCC • Digital KCC (through Jansamarth Portal) • Digi Shreshtha (Lakhapti Didi) • Tractor Xpress • Griha Vatika
Liabilities.....	• Insta saving account • Saving banks ("**SB**") account opening through tab or existing-to-bank ("**ETB**") • Current account opening through video-KYC • Current account opening through tab • Multi-currency world travel card
Others	• WhatsApp banking

Segment	Digital Infrastructure
	• Revamped PNB One • Cash management services ("**CMS**") – corporate • CMS – Virtual Account Management • Central Bank Digital Currency ("**CBDC**") • e-SWAR – Soundbox for Bharat QR • Integrated payment and collection services • CMS auto debit mandate • Digital document execution

Upcoming Digital Journeys

Our commitment to leveraging digital infrastructure to boost our growth and operational excellence is underscored by our continuous efforts to develop new product and service offerings to our customers in the digital space. Below sets forth certain key upcoming digital products and services to be offered in the near future:



Also see "*Risk Factors —Our failure to adapt to technological advancements that can potentially disrupt the banking industry could affect the performance and features of our products and services and reduce our attractiveness to customers*" and "*Risk Factors —Significant security breaches of our computer systems and network infrastructure could adversely impact our business.*".

Progress Under Major Digital Offerings:

The Bank continues to expand and deepen its digital footprint across retail and business channels, with a particular focus on enhancing customer experience, broadening the suite of services available through its flagship platforms and strengthening authentication and transaction security. Set out below is a summary of the

key new initiatives implemented by the Bank as part of its ongoing digital transformation agenda, together with an indicative roadmap of further initiatives currently in the pipeline.

New Initiatives Undertaken

- Forex Purchase through PNB One;
- Enhancement of Nominee Services in PNB One and Internet Banking Services;
- Public Provident Fund Extension through PNB One;
- Download Form 131 (erst. Form 16A) through PNB One and WhatsApp Banking;
- Expanded WhatsApp Banking language support to 13 languages with the addition of Odia and Gujarati; and
- Biometric Authentication (Fingerprint or Face ID) for Transactions in BHIM PNB application.

Way Forward

- UPI in PNB One Biz;
- Revamping of Internet Banking Services;
- Introduction of Aadhaar Face ID-based authentication in PNB ONE;
- Submission of Form 121 through WhatsApp Banking;
- Account Debit Freeze Facility through WhatsApp Banking;
- Cross-Border Payments using CBDC Payment Platform; and
- Digital Lending – My Property Loan, Digi Kisan Vahan, Vehicle Hypothecation Termination Service (Reserve Bank Innovation Hub-Unified Lending Interface-Ministry of Road Transport and Highway).

Focus on capital optimization

We have implemented a risk management architecture with focus on maximizing our business operations that, we believe, will in turn maximize our profits or return on average equity. In order to enable a more efficient, equitable and prudent allocation of resources, we endeavour to benchmark our operations on globally accepted risk management systems and conform to the Basel III framework, particularly in relation to capital adequacy. The Bank's capital adequacy ratio as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, in accordance with Basel III norms, was 15.97 per cent., 17.01 per cent., 17.74 per cent., 17.50 per cent. and 18.13 per cent., respectively.

To counter the impact of the NPAs on our financial position, we are following a multi-pronged approach including creation of a robust follow-up and recovery mechanism that is monitored from our head office and creation of specialized NPA recovery branches to take control over high value NPAs from our other branches.

We will focus on improving our capital adequacy ratios and focus on capital optimization.

See "*Risk Factors— We are subject to capital adequacy norms and are required to maintain a CRAR at the minimum level required by RBI for domestic banks. Any inability to maintain adequate capital due to change in regulations or lack of access to capital or otherwise could materially and adversely affect our results of operations and financial condition*".

Focus on profitable growth in the priority segment

We believe that our priority sectors, such as agriculture and MSME industries, offer large and potentially profitable growth opportunities. As at 30 June 2026, 63.30 per cent. of the Bank's branches were located in rural and semi-urban centres.

We intend to maintain and enhance our position in agricultural lending and further strengthen our ties with the agricultural community and related agri-based industry participants.

We have a nationwide presence in, and extend finance to, the MSME industry. Details of initiatives being taken to boost MSME business are as follows:

- Cluster Based Financing: The Bank has adopted cluster based lending approach various clusters have already been approved with customized schemes having concessional pricing, service charges and relaxed lending norms;
- Tie-ups with original equipment manufacturers for commercial vehicle/construction equipment;
- Tie-up arrangement for supply chain financing to the dealers of reputed manufacturing companies;
- Lending through Trade Receivables Discounting System ("**TreDS**") Platform: The Bank is using all the three platform of TReDS i.e., (1) Receivables Exchange of India Ltd ("**RXIL**") (2) M1xchange and (3) A.TReDS. TReDS is an institutional mechanism set up for financing of trade receivables of MSMEs from corporate and other buyers including Government Departments and Public Sector Undertakings. Centralized hub at Delhi has been established to undertake operations on TReDS platform effectively;
- Cash Flow Based Financing – GST Express: The scheme provides hassle free credit to meet working capital requirement to GST registered business enterprises. Unique feature of the scheme is that there is no requirement of submitting financial statements and the quantum of loan permitted is from₹0.20 crore to ₹10.00 crore;
- DIGI MSME PRIME: The Digi MSME Prime Scheme, earlier known as the e-GST Express Scheme, has also been enhanced to better serve customers, the scheme allows limits up to ₹10.00 crore when assessed on GST data. Customers can also avail facilities based on projected sales derived from their ITR, with a maximum loan amount of ₹5.00 crore. These changes provide greater flexibility and empower customers to access higher credit limits tailored to their business needs.
- Digi MSME Scheme: The Digi MSME Loan Scheme covers MSME loans up to ₹25.00 lakh. The assessment is based on projected sales submitted by borrowers or on the basis of credit summation in the operative account. It has been mandated to sanction all Pradhan Mantri Mudra Yojana ("**PMMY**") loans pertaining to individual and proprietorship constitution codes digitally through this scheme.

Shouldering the responsibility of social banking, the Bank has surpassed all the priority sector goals this year. As per the Economic Survey 2025-2026, the agriculture sector in India has grown at an average annual growth rate of 4.6 per cent. during the last six years. The Bank has major contribution in this development by providing finance to the sector.

Government of India is launching various programmes for the benefit of farmers from time to time. KCC Saturation campaign was launched in February 2020. The Government of India has also launched various schemes under Atma Nirbhar Bharat package in 2020. The schemes like Agriculture Infrastructure Fund, Animal Husbandry Infrastructure Development Fund and Pradhan Mantri Formalisation of Micro Food Processing Enterprises Scheme has helped Banks in targeting and financing under various activities under Farm credit and pre & post-harvest management. Since all these schemes are part of Agriculture and priority sector, these have helped in achieving Priority Sector targets also. In addition to this, other programme such as National

Rural Livelihood Mission is also helping in increasing the Priority sector advances. On 19 March 2025, Union Cabinet approved the Revised National Program for Dairy Development (NPDD) with a total outlay of ₹2,790 crore and the Revised Rashtriya Gokul Mission (RGM) with ₹3,400 crore for 2021–22 to 2025–26. These schemes aim to boost milk procurement, processing, and value addition, promote indigenous cattle breeding, strengthen the dairy supply chain, and enhance rural income and development. Announced in the Union Budget 2025-26, the Prime Minister Dhan-Dhaanya Krishi Yojana was launched in 100 low-productivity districts in partnership with states. The programme benefitted 1.7 crore farmers by enhancing agricultural productivity, improving irrigation infrastructure, and facilitating access to both short-term and long-term credit. This comprehensive, multi-sectoral initiative will also tackle under-employment in agriculture through skilling, technological interventions, investment, and by revitalising the rural economy.

Human Resource Initiatives:

Project UDAAN-HR Transformation: Bank embarked upon a comprehensive Human Resources Transformation initiative, christened as Project "UDAAN", with the objective of strategically redesigning and optimizing human resources ("**HR**") processes, systems, and roles to align more closely with the Bank's long-term goals. During Fiscal 2025 to Fiscal 2026, the Bank sustained its focus on strengthening human capital and enhancing institutional effectiveness through a series of initiatives under this transformation agenda. The Bank's digital performance management system ("**PMS**") framework was revamped, with the introduction of new parameters such as customer service, conduct risk, and compliance, thereby reinforcing fairness and accountability in performance evaluation.

Strategic Partnerships with Industry and Academic Leaders: The Bank has partnered with 29 industry experts as Professors of Practice and 4 premier institutions, which are ISB Hyderabad, MDI Gurugram, IPE Hyderabad, and U-Next Learning by Manipal Academy. This initiative secures specialized domain expertise to drive advanced skill development, research, and future learning programs.

New HRMS Mobile APP – PNB SAKSHAM: Revamped HRMS Mobile application "PNB Saksham" has been developed and rolled out on both Android and iOS platforms. The application integrated all HRMS self-service menus, attendance marking and staff welfare services, thereby providing a unified, efficient, and user-friendly platform to employees.

AR/VR Training Integration: The Bank has launched AR/VR modules within physical training to modernize capability building through immersive, experiential learning. Currently live in eight languages, this technology-driven initiative accelerates workforce readiness and modernizes institutional training.

AI Enablement Program with Microsoft: The Bank has entered into a strategic partnership with Microsoft to deliver structured AI training and certification for all officers. This initiative will build foundational awareness, confidence, and practical AI skills through simple, high-utility learning pathways.

With these initiatives, we aspire to becoming the leading HR brand in the banking, financial services and insurance sector

Environmental, Social and Governance ("ESG") Initiatives:

During the year, the Bank strengthened its environmental initiatives under "Palaash 3.0", with a focused approach towards green financing, sustainable resource management and reduction in carbon footprint. Our commitment to environmentally responsible banking is reflected through initiatives such as biodegradable credit card and green products such as 'Green Home Loan' which provide financing benefits for residential properties certified under recognized green building frameworks. The Bank has also set a long-term goal of achieving net zero emissions by 2060, in alignment with national climate commitments. We are dedicated to accelerating green finance for electric cars, solar power systems, e-rickshaws and biogas units, thereby contributing to an increase in sustainable financing and infrastructure-led credit growth. We will further our

commitment by supporting the formation of our Sustainability and Resilience Committee to manage climate risks effectively. We also plan to launch new products, such as green bonds and diversify our portfolio by partnering with relevant organizations to mitigate climate risks. Leveraging our extensive network and touchpoints, we aim to promote financial inclusion, thereby generating a positive impact on society.

Our Principal Business Activities

Our business operations are broadly categorized into four segments: corporate/wholesale banking, retail banking, treasury and other banking operations. The table below sets forth the profit before tax attributable to our reportable segments during Fiscals 2024, 2025, 2026 and the three months ended 30 June 2025 and 2026:

Particulars	Fiscal			Three months ended 30 June	
	2024	2025	2026	2025	2026
			(₹crore)		
Corporate/Wholesale	4,505.80	11,612.80	12,131.14	2,768.42	3,472.75
Retail	5,689.10	8,243.35	9,560.65	2,315.15	2,981.80
Treasury	7,599.64	9,831.94	11,128.32	3,415.21	2,182.52
Other Banking Operations[(1)]	748.15	1,330.89	1,000.49	154.00	216.24

Note:

(1) Other banking operations comprise foreign exchange operations.

As at 30 June 2026, the Bank's advances to corporate and others, MSME, retail and agriculture were ₹5,15,372.64 crores, ₹2,03,025.03 crores, ₹2,85,880.08 crores and ₹1,99,581.73 crore respectively.

Corporate/Wholesale

We provide our corporate and institutional clients a wide array of commercial banking products and transactional services.

Our principal commercial banking products include a range of financing products, documentary credits (primarily letters of credit) and bank guarantees, foreign exchange, and corporate deposit products. Our financing products primarily include loans, overdrafts and bill discounting.

For our commercial banking products, our customers include companies that are part of public sector enterprises, private sector business houses, and multinational corporations, as well as small and mid-sized businesses. Our customers also include suppliers and distributors of corporations to whom we provide credit facilities and with whom we thereby establish relationships as part of a supply chain initiative for both our commercial banking products and transactional services. We aim to provide our corporate customers with high quality customized service.

Our principal corporate loans comprise the following:

Working Capital Financing

The Bank provides working capital to meet short-term fund requirements for managing day-to-day operations of businesses. Loans are provided by way of both fund and non-fund-based facilities to various kinds of entities including corporates. Funded facilities include cash credit, overdraft, demand loan and bill discounting. Non-fund-based instruments primarily comprise letters of credit and bank guarantees.

Export Finance

The Bank provides export finance at pre-shipment and post shipment stage to exporters by way of various types of fund based and non-fund based credit facility. Besides, the Bank also provides trade finance facility to importers at competitive rates.

Project Finance and Infrastructure Finance

The Bank provides project finance and infrastructure finance by providing fund and non-fund based credit facilities for new projects as well as expansion, diversification and modernization of existing projects in several sectors, including the power sector, road sector, oil and gas sector, telecommunication, housing finance, aviation sector, heavy industries, mining, chemicals and fertilizers, cement, steel, agriculture, FMCG, food processing, textile sector, manufacturing units, amongst others.

Rooftop PV Solar Power Project Funding

Ministry of New and Renewable Energy, a nodal Ministry of Government of India aims at developing and deploying new and renewable energy to supplement the energy requirements of the country.

In line with Government initiatives for popularizing solar rooftop systems for residential Homes, Bank is offering finance for Rooftop solar power system. This finance is meant for installation of new rooftop solar power system at residential house with maximum capacity up to 10 kw.

Loan against Future Lease Rentals/Cash Flow Discounting

The Bank has introduced schemes for discounting of rentals of owners of properties who have leased their properties to public sector undertakings, reputed corporates, reputed schools or colleges, reputed private hospitals or nursing homes or franchisees, dealers, distributors of reputed corporates. Further, Schemes has been made to cover receivables from future toll collection/annuity receivables in case of BOT road projects.

Bill Financing

The Bank provides advances against inland bills in the form of limit for purchase of bills, discount of bills or advance against bills sent for collection to borrowers for their genuine trade transactions. Bills facilities are also allowed to the borrowers against bills accompanied by railway receipts, motor transport receipts, government supply bills, third party demand drafts and cheques. We provide our corporate and institutional clients a wide array of commercial banking products and transactional services.

Other Services

We provide various services to exporters and importers, including pre-shipment finance, handling export bills, outward or inward remittance and establishment of import letters of credit covering import into India and handling of bills under letters of credit and foreign exchange services.

We also provide certain insurance products at our branches. We provide life insurance through our Associate, PNB Metlife Insurance Company Limited and we have also entered into a bancassurance tie-up with a large insurance company, which would enable our customers to have access to the insurance company's products across our branches. In addition, we also offers various products across individual and group space comprising various kinds of life insurance policies and retirement solutions, among others.

Retail Banking

We provide a comprehensive range of financial products including deposit products, loans, credit cards, debit cards, insurance products and other services. As at 30 June 2026, the Bank had ₹1,484.93 crores credit cards outstanding, respectively.

The Bank's retail banking loan products include housing loans, vehicle loans, education loans and personal loans, which together accounted for 80.01 per cent. (including pool and IBPC) of its total retail banking loans

as at 30 June 2026. The Bank focuses on growing small ticket advances which it believes helps in capital conservation and risk diversification. Set forth below is bifurcation of the Bank's advances by ticket size.

Segment	As of 31 March			As of 30 June	
	2024	2025	2026	2025	2026
			(₹crore)		
₹5 crore and below	3,76,626.37	4,31,917.53	4,94,117.56	4,39,283.52	5,07,459.82
₹5 crore to ₹10 crore	22,500.31	24,876.43	29,960.40	25,616.27	32,531.35
₹10 crore to ₹50 crore	57,015.55	62,598.63	77,847.07	65,214.53	81,239.75
₹50 crore to ₹250 crore	85,754.40	88,960.33	1,00,617.89	86,808.07	1,01,903.85
₹250 crore and above	4,00,494.34	4,57,695.19	4,90,406.98	4,62,157.56	4,80,724.71
Total	9,42,390.97	10,66,048.11	11,92,949.90	10,79,079.95	12,03,859.48

We actively market our services through our branches and alternate sales channels, as well as through our relationships with automobile dealers. We seek to establish a relationship with a retail customer and then expand it by offering more products. As at 30 June 2026, the Bank had 10,359 branches and 33,284 ATMs across India.

The Bank also provides internet and mobile banking to its customers. As on 30 June 2026, the Bank had 4.76 crores and 2.70 crores internet banking and PNB One activated mobile banking users respectively. Our PNB One and internet banking services have been enriched with more than 240 features, catering to diverse customer needs and preferences. Our key value-added services on our PNB One platform include application for IPOs through ASBA, cardless cash withdrawal, recurring and fixed deposits, virtual debit card and sovereign gold bonds. We offer more than 90 services through our WhatsApp banking. The Bank's internet banking transactions were 6.81 crores during Fiscal 2024 and 6.53 crores during Fiscal 2026 while PNB One mobile banking transactions have grown from 5.59 crores during Fiscal 2024 to 9.25 crores during Fiscal 2026. UPI transactions have increased from 876.30 crores in Fiscal 2024 to 1,918.61 crores in Fiscal 2026. Further, digital transactions increased from 658.77 crores during Fiscal 2024 to 1,288.00 crores during Fiscal 2026 and were 365.00 crores in the three months ended 30 June 2026.

As at 30 June 2026, the Bank had 28,846 PoS across India.

The Bank's gross retail loan portfolio aggregated to ₹2,85,880.08 crores as of 30 June 2026. Loans are classified as retail based on the criteria of orientation, the nature of the product, level of the exposure and quantum thereof as per our reporting system to the RBI.

Housing Loans

The Bank had a market share of 4.60 per cent., in terms of amount outstanding of home loans in India, as of 30 June 2026, among all scheduled commercial banks. We provide home loans for the construction, purchase, alteration and repair of houses. For the construction, addition or purchase of houses, the loans typically provided are need based loans, depending on the project cost and repayment capacity. For purchase of land, the maximum quantum of loan available is ₹5.00 crores for metro cities (only in cases where land/plots are allotted by State Development authorities or State Housing Boards) and ₹3.00 crores for other centres. We also have a scheme PNB Pride for Government Employees, pursuant to which housing loans are provided to permanent employees of the central or state government, defence and paramilitary forces personnel for which we provide loan at concessional rates and zero processing and documentation charges.

The Bank's housing loans excluding IBPC have grown from ₹98,293.09 crore as of 31 March 2024 to ₹1,16,311.74 crore as of 31 March 2025 and to ₹1,29,831.78 crore as of 31 March 2026 and were ₹1,32,840.26 crore as of 30 June 2026.

Vehicle Loans

The Bank had a market share of 5.40 per cent., in terms of amount outstanding as a provider of vehicle loans in India, as at 30 June 2026, among all scheduled commercial banks. We offer loans at floating/Fixed interest rates for financing purchase of new and used vehicles. We offer a number of automobile loan products to meet the requirements of our diverse segment of customers. We also have a scheme PNB Pride for Government Employees, pursuant to which car loans are provided to permanent employees of the central or state government, defence and paramilitary forces personnel for which we provide loan at concessional rates and zero processing and documentation charges.

Education Loans

As at 30 June 2026, the Bank had a market share of 5.80 per cent., in terms of amount outstanding as a provider of education loans to Indian national for study in India and abroad, among all scheduled commercial banks. We offer student loans to provide financial assistance to pursue higher studies. The maximum education loan amounts under our education loan schemes is need based. Other schemes include targeted products such as PNB Pratibha, which provide loans to students securing admissions in certain premier or reputed educational institutions of India and the PNB Saraswati Scheme, which provides financial aid to students pursuing higher education in India. We also provide education loans for pursuing higher education abroad through PNB UDAAN scheme.

Miscellaneous Loans

Additionally, we provide loan against mortgage of immovable property to individuals for business and personal requirements.

Further, we also provide deposit products to our customers, including savings, term deposits and hybrid accounts that combine features of savings and term deposit accounts. The Bank's gross deposits aggregated to ₹13,69,712.81 crore, ₹15,66,623.28 crore, ₹17,11,126.33 crore, ₹15,89,378.55 crores and ₹17,24,837.29 crores as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. As of 30 June 2026, 40.18 per cent. of the Bank's total domestic deposits were retail term deposits up to ₹3 crore and 12.20 per cent. were bulk deposits from corporates (at differential rate). The Bank's domestic term deposits as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026 was ₹7,80,886.34 crores, ₹9,37,825.74 crores, ₹10,39,444.75 crores, ₹9,68,831.24 crores and ₹10,57,061.28 crores, respectively. The Bank's savings deposits as of 31 March 2024, 2025 and 2026 and as of June 2025 and 2026 were ₹4,80,298.33 crore, ₹4,98,429.41 crore, ₹5,30,321.27 crore, ₹4,97,981.51 crore and ₹5,33,798.53 crore, respectively. The Bank's current deposits as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026 were ₹72,201.03 crore, ₹75,113.52 crore, ₹79,294.00 crore, ₹70,656.08 crore and ₹79,317.60 crore, respectively.

Treasury

Our treasury operations are our interface with the financial markets. Our treasury operations consist primarily of statutory reserves management, liquidity management, investment and trading activities, money market and foreign exchange activities. Our treasury department endeavours to provide standardized and structured client solutions including liquidity management and bond placement. The treasury department is responsible for balancing and managing our daily cash flow and liquidity of funds.

Our treasury department manages our treasury operations on a day-to-day basis and is subject to oversight by our Board. Through our treasury operations, we manage our funds, invest in debt and equity products and

maintain the required regulatory reserves. We operate a proprietary trading book in debt, equity and foreign exchange within the framework of our treasury policy.

The main functions of our integrated treasury department include:

Reserve management and investment: Ensuring that we meet our cash reserve ratio and statutory liquidity ratio obligations and have an appropriate mix within our portfolio to optimize yield, duration and profitability.

Liquidity and funds management: Analysis of major cash flows arising out of asset liability transactions, providing a well-developed and diversified liability base to fund various assets and providing policy inputs on funding mix.

Foreign exchange treasury operations: Our treasury department also undertakes foreign currency borrowings and deployment activities. It also caters to the foreign exchange needs of our corporate clients and trading in currencies, among others.

The structure of our treasury department is provided below.

Front office: The front office consists of dealers and traders, who are the first point of interface with other market participants, including brokers and customers. Each of our traders and dealers report to department heads.

Back-office: The back office primarily undertakes accounting, settlement and reconciliation operations but is also responsible for reporting requirements of the bank including that of internal and statutory compliances.

The Bank's interest income from investments and treasury operations was ₹8,438.01 crore and ₹8,076.58 crore during the three months ended 30 June 2025 and 30 June 2026, respectively. The Bank's non-interest income from its treasury operations, consisting of profit and loss from the sale of investments, foreign exchange and profit/loss on revaluation of investment transactions was ₹1,815.89 crore and ₹1,080.72 crore during the three months ended 30 June 2025 and 30 June 2026, respectively.

Rural Business

The Bank continues to focus on rural banking as a key driver of future growth. It has been involved in extending banking facilities to rural areas in India even before such requirements became mandatory for banks. It is also an active participant in the GoI's and the RBI's financial inclusion programs.

The Bank has expanded its network in rural and semi-urban areas in India by setting up a large number of branches. As at 30 June 2026, the Bank had 10,359 branches in India, out of which 4,009 branches were in rural areas and 2,548 branches were in semi-urban areas.

Rural banking requires an innovative approach in respect of delivery of services in remote areas to a population with low literacy rates, and involves a large volume of small-value transactions. In order to cater to rural customers' needs, the Bank has developed alternative delivery channels for banking services and products through the business correspondent model. As at 30 June 2026, the Bank had engaged over 32,630 customer service points with third party business correspondents in rural areas.

Pursuant to the PMJDY scheme launched by the GoI on 15 August 2014, to ensure access to basic finance services to the weaker sections and low-income groups, the Bank had opened approximately 5,73,45,938 accounts amounting to a total value of ₹28,230.00 crore and issued 4.41 crore RuPay debit cards to eligible customers, as at 30 June 2026.

The value of transactions handled through our banking correspondents increased by 1.57 per cent. to ₹40,450.00 crore during Fiscal 2026 from ₹33,198.00 crores during Fiscal 2025, and 21.10 per cent. from Fiscal 2025 to ₹27,413.00 crores during Fiscal 2024. The value of transactions handled through our banking correspondents

increased by 8.79 per cent. to ₹39,597.00 crores in the three months ended 30 June 2026 from ₹33,424.00 crores in the three months ended 30 June 2025. The Bank's continued focus on the development of innovative, technology enabled channels for delivering banking services to the rural population in India has resulted in the launch of initiatives such as Aadhaar enabled Payment Systems, automated e-KYC, Micro ATM rollout and savings bank-overdraft facility under PMJDY.

Agri-Business

We believe that we continue to play an important role to support farmers and other persons engaged in the agriculture industry in India.

The Bank has also developed IT-driven products for PNB RuPay Kisan Cards ("**KC**") to allow continuous interaction with customers in the agricultural and allied industries. Initiatives aimed at strengthening ties with the farming community include attending farmers' meetings and events, as well as a village adoption program, to support integrated development of the village.

The Bank has taken various steps to contain NPA levels, and lending by individual branches under certain loan programs may be linked to NPA levels. In addition, the Bank increasingly uses recovery agents for debt collection, generally by enforcing the underlying collateral securing the loans. NPAs are also controlled through programs designed specifically for farmers and to improve loan initiation and monitoring, such as increased training for the Bank's representatives, use of regular audio and video conferencing, in-person visits and recruitment of specialists such as marketing, agriculture officers and recovery officers, organization of special recovery and counselling camps in all agri-business intensive branches, wide publicity of additional incentives from the Government on a timely basis. Lok Adalats are used to resolve agri-loan related disputes. The Lok Adalat is a forum organized under Chapter VI of the Legal Services Authorities Act, 1987, as amended ("**LSA Act, 1987**") where the disputes pending in a court of law or at pre-litigation stage are settled amicably. Under the LSA Act, 1987, the award made by the Lok Adalat is deemed to be the decree of a civil court and is final and binding on all parties with no right of appeal.

Distribution Channels

Branches

As at 30 June 2026, the Bank had an aggregate of 10,359 branches across India.

All of the Bank's branches are electronically linked so that its customers can access their accounts from any branch regardless of the location of their account in India.

Almost all of the Bank's branches focus exclusively on providing retail services and products, though a few also provide wholesale banking services. The range of products and services available at each branch depends in part on the size and location of the branch.

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
Number of Branches in India.....	10,136	10,189	10,324	10,209	10,359

As part of its branch licensing conditions, as consolidated in the Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025, as amended from time to time, the RBI requires that at least 25 per cent. of the total number of banking outlets opened during the year must be located in unbanked rural centres. An unbanked rural centre is defined under these directions as a rural (Tier 5 and 6) centre that does not have a core banking solution (CBS) enabled banking outlet for carrying out customer-based banking transactions.

As at 30 June 2026, approximately 4,009 of the Bank's branches operated in rural areas. Additionally, as at 30 June 2026, of the Bank's total branches, 38.70 per cent. were located in rural areas, 24.60 per cent. were located at semi-urban areas, 19.70 per cent. were located at urban areas, and 17.00 per cent. were located at metros.

We offer various banking services to our customers through our arrangements with correspondent banks and exchange houses in overseas locations. We have representative offices in countries outside India, i.e., in Bangladesh and Myanmar. Through these representative offices, we provide services to Indian corporates and their affiliates to cater to their international banking requirements, as well as to retail customers.

ATMs

As at 30 June 2026, the Bank had a total of 10,605 ATMs/BNAs, located at residential and commercial developments, or on major roads in metropolitan areas. Customers can use our ATMs/BNAs for a variety of functions, including withdrawing cash, monitoring bank balances, fund transfer, making new cheque book request, green pin generation & depositing cash in BNAs. Customers can access their accounts from any of the PNB ATMs/BNAs or non-PNB ATMs/BNAs. Debit/Credit cards issued by other banks can be used at our ATMs/BNAs and we receive a fee for each transaction.

	As of 31 March			As of 30 June	
	2024	**2025**	**2026**	**2025**	**2026**
Number of ATMs/BNAs	12,131	11,822	11,065	11,240	10,605

Our debit/credit cards can be used on ATMs/BNAs of other banks' ATM networks.

Telephone and Mobile Banking

We provide services to our customers through Interactive Voice Response ("**IVR**") at call centres which is functional 24*7 throughout the year. Customers can check their accounts, order cheque books, conduct balance inquiries and order stop payments on cheques.

Our mobile banking platform, 'PNB One', offers "anytime, anywhere" banking services to our customers through smartphones. Using our mobile banking application, customers can perform non-financial transactions such as balance enquiries, requests for account statements and requests for mini-statements of their transactions etc. Customers can carry out financial transactions, such as transferring funds within/outside the Bank and value added services using their PNB account by downloading this application on their mobile phones. Mobile banking is available on both Android and iOS devices. 'PNB One' is available in multiple languages and serves as a unified mobile application to manage all key banking activities. Key functionalities include creation of fixed deposits and recurring deposits, availing overdraft facility against fixed deposits, viewing/downloading interest certificates of loans and deposits, real-time gross settlement ("**RTGS**"), fund transfer to contacts, and payments to Sukanya Samriddhi Account. The application has the ability to activate and deactivate debit cards.

Internet Banking

Through our Net Banking channel, customers can access their accounts 24*7 and securely perform various financial and non-financial transactions such as balance enquiry, update nominee, change home branch, view and download account statement, order cheque book, submit cheque information in PPS, instantly remit funds intra-bank and interbank using Immediate Payment Service ("**IMPS**"), National Electronic Funds Transfer ("**NEFT**"), RTGS, UPI or schedule transfers to a future date, pay utility bills, make payments on e-commerce platforms, personalize their debit cards, open fixed deposits, avail overdraft against fixed deposits, purchase Sovereign Gold Bonds, invest using Applications Supported by Blocked Amount ("**ASBA**"), pay credit card outstanding, enrol for government schemes such as Pradhan Mantri Jeevan Jyoti Bima Yojana ("**PMJJBY**"), Pradhan Mantri Suraksha Bima Yojana ("**PMSBY**"), and Atal Pension Yojana ("**APY**"). As at 30 June 2026,

the Bank had 95.72 lakh PMJJBY accounts, 357.00 lakh PMSBY accounts and 59.77 lakh APY accounts. Corporate customers can perform bulk transactions, set multi-level hierarchy for authenticating transactions, generate GST invoice and much more for free or at a lower cost.

The follow table sets forth information on the Bank's number of IMPS, NEFT and RTGS transactions for the periods indicated:

Transactions (number in crore)	**As of 31 March**			**As of 30 June**	
	2024	**2025**	**2026**	**2025**	**2026**
IMPS	2.60	3.09	2.06	71.24	77.53
NEFT	7.60	7.40	7.39	1.73	1.74
RTGS	1.30	1.33	1.39	33.73	36.01

Risk Management

Managing risk is fundamental to the financial services industry, and key to sustained profitability and stability. While risks are assumed after appropriate consideration, some risks may arise due to unintended consequences of internal actions or external events. We are exposed to various risks that are an inherent part of any banking business, which include, amongst others, credit risk, market risk, liquidity risk and operational risk.

Our risk philosophy is to ensure a sustainable and diversified growth of business with net returns that are healthy and commensurate with the risk taken. We have various policies and procedures in place to measure, manage and monitor these risks systematically across all its portfolios, and adopt the following approaches in dealing with risk:

- ensuring sustained and diversified growth of business with healthy net returns commensurate with risk taken in a controlled risk environment;
- supporting growth of Bank by efficient deployment of funds within an acceptable risk-return framework;
- adopting holistic approach whereby risk retention is considered appropriate after giving due consideration to factors such as specific risk characteristics of obligor, inter relationship between risk variables and corresponding return and achievement of various business objectives within the controlled risk environment;
- ensuring all analytical, decision-making and implementation processes are oriented towards prudently managing the risk before focusing on the potential reward; and
- facilitating embedding risk appetite into the Bank's risk culture & evaluate opportunities for appropriate risk taking and act as a defence against excessive risk-taking.

Risk Management Framework

Our risk management framework is supervised by the Risk Management Committee, which is supported by the following functional committees:

- Credit Risk Management Committee;
- Asset and Liability Management Committee;
- Operations Risk Management Committee;
- Market Risk Management Committee;

- Group Risk Management Committee;
- Steering Committee on Information Security; and
- Sustainability and Resilience Committee.

The risk management organizational structure of the Bank consist of following verticals:

- Credit Rating;
- Credit Policy;
- Credit Risk;
- Credit Intelligence and Support Desk;
- Mid-Office;
- ALM Cell;
- Operational Risk;
- IT Risk;
- System & Models;
- Model Validation Cell;
- Core IRM;
- Group Risk; and
- Climate Risk.

Retail Credit Risk Policy

We offer a range of retail products, such as vehicle loans, personal loans, business banking, two-wheeler loans and loans against securities, among others. Our retail approval processes are designed for the fact that we have high volumes of relatively homogeneous, small value transactions in retail loans. There are product programs for each of these products, which define the target markets, credit philosophy and process, detailed underwriting criteria for evaluating individual credits, exception reporting systems and individual loan exposure caps.

For individual customers to be eligible for a loan, minimum credit parameters, so defined, are to be met for each product. Any deviations to such parameters need to be approved at the designated levels. The product parameters have been selected based on the perceived risk characteristics specific to the product. The quantitative parameters considered include income, residence stability, the nature of the employment/business, while the qualitative parameters include accessibility and profile. Our credit policies/product programs are based on a statistical analysis of our own experience and industry data, in combination with the judgment of our officers.

We mine information on our borrower account behaviour as well as static information regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising our product programs, target market definitions and credit assessment criteria to meet our twin objectives of combining volume growth and maintenance of asset quality.

Our retail loans are generally secured by a charge on the asset financed (vehicle loans, property loans and loans against gold). Retail business banking loans are secured with current assets as well as immovable property and fixed assets in some cases. However, collateral securing each individual loan may not be adequate in relation

to the value of the loan. If the customer fails to pay, we would, as applicable, liquidate collateral and/or set off accounts. In most cases we obtain direct debit instructions or electronic clearing service/national automated clearing house from the customer.

Wholesale Credit Risk Policy

We have a credit risk department, which is primarily responsible for implementing the credit risk strategy approved by our Board, developing procedures and systems for managing credit risk and carrying out an independent assessment of credit risk. In addition to the credit approval process, there is also an independent framework for the review and approval of credit ratings.

For our wholesale banking products, we target leading private businesses and public sector enterprises in the country, subsidiaries of multinational corporations and leaders in the Micro, Small and Medium Enterprises (MSME) segment.

We consider the credit risk of counter-parties comprehensively, and thus, our credit policies and procedures apply to not only credit exposures but also credit substitutes and contingent exposures.

Our credit risks policies are central in controlling credit risk in various activities and products.

Based on what we believe is an adequately comprehensive risk assessment, credit exposure limits are set on individual counterparties. These limits take into account the overall potential exposure on the counterparty, be it on balance sheet or off balance sheet, across the banking book and the trading book, including foreign exchange and derivatives exposures. These are reviewed in detail at annual or more frequent intervals.

Based on rich data collected over a number of years, we have developed an internal rating system which assesses and grades borrowers, producing helpful metrics such as, among other things, a borrower's probability of default, or the estimated loss, given a default.

Our credit approval process is based on an approval system that combines credit approval authorities and discretionary powers. The level for approval of a credit varies depending upon the amount of the loan, nature of credit, conditions of the transaction, the grading of the borrower, the quantum of facilities required and whether it is a repeat customer. Accordingly, each credit approval committee is vested with the power to grant credit up to designated thresholds. The loan appraising authority recommends prospective loans to the relevant credit approval committee. Thereafter, credit exposure on each loan is monitored on an ongoing basis.

To ensure adequate diversification of risk, concentration limits have been set up in terms of:

(a) Borrower/business group: Exposure to a borrower/business group is subject to the general ceilings established by the Reserve Bank of India from time to time, or specific approval by Reserve Bank of India. As per the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025, as amended from time to time, the sum of all the exposure values of a bank to a single counterparty shall not be higher than 20 percent of the bank's available eligible capital base at all times. The sum of all the exposure values of a 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. In addition to the above exposure limit, a bank may, in exceptional circumstances, with the approval of its board, consider increasing its exposure to a single counterparty up to an additional 5.0 per cent. of its capital funds. Further, we may, while keeping in line with regulatory limits, specify lower limits for certain borrowers, depending on the specific borrower's credit risk rating.

(b) Industry: We have developed a model for determining industry-based exposure-ceiling limits based on certain factors such as asset impairment benchmarks, portfolio quality and industry risk ratings provided by external rating agencies. Retail advances are exempt from such ceiling. In addition, investment

exposure to any one industry does not exceed 15 per cent. of our total non- statutory liquidity ratio portfolio.

While we primarily make our credit decisions on a cash flow basis, we also obtain security for a significant portion of credit facilities extended by us as a second potential remedy. This can take the form of a floating charge on the movable assets of the borrower or a (first or residual) charge on the fixed assets and properties owned by the borrower. We may also require guarantees and letters of support from the flagship companies of the group in cases where facilities are granted based on our comfort level or relationship with the parent company.

We have a process for regular monitoring of all accounts at several levels. These include periodic calls on the customer, visits, credit reviews and monitoring of secondary information. These measures are designed to detect any early warning signals of deterioration in credit quality so that we can take timely corrective action. In addition, we have developed an in-house platform called the preventive monitoring system, which we use for monitoring large value accounts. The preventive monitoring system allows us to track account conduct, compliance with our terms and conditions, and various other metrics that assist us in decision making.

Credit Risk Management Committee

The Credit Risk Management Committee is entrusted with the work of taking all policy decisions related to credit risk. It is a top executive level committee headed by our MD and CEO. The Credit Risk Management Committee is responsible for the implementation of credit risk policy and strategy, which is approved by the Risk Management Committee or our Board of Directors. The structure and scope of the committee is defined in our Credit Management and Risk Policy, which is reviewed at least annually, or more frequently, if the need arises.

Asset Liability Risk Management

In an increasingly deregulated market, banks face various risks, including liquidity risk and market risk. Liquidity risk is the potential inability of a bank to meet its liabilities as they become due. Market risk is the risk to a bank's earnings and capital due to changes in market condition. Market risk can be further categorized into interest rate risk, foreign exchange risk and equity/commodity price risk. Accordingly, our asset liability management framework aims to identify, measure, monitor and manage these risks, and operates in the following manner:

Board of Directors

The Board has the overall responsibility for management of liquidity and interest rate risk. The Board decides the strategy, policies and procedures of the Bank to manage liquidity and interest rate risk, including setting the risk tolerance/limits and reviewing the results of stress tests. It is also responsible for evaluating the overall risks faced by the Bank, including liquidity risk and interest rate risk. It also addresses the potential interaction of liquidity risk and interest rate risk with other risks faced by the Bank.

Asset Liability Management Committee

The responsibility to manage Liquidity & interest rate risks at corporate level vests with Asset Liability Management Committee ("**ALCO**"). It is the apex operational committee for managing the Balance Sheet within the performance/risk parameters laid down by the Board.

The ALCO, consisting of the bank's Top Management, shall be responsible for ensuring adherence to the risk tolerance limits set by the Board as well as implementing the liquidity risk management strategy of the bank in line with bank's decided risk management objectives and risk tolerance. It is headed by the Managing Director & CEO.

The ALCO is the decision-making unit responsible for ensuring adherence to the risk tolerance/limits set by the Board of Directors, as well as implementing the Bank's liquidity and interest rate risk management strategy in line with the Bank's risk management objectives and risk tolerance. The Asset Liability Management Committee is also responsible for balance sheet planning from a risk-return perspective, including strategic management of interest rate and liquidity risks.

The function of ALCO includes the following:

(i) complying with requirements set forth in Asset Liability Management ("**ALM")** policy or RBI guidelines or otherwise required for managing liquidity;

(ii) managing exposures/mismatches in balance sheet for liquidity and interest rate risk;

(iii) recommending changes in the liquidity and interest rate sensitivity mismatch limits or in any other provisions of this policy to the Board or risk management committee;

(iv) reviewing and articulating funding policy, including liquidity management;

(v) product pricing (interest rates) for deposits and advances;

(vi) deciding on maturity profile and mix of incremental assets and liabilities;

(vii) articulating interest rate views and accordingly deciding on the future business strategies, including new products and schemes;

(viii) reviewing impact of monetary policies and economic/political changes on business/strategies and taking appropriate measures for furthering interest of the bank;

(ix) setting up profit planning and growth projections within the risk mitigation framework; and

(x) sensitizing the operating people to ALM functions and its implications.

The role of the ALCO with special emphasis on liquidity risk management will include, among others, the following:

(a) deciding on desired maturity profile and mix of incremental assets and liabilities;

(b) deciding on source and mix of liabilities or sale of assets;

(c) determining the structure, responsibilities and controls for managing liquidity risk and for overseeing the liquidity positions of all branches and legal entities like subsidiaries, joint ventures and associates in which the bank is active;

(d) ensuring operational independence of liquidity risk management function;

(e) ensuring adequacy of cash flow projections and the assumptions used;

(f) reviewing the stress test scenarios including the assumptions as well as the results of the stress tests and ensuring that a well-documented contingency funding plan is in place which is reviewed periodically;

(g) deciding the transfer pricing policy of the bank and making liquidity costs and benefits an integral part of bank's strategic planning;

(h) regularly reporting to the Board and the risk management committee on the liquidity risk profile of the bank; and

(i) deciding on borrowing of funds through the following avenues:

- refinance facility from institutions such as National Bank for Agriculture and Rural Development, Small Industries Development Bank of India, National Housing Bank, National Scheduled Castes Finance and Development Corporation, Micro Units Development and Refinance Agency Ltd and any others;
- line of credit from other banks;
- unsecured credit lines from other banks;
- inter-bank participation certificate borrowing; and
- borrowing through transfer of credit exposure of the bank.

The structure and scope of the committee is defined in our ALM Policy, which is reviewed at least annually, or more frequently, if the need arises.

Risk Measurement Systems and Reporting

Liquidity risk is measured using the flow approach and the stock approach. The flow approach involves comprehensive tracking of cash flow mismatches whereas the stock approach involves the measurement of critical ratios in respect of liquidity risk. Analysis of liquidity risk also involves examining how funding requirements are likely to be affected under crisis scenarios.

In each approach, we adopt more precise metrics for monitoring liquidity risk than the standards set by the Reserve Bank of India. For example, in the flow approach, we have prescribed further Board-approved cumulative gap limits other than the four cumulative gap limits of -5.0 per cent., -10.0 per cent., -15.0 per cent. and -20.0 per cent. set by the Reserve Bank of India. The same proactive approach is applied to the stock approach, in which we have prescribed 21 ratios, rather than just the seven set by the Reserve Bank of India. These additional metrics allow us to perform monitor liquidity risk at a more granular level. The impact on net interest income and intrinsic value of the Bank is evaluated through traditional gap analysis and duration gap analysis, respectively.

In addition, to strengthen the liquidity framework of banks, two liquidity standards for funding and liquidity were introduced, i.e. Liquidity Coverage Ratio ("**LCR**") which promotes short-term resilience of banks to potential liquidity disruptions by ensuring that they have sufficient high quality liquid assets ("**HQLAs**") to survive an acute stress scenario lasting for 30 days. Further, Net Stable Funding Ratio ("**NSFR**") – promotes resilience over a longer-term time horizon by requiring banks to fund their activities with more stable sources of funding on an ongoing basis. The Bank monitors these two metrices and places them before ALCO on a monthly basis, in addition to daily monitoring of the LCR ratio, thereby ensuring active monitoring of movement of liquidity requirements and buffers available.

Operational Risk

Basel Committee on Banking Supervision ("**BCBS**") and subsequently the RBI have defined operational risk the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk but excludes strategic and reputational risk. The Bank has also adopted the same definition for management of operational risk within the bank.

The Bank has a robust Operational Risk Management Policy, approved by the Board of Directors, which clearly defines roles and responsibilities at various levels to mitigate Operational Risk arising out of the Bank's operations. The Bank adopts 'Three Lines of Defence' model for management of operational risk.

First Line of Defence is the business & support divisions. These divisions being owner of various banking activities, take up management of operational risk within activities owned by them including identification, assessment, mitigation and monitoring of risk. They propagate operational risk management ("**ORM**") policy as laid down by the board. They analyse the findings of risk & control self-assessment ("**RCSA**") surveys, monitor risk indicator and/or key risk indicator **("KRI")** and operational loss events and initiate actions for strengthening internal processes.

Second Line of Defence comprises of risk and compliance functions (which includes integrated risk management division, compliance division, transaction monitoring division, fraud risk management division, and cyber and information security division). Integrated risk management division is responsible for framing the ORM policy and associated frameworks and ensuring their implementation. operational risk management department maintains a repository of operational risk loss data, KRIs, outcome of RCSA surveys and uses the same for operational risk assessment and management.

Third Line of Defence comprises of audit function *i.e.* inspection & audit division in the Bank, which is responsible for independent review and validation of ORM framework ("**ORMF**") and ORM systems ("**ORMS**") at bank-wide level.

Governance and Organizational Structure for Managing Operational Risk:

ORM Committee ("**ORMC**")**,** headed by MD & CEO, oversees the Bank's consolidated operational risk exposure, understand future challenges/threats, key operational risk loss events, review of risk profile, and approve suitable controls/ mitigations for managing operational risk.

Further, the Business Continuity & Operational Resilience Committee ("**BCORE**"), headed by Executive Director, is in place to oversee the Bank's business continuity & operational resilience through development, implementation, and maintenance of a robust policy/framework on business continuity management & operational resilience.

The ORMC and BCORE report to Risk Management Committee ("**RMC**"), a sub-Committee of the Board, entrusted with overall risk management in the Bank.

An independent ORM department ("**ORMD**") has been set up under integrated risk management division which reports to Group Chief Risk Officer. ORMD is responsible for implementation of operational risk management policies, taking measures for developing a strong risk culture among all employees and effective operational risk management across the bank. it works in co-ordination with the business divisions, control divisions and support divisions in the Bank.

With increasing digitization and growing role of IT in banking operations, the Bank has established dedicated IT Risk Management and Third-Party Risk Management verticals under ORMD to identify, assess, monitor and mitigate information & communication technology risks and third-party risks and strengthen operational resilience. To strengthen governance across products and processes, all products and processes are reviewed by the System and Product Approval Committee of Executives ("**SPACE**") in terms of 'Policy for Approval of New Products' which clearly defines roles and responsibilities of the first, second and third lines of defence. The Bank has also implemented an incident reporting and escalation mechanism for reporting of near-miss events, cyber-security and other operational risk incidents to strengthen internal controls and mitigate operational risk.

For management of operational risk by risk owners, each division at Head Office has a risk assessment committee ("**RAC**")**.** The Committee is headed by Divisional Head of the concerned division and is entrusted with identification, assessment, mitigation and monitoring of operational risk present in their existing/new products/services/processes/activities/systems.

In order to ensure completeness and correctness of operational risk loss data and also to inculcate risk culture deep down the ladder in the bank, committees named as 'Checks on Threats to Reduce Op-risk Losses ("**CONTROL**")' and 'Joint Action Group on Op-risk Control ("**JAGROC**")' have been formed at Circle Offices and Zonal Offices respectively, which identify and evaluate the internal and external factors that could adversely affect the achievement of Bank's performance, corporate goals, information system, and compliance objective of the Bank.

Tools to measure & monitor Operational Risk:

Internal Control is an essential pre-requisite for efficient and effective ORM. The Bank has clearly laid down policies and procedures to ensure the integrity of its operations, appropriateness of operating systems and compliance with the management policies. Apart from the ORM policy and the policy for approval of new product, other established frameworks/policies for control and mitigation of operational risk include:

1. Policy for Business Continuity Management (BCM) & Operational Resilience.
2. Third Party Risk Management Policy
3. Loss Data Collection Framework
4. IT and Information Security Risk Management Framework
5. RCSA Framework, a proactive exercise which helps in identifying control gaps and consequent actions proposed to close the gaps. RCSA is used for identification & mitigation of operational risks, reporting of control deficiencies, monitoring of changes in control environment and assessment of operational risk profile.
6. Business Line Mapping Framework.
7. Key Risk Indicator Framework, where the indicators have been defined subject to annual review with threshold and monitoring mechanism. These indicators are metrics/ measures that are derived from various factors to indicate an early warning of or to monitor increasing risk or control failures in an activity.
8. Stress Testing/Scenario Analysis to assess the operational risk losses under certain stressed scenarios and resultant impact on capital requirements for operational risk as well as capital adequacy of the Bank.
9. Incident Reporting & Escalation Framework.
10. Framework for Enterprise-Wide ML/TF/PF Risk Assessment Methodology.
11. AI and ML Governance and Risk Management Framework.

Capital Computation for Operational Risk:

The Bank is currently using the Basic Indicator Approach (BIA) for computing regulatory capital for operational risk.

The RBI has released the "Reserve Bank of India (Commercial Banks – Forthcoming Instructions) Directions, 2025" on 28 November 2025, which requires computation of regulatory capital for Operational Risk as per the '**Basel-III Standardised Approach'**, replacing the existing Basic Indicator Approach. The implementation date of the **'**Basel-III Standardised Approach' is awaited from the RBI

Information Security Risk Management

Steering Committee on Information Security

A steering committee serves as an effective communication channel for management's aims and directions and provides an ongoing basis for ensuring alignment of the security programme with organizational objectives. It is also instrumental in achieving behaviour change toward a culture that promotes good security practices and compliance with policies.

Major responsibilities of the Steering Committee on Information Security ("**ISSC**") include:

(a) Developing and facilitating the implementation of information security policies, standards and procedures to ensure that all identified risks are managed within a bank's risk appetite.

(b) Approving and monitoring major information security projects and the status of information security plans and budgets, establishing priorities, approving standards and procedures.

(c) Supporting the development and implementation of a bank-wide information security management program.

(d) Reviewing cyber incidents, Information system audit observations, monitoring and mitigation and various information security assessments and monitoring activities across the Bank.

(e) Updating IT Strategy Committee ("**ITSC**") and Chief Executive Officer periodically on the activities of ISSC. The same is facilitated by presenting the Minutes of Meeting to ITSC.

(f) Reviewing the status of security awareness program.

(g) Assessing new developments or issues relating to information security.

(h) Reporting to the Board of Directors on information security activities.

As per the Gazette notification published by Government of India dated 22 May 2018, "The organisation having "Protected System" shall constitute an Information Security Steering Committee under the chairmanship of CEO/MD/Secretary of the organisation." The Bank's computer resources were declared as protected systems by Gazette Notification dated 14 November 2022. Since our Bank is having "Protected System", the ISSC is chaired by the MD and CEO of the Bank.

A new vertical was established in the bank under the umbrella of the operational risk management department to assess and manage IT and information security risk. The information security risk management encompasses all information technology assets, networks, Cloud and electronic data. Further this also covers third party IT risk which includes, the processes and responsibilities for identification, measurement, mitigation, management, and reporting of risks associated with IT services outsourcing and areas of risk related to Information and Communication Technology ("**ICT**").

Innovation and Gen AI Division

To carry forward the Bank's transformation process in a structured manner and to achieve transformational goals, Innovation and Gen AI Division at the Head Office was constituted.

For better administrative support, control and to ensure transparency, an exercise of re-organization/forming of new administrative offices/verticals/specialized branches has been carried out under "Innovation and Gen-AI". The revamped organization structure comprises a four-tier structure involving Branch Offices, Circle Offices, Zonal Offices and Head Office in the hierarchical order.

Branches have been further mapped with the verticals according to its activities.

Credit delivery structure

The Bank's credit delivery structure is organized into specialized verticals as under:

Extra Large Corporate Branch ("ELCB") / Large Corporate Branch ("LCB")

ELCB and LCB are dedicated branches to handle corporate credit accounts with specialized credit processing & monitoring for borrowers with credit exposure above ₹500 Crore & ₹50 Crore respectively. As of 30 June 2026, there are 2 ELCBs and 13 LCBs.

Mid Corporate Centre ("MCC")

MCCs were rolled out to handle pre-sanction appraisal and post-sanction monitoring of non-retail clients having exposure above ₹1 crore and operations are handled by respective Branches. The model is prepared with the intent of specializing in credit processing and monitoring system for MSME & mid-corporate borrowers by providing dedicated and efficiently managed processing centres for such borrowers while having freedom of maintaining operations at any Branch of choice. As of 30 June 2026, there are 116 MCCs reporting to their respective Circle Offices.

PNB Loan Point ("PLP")

PLPs are specialized Credit Processing Centre for retail, agriculture & MSME borrowers engaged into pre-sanction appraisal & sanction of retail loans above ₹10 lakh (no upper ceilings) and non-retail loans above ₹10 lakh - up to ₹1 crore. Presently there are 132 PLPs operational across India reporting to their respective Circle Offices.

Hybrid PLP ("H-PLP")

H-PLP have a credit monitoring cell ("**CMC**") in addition to structure of PNB Loan Point ("**PLP**"). The CMC caters post-sanction monitoring of non-retail loan accounts above ₹1 Crore in line with the MCC structure. Thus, H-PLP are engaged in pre-sanction appraisal and sanction up to ₹10 crore and are headed by AGMs only (as against PLPs, which are headed by CM as well as AGM).

Corporate Banking Branch ("CBB")

CBBs cater to the business at Centres not having LCBs or where existing LCBs are having limited business potential (by conversion of existing General Banking Branches and LCBs) to handle corporate accounts above ₹10 Crore. These Corporate Banking Branches shall also be credit intensive branches like LCBs and cater to the corporate borrowal accounts above ₹10 Crores. As of 30 June 2026, there are 16 CBBs.

Mid Corporate Branch ("MCB")

MCBs cater to corporate clients with exposure exceeding ₹50 crore and up to ₹300 crore and group exposure up to ₹600 crore. They are responsible for acquiring new credit customers, expanding business under mid-corporate segment and ensuring effective post sanction monitoring of accounts. For both administrative and business purposes, as of 30 June 2026 all 11 MCBs report to their respective Zonal Offices.

Recovery activities verticals

Specialized verticals to undertake recovery activities with a focused approach are briefed as under:

Asset Recovery Monitoring Branch ("ARMB"): ARMBs handle all NPA accounts (borrower-wise) with fund-based outstanding of ₹20 lakh to ₹25 crore (including Debt Recovery Tribunal ("**DRT**") and the Debt Recovery Appellate Tribunal ("**DRAT**") cases), excluding the National Company Law Tribunal ("**NCLT**") admitted accounts irrespective of outstanding and agricultural borrowers having crop loan or crop loan given with other agriculture loan with exposure up to ₹25 crore. 98 ARMBs have been established and report directly to its respective Circle Offices. Crop loans in India refer to short -term financial advances provided to farmers at subsidized interest rates – typically 7% per year or as low as 4% for prompt repayment – to purchase essential seasonal inputs like seeds, fertilizers, pesticides, etc.

Stressed Asset Management ("SAM") Branch ("SAMB"): SAMBs handle NPA borrowers with fund-based outstanding above ₹25 crore and all NCLT admitted accounts, irrespective of exposure. As of 30 June 2026, there are 5 SAMBs which report directly to the SAM division in the Head Office.

Field level verticals

Specialized verticals at the field level created to undertake identified activities with a focused approach are briefed as under:

Zonal Audit Office ("ZAO"): Zonal level audit office caters to the audit requirements and ensure the compliance of systems and procedures and directly report to the Head Office.

Trade Finance Centre is in place to cater to foreign trade finance transactions and outward remittances and reports directly to the Head Office.

Customer Acquisition Centre ("CAC"): CAC are established with the objective of creating a focused marketing infrastructure for the Bank to support systematic customer acquisition, business development, market research, lead generation, and relationship management activities. As of 30 June 2026, there are 51 CACs serving 50 circles pan India.

Integrated CAC ("i-CAC"): The i-CACs are CAC which serve multiple Circle Offices and report to Zonal Offices. As of 30 June 2026, there are 4 i-CACs at Delhi, Hyderabad, Kolkata and Mumbai Zones catering to 12 Circle Offices.

Circle CAC ("C-CAC"): The C-CAC were established at non-CAC Circles which are the Circle Offices that do not have any dedicated CACs or are serviced remotely by CACs, with the objective of enhancing marketing outreach, leveraging available business potential, driving localized marketing initiatives, improving customer engagement, and accelerating overall business growth.

Recovery of NPAs

We have devised a strategic policy for the recovery of NPAs by identifying such risky assets at an early stage with the daily recognition of NPAs. The various measures recommended for recovery include one-time settlements, out-of-court settlements, filing of suits before the Debt Recovery Tribunals and courts, actions under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 and Lok Adalats, which is a system for out-of-court settlements of impaired loans through mutual consent in accordance with the LSA Act, 1987.

Additionally, NPA accounts of ₹1.00 crore and above are reviewed periodically by our senior management and appropriate measures are taken for their early recovery or upgrading. Non-performing loans which are not capable of upgrading or recovery are also considered for write-off on a case-by-case basis, although recovery efforts continue to be undertaken on accounts that have been written off.

We have assembled special teams for monitoring our high value NPAs and technically written-off accounts with a specific focus on the resolution of such NPAs and to recover the sums in the technically written-off accounts. We also have a team for the slippage prevention and recovery of NPA portfolios through the collection and recovery or resolution agents. The above measures are coupled with our resolution strategies to prevent the migration of assets to a lower asset class. We believe that the healthy level of recoveries from NPAs and in unrealized interest were primarily due to the collateral that has been provided to secure the impaired loans, which encourages borrowers to repay loans and interest rather than forfeit their property.

The Bank's strategy for the resolution of stressed assets involves referring these cases for resolution under the Insolvency and Bankruptcy Code with the National Company Law Tribunal. The Insolvency and Bankruptcy

Code, 2016, enacted in May 2016, provides for a time-bound revival and rehabilitation mechanism to resolve stressed assets. The Bank has referred certain non-performing borrowers for resolution under the Insolvency and Bankruptcy Code, 2016, with the National Company Law Tribunal. Further, the filing for resolution by various stakeholders, including financial creditors and any other participants as may be eligible, could impact the Bank's provisioning and credit loss. In addition, the requirement to complete the resolution process within the stipulated timeline to avoid liquidation of the borrower may impact recoveries from these stressed accounts. In the event borrowers go into liquidation, the additional credit losses may be significant.

Subsidiaries, Joint Venture and Associates

As of 30 June 2026, the Bank has 5 Subsidiaries, 1 Joint Venture and 3 Associates (excluding 8 Regional Rural Banks). The Bank currently provides financial services through its non-banking Subsidiaries and Associates, including housing finance, merchant banking, assets and fund management and insurance. In the Bank's financial statements, investment in subsidiaries and joint ventures (both in India and outside India) are valued at historical cost and a provision is made for diminutions, other than temporary.

Our Subsidiaries collectively accounted for ₹36,156.72 crore, ₹37,594.80 crore, ₹44,182.05 crore, ₹38,743.86 crore and ₹44,795.77 crore in total assets as of 31 March 2024, 2025 and 2026 and as of 30 June 2025 and 2026, respectively. During Fiscal 2024, 2025 and 2026 and the three months ended 30 June 2025 and 2026, our Subsidiaries contributed ₹196.77 crore, ₹749.62 crore, ₹185.73 crore, ₹110.00 crore and ₹65.79 crore, respectively, of our total consolidated income and our Subsidiaries, Joint Venture and Associates collectively contributed ₹862.58 crore, ₹1,850.00 crore, ₹1,488.71 crore, ₹444.88 crore and ₹561.41 crore, respectively, of our total consolidated profit after tax, during the same period.

The following table sets forth information relating to the Bank's Subsidiaries, Joint Venture and Associates as at 30 June 2026.

Subsidiary/Joint Venture/Associates	**Business**	**Bank's Ownership Percentage**	**Net Income (during the three months ended 30 June 2026)**
		(%)	*(₹crore)*[4]
Subsidiaries			
PNB Gilts Limited.....	Primary securities dealer in government	74.07	68.40
PNBISL.....	Corporate advisory, merchant banking and trustee services	100.00	0.34
Punjab National Bank (International) Ltd., UK[2]	Banking services	100.00	13.73
Druk PNB Bank Limited[2] (Fiscal year: 1 January to 31 December).	Banking services	51.00	4.72
PNBCSL.....	Sourcing of credit card, retail loans and CASA for PNB	100.00	2.31
Associates[1]			

Subsidiary/Joint Venture/Associates	Business	Bank's Ownership Percentage	Net Income (during the three months ended 30 June 2026)
		(%)	*(₹crore)*[4]
PNB MetLife Company Limited India Insurance	Life insurance company	30.00	36.06
PNBHFL	Housing finance company	28.03	150.83
JSC Tengri Bank[2] [3] (Fiscal year: 1 January to 31 December).	Banking services	41.64	Under Liquidation
Joint Venture			
Everest Bank Limited[2] (Fiscal year: 16 July to 15 July)	Banking services	20.02	15.36

Notes:

(1) Excluding RRBs. For details of RRBs, see "- *Regional Rural Banks*".

(2) These entities are incorporated outside India.

(3) Agency of Republic of Kazakhstan for Regulation and Development of Financial Market revoked license of JSC Tengri Bank with effect from 18 September 2020 to conduct banking, other operations and activities in the securities market and is under liquidation. In addition, our Bank had also provided liquidity support by way of Inter Bank placement to JSC Tengri Bank aggregating USD 52.55 million from Branch Office: Dubai and Branch Office: Hong Kong and USD 8.00 million from Punjab National Bank (International) Limited, UK. Claim of the Bank as shareholder and creditor and Punjab National Bank (International) Limited, UK as a creditor has been filed with Head of Liquidation Commission within stipulated time. Our advisors have informed us that claim up to sixth line of creditors is settled 100 per cent. Liquidation creditor has commenced the payment of the 7th line of creditors and 7th line has been satisfied up to 99.73 per cent as on 6 August 2026 and our Bank's claim as a creditor is 9th in the priority list. After acceptance of our claims, the committee of creditors was constituted, and the last committee of creditors' meeting was held on 15 July 2026.

(4) In respect of Subsidiaries, the amount stated represents Total Profit earned by the entities as considered in the Unaudited Limited Review Financial Results for the three months ended 30 June 2026; in respect of Associates and Joint Venture, the amount stated represents our Bank's share in the profit as considered in the Unaudited Limited Review Financial Results for the three months ended 30 June 2026.

Regional Rural Banks

Regional Rural Banks ("**RRBs**") were established under the Regional Rural Banks Act, 1976. They are sponsored jointly by the GoI, a sponsor bank and state governments. RRBs provide credit primarily to small farmers, artisans, small entrepreneurs and agricultural labourers. They have predominant presence in rural and semi-urban areas.

Sponsor banks are responsible for managing the RRBs. The GoI has undertaken consolidation of RRBs in two phases to optimize their efficiency. The Bank was, as at 30 June 2026 sponsoring 8 RRBs, which were operating in Bihar, Haryana, West Bengal, Assam, Tripura, Manipur, Himachal Pradesh, Punjab and covered 171 districts with a network of 5,154 branches.

Given below are details of the RRBs sponsored by the Bank along with the proportion of its ownership, as at 30 June 2026.

S. No.	Name of RRB	Proportion of Ownership
		(%)
1.	Bihar Gramin Bank, Patna	35.00
2.	Haryana Gramin Bank, Rohtak	35.00
3.	Himachal Pradesh Gramin Bank, Mandi	35.00
4.	Punjab Gramin Bank, Kapurthala	35.00
5.	Tripura Gramin Bank	35.00
6.	Manipur Rural Bank	35.00
7.	Assam Gramin Bank	35.00
8.	West Bengal Gramin Bank	35.00

Awards and Certifications

Year	Certification/Award	Awarding Organization or Authority
June 2026	Golden Peacock National Training Award for the year 2026	
	APY Annual Awards: Excellence Achiever for FY 2025-26 targets	PFRDA
	Platinum for Treasury Transformation	Infosys
	Winner in the Climate Finance category for the Viksit Bharat “Ambassador for Change” Awards 2026	GOI
	BAANKNET Highest Value Realization Award	PSB Alliance
	Platinum for Product Innovation at the Infosys Finacle Innovation Awards 2026 for Krishi Tatkal Rinn	iNFOSYS
Fiscal 2026	**SKOCH Gold Winner 2025-26 for "Perpetual Pipeline"** – a framework for day-to-day lead curation in Banking Financial Services and Insurance (BFSI) Category at 106th SKOCH Awards 2026	SKOCH
	21st IBA Banking Technology Awards 2026: Runner Up in FinTech & DPI Adoption; Special Mention in Financial Inclusion	Indian Banks' Association

Year	Certification/Award	Awarding Organization or Authority
	Silver Awards in BFSI category for innovative PNB ONE Biz Corporate Banking App at the 103rd SKOCH Awards 2025	SKOCH
	Jury's Choice Award – Data Centre Category at Excellence in Data Centre Transformation and Modernization	CapitaLand and Schneider Electric, in partnership with Express Computer
	Infosys Finacle Innovation Awards 2025 – Two Platinum and One Gold Category Awards	Infosys
	4th IBA CISO Summit 2025 (Large Banks Category – PSU): Cyber Security Team of the Year (Winner); Cyber Incident Response Maturity (Winner); Cyber Security Transformation of the Year (Runners Up)	Indian Banks' Association
	First Position at Digital Payments Awards 2023-24 under PSB category	Ministry of Electronics & Information Technology
	Channel Innovation – Platinum Winner – CCPS (Centralized Commission Payment System) at Finacle Innovation Award 2025	Infosys
	Tech-Driven Operational Excellence Award – Silver at IBEX India BFSI Tech Awards 2026	IBEX India
	Data Innovation Awards 2026 in Sustainable Infrastructure Leader Category	Hitachi Vantara
	Agriculture Infrastructure Fund (AIF) Scheme: 1st in Geo Tagging of sanctioned and disbursed AIF loan accounts; 2nd in AIF Loan Disbursement	Ministry of Agriculture and Farmers Welfare
	Golden Peacock National Training Award for the year 2025-26 under financial sector category	Institute of Directors
	Happy Employer Brand 2025	BFSI
	Institutional Excellence Award at Industry Academia Conference (IAC) 2026	Industry Academia Conference
	EASE 7.0 Reforms: Effective risk/fraud management, collections and recovery (Winner); Excellence in customer service (1st Runner Up); Adoption of new age technology and other advanced capabilities (2nd Runner Up)	Indian Banks' Association
	First Prize in Region 'A' for the Best Implementation of Official Language	Ministry of Finance, Government of India

Year	Certification/Award	Awarding Organization or Authority
	3rd ICC Emerging Asia Banking Awards 2025: Best Bank for AI/ML Implementation (Winner); Best Bank (Runner-Up)	Indian Chamber of Commerce
	First position in BFSI category at the 19th National Awards for Excellence in Cost Management 2024	Institute of Cost Accountants of India
	One of the Best BFSI Brands 2026 in Public Sector Bank category	ET Edge
June 2024.....	**Infosys Finacle Innovation Awards 2024 in following category** • Ecosystem-led Innovation – Platinum Winner • Krishi Tatkal Rinn • Channel Innovation – Gold Winner • Digital Execution of Locker Agreement • Maximizing Customer Engagement – Gold Winner • Aadhar-based Mobile Onboarding	Infosys
	PSE Award 2024 – Enterprise Applications category- Express Computer	The Indian Express Group.
	Award Circle of Excellence – 1 January 2024 to 17 February 2024 meant for Executive Directors of the banks	Pension Fund Regulatory and Development Authority
	Award of achievement to Bank under Mission Upgrade Campaign for the Fiscal 2024.	Pension Fund Regulatory and Development Authority
	TransUnion CIBIL Award: • Best Data Quality-PSB Consumer Award 2023-24 • Best Data Quality-PSB Commercial Award 2023-24 • TUCIBIL Best Data Quality Award 2023-24	TransUnion CIBIL
Fiscal 2024	Treasury Strategist of the Year	India Treasury Summit & Awards 2024
	Overall 3nd Rank under EASE Reforms 5.0 with 1st Runners Up in the following themes: (c) Digital Enabled Customer Offerings (d) Big Data & Analytics.	IBA
	9th Innovative CIOs Awards & Symposium 2024 for 2 projects e-BG and PNB Aarambh	CIO Axis

Year	Certification/Award	Awarding Organization or Authority
	Best MSME Bank in 10th MSME Excellence Awards 2024	ASSOCHAM
	Best Data Quality in Commercial Bureau Segment	IBA & TransUnion CIBIL
	Data Excellence Award	CRIF Highmark
	Best MSME Friendly Bank	Confederation of Indian MSME
	Best Fintech And DPI Adoption	IBA Banking technology
	Excellence in Gender Inclusion Award	International Inclusion Alliance
	SCOPE Meritorious Award for innovative Practices in Women Empowerment 2016-17-Commendation Certificate	SCOPE
	Second position in the category of Public Sector Banks with Highest Pledge Finance.	Warehousing Development and Regulatory Authority
	Environmental Excellence	23rd Greentech Environment Award 2023
	Rajbhasha Kirti First Prize	Department of Official Language, Ministry of Home Affairs, Government of India
	(e) Maximizing Customer Engagement – Platinum winner-PNB One – Super App	Infosys Finacle Innovation Awards 2023
	(f) Channel Innovation – Gold winner – eOTS	

Competition

The Indian banking industry is highly competitive, and we face competition in all our principal areas of business. Private sector banks, foreign banks and other public sector banks are our main competitors, followed closely by finance companies, insurance companies, asset and wealth management companies, development financial institutions, mutual funds and investment banks.

We may also face increased competition from foreign banks if the Indian retail market is further liberalized or if regulations and restrictions upon branch network growth by foreign banks are simplified or reduced, foreign banks may operate in India by establishing wholly owned subsidiaries which are allowed to raise Rupee resources through issue of non-equity capital instruments. Further, under the foreign exchange regulations, an aggregate foreign investment of up to 49.00 per cent. under the automatic route, and 74.00 per cent. under the government approval route, in Indian private sector banks is allowed, subject to government approval. For public sector banks, subject to the Banks Nationalisation Act, foreign direct investment of up to 20 per cent. under the government approval route is permitted.

An increase in operations of existing competitors or entry of additional banks offering a similar or a wider range of products and services could increase competition. In addition, the moderation of growth in the Indian banking sector is expected to lead to greater competition for business opportunities. The GoI is also actively encouraging banks and other financial institutions to significantly increase their lending to the agricultural sector, which will make this segment more competitive. We seek to gain a competitive advantage by its innovative products and services, maximizing the functions of its extensive branch network, in particular in rural and semi-urban areas, investing in technology and building on relationships with our key customers.

Corporate Banking

Corporate banking faces competition from foreign banks, private banks and other public sector banks in such areas as pricing, Rupee loans, foreign currency loans, foreign exchange transactions, trade finance services and cash management services. The lower risk rating of corporate clients, as well as the higher income generating capacity due to the volume and diversity of their business, attracts foreign and private banks to this sector. Foreign banks also have the advantage of their home country connections, with much larger and cost-effective resource raising abilities. In addition, traditional corporate banking faces competition from the disintermediation of financial products. Customers increasingly have multiple financing sources available to them beyond those generally provided by traditional banks, which in turn is putting pressure on margins. We believe that we have been able to manage this competition through our policy of financing corporate customers with high ratings, as well as through efficient and focused delivery of products and services in areas such as foreign currency loans, foreign exchange transactions, trade finance services and cash management services. We also provide access to salary accounts for employees of our corporate customers, and cross-sell our products and services.

Retail Banking

In the retail banking sector, we face competition primarily from foreign and Indian commercial banks and housing finance companies. Foreign banks typically focus on limited customer segments, such as high net worth individuals and affluent locations due to limitations of their smaller branch networks relative to Indian commercial banks. Indian commercial banks generally have wider distribution networks than foreign banks, but relatively weaker technology and marketing capability. We seek to compete in this sector by offering a wide product portfolio through our extensive branch network and by leveraging our client relationships in diverse market and geographic segments.

We also seek to leverage the Bank's extensive and diverse corporate relationships to gain individual customer accounts through payroll management products. Furthermore, we intend to continue to pursue a multi-channel distribution strategy using physical branches, ATMs, call centres and the internet to reach customers.

International Banking

Our international strategy is focused on India-linked opportunities, and we also intend to expand banking operations to serve non-resident Indians as well as local clients in these jurisdictions. In our international operations, we face competition from other Indian banks with international operations, as well as foreign banks with products and services targeted at non-resident Indians and Indian businesses and other service providers.

Insurance

Our standard insurance policies cover for losses of or damage to property including premises, furniture, fixtures, computer hardware and ATMs. Cash-in-transit, cash, securities and precious metals and other valuables are covered against theft, forgery, burglary, house breaking and robbery, and natural calamities. We also have an all-risk policy, standard fire and special perils policy and terrorism insurance. Our insurance policies include a banker's indemnity insurance policy, which is a comprehensive insurance policy that offers coverage for

various forms of risk such as packaged policy covering cash and valuables, money in transit, forgery and alteration, dishonesty of staff, hypothecated goods, registered post parcel and appraisers. We believe that we carry insurance coverage commensurate with our level of operations and risk perception, including for business interruption.

Environment, Social and Governance

We believe that true business sustainability means creating value that goes beyond what is reflected in financial statements. While tangible assets are essential, we also place significant emphasis on intangible value, considering the broader spectrum of stakeholders, including society and the environment.

Value creation is central to our philosophy, leading us to integrate ESG factors into every aspect of our operations. Embracing sustainable development not only aligns with our vision but also offers the opportunity to conduct business in an innovative and responsible manner, ensuring long-term viability.

We have implemented an extensive suite of ESG practices as detailed below.

Environmental

Our headquarters is a 5-star rated green building under the Green Rating for Integrated Habitat Assessment ("**GRIHA**") equipped with smart occupancy sensors and a sewage treatment plant. All new buildings of the Bank are being designed and executed as per Green Building standards, while existing owned properties are progressively being certified. Additionally, we have established a financing framework for green, social and sustainability-linked activities and projects, with emissions under Scope 1, Scope 2 and Scope 3 as described by the Greenhouse Gas Protocol calculated for Fiscals 2025 and 2026. To encourage sustainable housing, the Bank has introduced the PNB Harit Niwas scheme, with preferential interest rates and full processing fee waivers for home buyers. During Fiscal 2025 to Fiscal 2026, Green Deposits of ₹609.96 crore were raised and deployed in eligible Green activities, thereby avoiding 1,60,359 metric ton equivalent of CO2 emissions. The Bank secured joint second position in the Indian banking climate preparedness rankings, as per the report "Small Steps for a Big Problem" published by Climate Risk Horizons. The Bank has set a target to achieve Net Zero in connection with Scope 1, Scope 2 and Scope 3 emissions as described by the Greenhouse Gas Protocol by 2060, underscoring its long-term dedication to environmental sustainability. Expanding the clean energy footprint, the Bank completed Green Tariff adoption at 126 locations, with 173 more underway across three states, and has installed solar power plants in several of its properties with the following capacity: 3,735 KWp installed in the Bank's owned buildings, 294 branches and ATMs, while 1,986 KWp is under execution at Head Office Buildings at Dwarka & Gurgaon and other offices.

Social

Our Bank has adopted a Gender Diversity Policy, for women workforce in which our major initiatives include placement on promotion, transfer request, teleconsulting, creche, promoting work life balance and a leadership development program, with 25.44% of women in workforce showcasing operational strength of an inclusive and empowered workforce. The Bank also employs 2,837 employees categorised as persons with disabilities, demonstrating sustained commitment to equal workplace opportunity. In Fiscal 2026, 12 Farmer Training Centres ("**FTC**") provided training to 1.10 lakh people, including 3,794 seminars and camps and training to 4.17 lakh people through 10,810 Financial Literacy Camps during Fiscal 2026. There are 78 Rural Self-Employment Training Institutes ("**RSETI**") under the aegis of the Ministry of Rural Development and 2 Rural Development Centres (of which are PNB initiatives) operating in India that are engaged in providing training to rural population and their families for skill upgradation to undertake self-employment ventures. 69,798 people were trained in these centres in Fiscal 2026, out of which 61,022 belonged to below-poverty-line families and 56,769 were women. Since its inception, RSETIs has trained 7,51,746 people, out of which 5,23,350 were women and 2,17,380 were from scheduled caste category and 41,938 were from scheduled tribe category. As an impact of RSETIs, 4,49,105 people became self-employed after getting training from these institutions. Total

expenditure in Fiscal 2026 was ₹6,175.36 lakhs. Additionally, loans were sanctioned to women beneficiaries under the 'Standup India' Scheme. Our corporate social responsibility efforts include supporting the Delhi Government School on its 130th Foundation Day, aiding school infrastructure for a government senior secondary school in Gurgaon and providing support to the Maolkhum Foundation to help internally displaced people in Manipur. Furthermore, the Bank has launched "DIGI PNB SHRAM SAATHI", a consumption loan to wage earners enrolled with various Government Departments, and has achieved SHG Credit Linkage of ₹14,379 crores as of 30 June 2026, across 4,50,834 Self-Help Groups for social upliftment. We intend to progress our HR transformation and ESG endeavours through a suite of projects and innovations. These include continuation of the successful ongoing implementation of our HR Transformation Project "UDAAN", focusing on digital PMS, capacity building and HR enablers with the introduction of 22 new tools and systems. Additionally, we plan to advance employee learning analytics, foster dedicated centres of excellence for learning and innovation, and utilize a postings tool for the scientific placement of officers to enhance transparency and a performance culture. With these initiatives, we aspire to becoming the leading HR brand in the banking, financial services and insurance sector over the next two years. We experienced a highly successful first year in Project UDAAN, in which we focused on a comprehensive range of tools in relation to digital PMS, capacity building and HR enablers. Second year of the UDAAN Project encompasses implementation of reward and recognition tool, creation of next-generation talent pool, re-imagination of the practices and process, design of cross functional team, conducting manpower audit and introduction of HR benefit programs. The table below sets forth details on the tools that were covered:

Digital PMS	**Capacity Building**	**HR Enablers**
• Role Clarity Tool • Performance Dashboards • Target Setting Tool and Target Collation Tool • Appraisal Tool • PMS Profiler • Actual Collation Tool	• Management Trainee Induction Tool • Promotion and Placement Tool • Job Family • Succession Planning and Talent Management • Competency and Leadership Development Tool	• 360 Degree Feedback • Manpower Assessment Tool • Diagnostic Survey • Change Management • Recruitment Tool

Governance

We have implemented several governance policies to enhance transparency and accountability. These include:

- the Whistle Blower Policy, Customer Rights Policy and Equal Opportunity Policy.
- We have also introduced a technology-driven Customer Grievance Redressal System for timely and faster resolution of complaints.
- Additionally, our Samadhaan Initiative addresses employee grievances, while the New Enterprises Fraud Risk Management Framework and the Sustainability and Resilience Committee oversee sustainability-related activities.
- ISO 9001:2015 certification obtained by key Head Office divisions, showcasing robust governance across operational, financial, and digital workflows.

- PNB Quantum Innovation Hub set up to undertake strategic initiatives in the areas such as Quantum Computing, Quantum Analytics and many other areas.
- Verified Mark Certificate which is the Bank's verified logo in customer inboxes across supported email providers to strengthen trust and reduce phishing risks.

Employees

The Bank had an aggregate of 96,738 employees as at 31 March 2026. Most of our employees are located in India. We continue to focus on a collaborative culture and consultative process at various levels of administration within the Bank to ensure amicable relations with our employees.

The information technology infrastructure introduced in our branches and network and other IT initiatives have resulted in enhanced productivity and enabled efficient workforce optimizations and minimize additional recruitment activities over the last several years despite the significant growth in its business, network and operations.

The following table sets forth the average business per employee and average business per branch of the Bank during Fiscal 2024, 2025, 2026 and the three months ended 30 June 2025 and 2026 and the average business per employee and average business per branch on a consolidated basis during such periods:

Particulars	Fiscal			Three months ended 30 June	
	2024	2025	2026	2025	2026
Business per employee (in ₹crores)	23.84	26.86	29.42	27.30	29.71
Net profit per employee (in ₹lakhs)[(1)]	8.61	17.29	17.47	6.98	21.71
Business per branch (in ₹crores)	225.25	253.55	275.63	257.39	278.28
Net profit per branch (in ₹lakhs)	81.33	163.19	163.70	65.80	203.37

Note:

(1) Net profit per employee excludes part time sweepers.

Our compensation structure is fixed as per the Indian Banks' Association guidelines. In addition to basic compensation, employees are eligible to participate in our provident fund and other employee benefit plans. In addition, the Bank contributes specified amounts to a gratuity fund set up pursuant to Indian statutory requirements and amount is contributed to the fund as per actuary valuations.

Centre for Learning and Innovation – Punjab National Bank

Punjab National Bank's training system, earlier known as the Learning and Knowledge Management Centre has evolved into the Centre for Learning and Innovation ("**CLI**"). The new identity reflects its wider role in building capability, supporting innovation and preparing employees for changing responsibilities.

CLI provides training to employees across all scales and cadres through a nationwide network of ten staff training centres and four Advanced Learning Institutes. Every employee is provided classroom training aligned with their job family, job role and level of responsibility. Classroom learning remains the principal mode, while virtual sessions and digital learning are used as supplementary channels to widen access and reinforce knowledge.

The training portfolio covers functional banking, ethics, behavioural competencies, soft skills, communication, customer service, digital capability, risk, compliance, leadership and people management. Separate programmes are designed for induction, cadre change, role change, mid-career development and leadership transitions.

Learning within job families is structured at basic, intermediate and advanced levels, enabling employees to progress from foundational understanding to applied proficiency and specialist or leadership capability. The Advanced Learning Institutes focus on specialised areas such as credit, operations, risk, audit and compliance, sales and marketing, treasury and foreign exchange, HR, strategy and analytics, IT and cybersecurity, digital banking and leadership.

CLI's internal faculty is supported by a pool of professors of practice, industry professionals and academic experts. Their engagement brings contemporary knowledge, outside perspectives and practical experience into programmes, making the Bank's learning system more agile and future ready.

Digital platforms such as PNB Knowledge Centre, PNB Saransh and PNB UNIV support continuous learning. Training effectiveness is assessed through the four-level Kirkpatrick Model comprising of reaction, learning, behaviour and results.

Project UDAAN supports competency mapping and personalised development pathways, while Abhyudaya prepares officers promoted or empanelled as assistant general managers for larger leadership responsibilities.

The Bank's commitment to purposeful and measurable learning was recognised through the prestigious Golden Peacock National Training Award 2026 in the Financial Sector–Banking category.

Properties

The Bank's corporate office, located in New Delhi is owned by the Bank. The Bank's network consisted of 10,359 branches and 10,605 ATMs (including cash deposit machines and self-service kiosks) as of 30 June 2026, in India. In addition, we have administrative offices in most of the metros and some other major cities in India.

Of the properties used by the Bank, certain properties are held by the Bank on a freehold basis and certain properties are held on a leasehold basis.

Legal and Regulatory Proceedings

The Bank is involved in certain legal proceedings in the ordinary course of its business. However, at the date of this Offering Circular, the Bank is not a party to any proceedings, and is not aware of any current, pending or anticipated proceedings by governmental authorities or third parties, which, if adversely determined, would have a material adverse effect on the Bank's financial condition and results of operations. See "*Risk Factors — Risks Relating to our Business — 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, and the trading price of the Notes*."

DESCRIPTION OF THE BANK'S ASSETS AND LIABILITIES

Overview of Assets

The total assets of the Bank increased by 9.22 per cent. from ₹18,181.71 billion as at 31 March 2025 to ₹19,858.92 billion as at 31 March 2026 and increased by 0.22 per cent to ₹19,903.12 billion as at 30 June 2026. The Bank's loan portfolio increased by 13.72 per cent. from ₹10,774.75 billion as at 31 March 2025 to ₹12,252.92 billion as at 31 March 2026. As at 30 June 2026, the Bank's loan portfolio was ₹12,413.99 billion. Investments decreased by 0.64 per cent. from ₹4,973.11 billion as at 31 March 2025 to ₹4,941.12 billion as at 31 March 2026. As at 30 June 2026, investments were ₹4,862.22 billion.

The following table sets out the assets of the Bank as at the dates indicated below.

	As at 31 March		As at 30 June
	2025	2026	2026
		(₹ in billions)	
Assets			
Cash and balance with the RBI	643.05	608.56	712.43
Balance with banks and money at call and short notice	844.15	1,010.91	903.12
Investments	4,973.11	4,941.12	4,862.22
Advances	10,774.75	12,252.92	12,413.99
Fixed assets	130.53	155.77	155.23
Other assets	816.12	889.64	856.13
Total assets	18,181.71	19,858.92	19,903.12

The following table sets out the advances of the Bank as at the dates indicated below.

	As at 31 March	
	2025	2026
	(₹ in billions)	
Bills purchased and discounted	59.85	93.65
Cash credits, overdrafts & loans repayable on demand	4,480.70	4,966.14
Term loans	6,234.20	7,193.13
Sub-total	**10,774.75**	**12,252.92**
Secured by tangible assets (includes advances against book debts)	8,108.36	9,188.24
Covered by Bank/Government guarantees	253.71	204.05
Unsecured	2,412.68	2,860.63
Sub-total	**10,774.75**	**12,252.92**
I Advances in India:		

	As at 31 March	
	2025	**2026**
	(₹ in billions)	
Priority sector	2,938.05	3,750.29
Public sector	1,890.63	2,113.02
Banks	0.00	10.46
Others	5,440.18	5,723.06
Sub-total	**10,268.86**	**11,596.83**
II Advances outside India:		
Due from banks	261.98	291.97
Due from others		
Bills purchased and discounted	17.41	11.75
Syndicated loans	55.20	69.30
Others	171.30	283.07
Sub-total	**505.89**	**656.09**
Grand Total (I+II)	**10,774.75**	**12,252.92**

Loan Portfolio

As at 30 June 2026, the Bank's gross loan portfolio was ₹12,731.32 billion. As at 30 June 2026, the Bank's gross non-fund based outstanding was ₹995.84 billion. The majority of the Bank's gross loans and credit substitutes are to borrowers in India.

The Bank makes loans to a wide range of customers in the public and private sectors, including commercial and industrial customers, agricultural customers and individual customers, in each case within the guidelines issued by the RBI. Working capital facilities consist of revolving cash credit facilities and short-term loans. Revolving cash credit facilities, based on a traditional overdraft system of lending, have been the most common form of working capital financing in India. Pursuant to RBI guidelines, only a specified percentage of a working capital facility can be accessed as cash credit, with the balance being short-term loans having a minimum maturity of one year.

The following tables set forth, for the periods indicated, the Bank's retail loan portfolio.

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
		(₹ in billions)	
MSME loans	1,626.93	1,950.27	2030.25
Micro enterprises	796.95	1014.13	1033.79
Small enterprises	543.82	598.98	619.88

	As at 31 March		As at 30 June
	2025	2026	2026
		(₹ in billions)	
Medium enterprises	286.16	337.16	376.58
Agriculture loans	1,806.25	1,999.19	1995.82
Retail loans (including Inter-Bank Participation Certificate)	2,593.63	2,807.79	2,858.80
Home loans	1,563.97	1546.12	1549.77
Vehicle loans	287.55	381.98	405.98
Personal loans	232.81	238.57	240.16
Gold loans	22.44	90.35	93.17
Others	486.86	550.77	569.72
Corporate and others	4,633.67	5,172.25	5,153.72
Total gross domestic advances	**10,660.48**	**11,929.50**	12038.59
International loans	505.89	656.09	692.73
Total gross advances	**11,166.37**	**12,585.59**	**12731.32**

Advances (net) to public sector undertakings/enterprises was ₹1,890.63 billion, ₹2,113.02 billion and ₹1,994.20 billion and accounted for 17.55 per cent., 17.25 per cent., and 16.06 per cent. of total advances (net) as at 31 March 2025 and 2026 and as at 30 June 2026, respectively.

Loan by Industry

The Bank follows a policy of portfolio diversification and evaluates its total financing exposure in a particular industry in the light of the Bank's growth and profitability forecasts for that industry. The Bank's Risk Department monitors all major sectors of the economy and specifically follows industries in which the Bank has credit exposure. The Bank actively manages its loan portfolio by responding to economic weaknesses in an industry segment by restricting new credits to that industry segment and by increasing new credits to growing industry segments. In order to avoid concentration, the Bank has set internal ceilings on portfolio exposures to different industry sectors.

The following tables set forth, at the dates indicated, the Bank's industry portfolio for corporate advances by borrower industry or economic activity.

	As at 31 March				As at 30 June	
	2025		2026		2026	
	Amount of Loans	Percentage	Amount of Loans	Percentage	Amount of Loans	Percentage
	(₹ in billions)	*(%)*	*(₹ in billions)*	*(%)*	*(₹ in billions)*	*(%)*
Mining and quarrying	14.49	0.60%	14.38	0.54%	11.78	0.44%
Coal	9.58	0.40%	9.06	0.34%	6.70	0.25%

	As at 31 March				As at 30 June	
	2025		2026		2026	
	Amount of Loans	Percentage	Amount of Loans	Percentage	Amount of Loans	Percentage
Others	4.91	0.20%	5.32	0.20%	5.08	0.19%
Food processing	225.57	9.36%	225.06	8.48%	222.33	8.38%
Sugar	39.12	1.62%	31.02	1.17%	18.80	0.70%
Edible oils and vanaspati	23.08	0.96%	22.17	0.83%	24.93	0.94%
Tea	8.92	0.37%	10.32	0.39%	11.37	0.43%
Coffee	0.65	0.03%	0.53	0.02%	0.52	0.02%
Others	153.80	6.38%	161.02	6.07%	166.71	6.29%
Beverages (excluding tea and coffee) and tobacco	3.96	0.16%	2.52	0.09%	3.16	0.12%
Tobacco and tobacco products	0.05	0.00%	0.04	0.00%	0.04	0.00%
Others	3.91	0.16%	2.48	0.09%	3.12	0.12%
Textiles	119.73	4.97%	127.10	4.79%	132.32	4.99%
Cotton	29.80	1.24%	30.70	1.16%	31.18	1.17%
Jute	0.24	0.01%	0.24	0.01%	0.23	0.01%
Man made	29.89	1.24%	30.77	1.16%	31.83	1.20%
Others	59.80	2.48%	65.39	2.46%	69.08	2.61%
Leather and leather products	11.23	0.47%	10.19	0.39%	10.01	0.38%
Wood and wood products	13.57	0.56%	14.56	0.55%	15.07	0.57%
Paper and paper products	26.45	1.10%	30.37	1.14%	30.16	1.14%
Petroleum (non-infra), coal products (non-mining) and nuclear fuels	125.89	5.22%	77.64	2.92%	73.18	2.76%
Chemicals and chemical products (dyes, paints, among others)	65.86	2.73%	94.54	3.56%	94.50	3.56%
Fertilisers	2.51	0.10%	14.33	0.54%	18.87	0.71%
Drugs and pharmaceuticals	18.63	0.77%	28.49	1.07%	28.76	1.08%
Petro-chemicals (excluding under infrastructure)	10.59	0.44%	10.19	0.39%	10.57	0.40%
Others	34.13	1.42%	41.53	1.56%	36.30	1.37%
Rubber, plastic and their products	47.46	1.97%	30.96	1.17%	31.05	1.17%
Glass and glassware	8.49	0.35%	9.68	0.37%	9.53	0.36%
Cement and cement products	19.51	0.81%	33.44	1.26%	33.96	1.29%
Basic metal and metal products	205.74	8.54%	204.42	7.70%	214.20	8.08%
Iron and steel	176.55	7.33%	176.80	6.66%	187.28	7.06%
Other metal and metal products	29.19	1.21%	27.62	1.04%	26.92	1.02%
All engineering	68.84	2.86%	112.57	4.24%	112.53	4.24%
Electronics	17.79	0.74%	16.68	0.63%	16.82	0.63%
Others	51.05	2.12%	95.89	3.61%	95.71	3.61%
Vehicles, vehicle parts and transport equipment	7.11	0.30%	6.74	0.25%	6.91	0.26%

	As at 31 March				As at 30 June	
	2025		2026		2026	
	Amount of Loans	Percentage	Amount of Loans	Percentage	Amount of Loans	Percentage
Gems and jewellery	11.97	0.50%	20.73	0.78%	20.75	0.78%
Construction	21.48	0.89%	16.81	0.63%	22.76	0.86%
Infrastructure	1,033.31	42.88%	1,114.78	41.99%	1,073.94	40.50%
Energy	453.79	18.83%	484.08	18.23%	477.93	18.03%
Transport	418.93	17.39%	457.27	17.22%	473.99	17.87%
Communication	116.43	4.83%	110.90	4.18%	59.19	2.23%
Others	44.16	1.83%	62.53	2.36%	62.83	2.37%
All others	378.98	15.73%	508.32	19.15%	533.61	20.12%
All industries	2,409.64	100.00%	2,654.81	100.00%	2,651.75	100.00%

The table below sets forth the details of the Bank's aggregate exposure to key sectors:

	As at 31 March		As at 30 June
	2025	2026	2026
		(₹ in billions)	
Capital Market	42.61	74.33	75.73
Commercial Real Estate	247.09	221.88	253.60
NBFCs	1,601.94	2,098.29	2,217.17
HFCs	524.02	683.88	728.39
Aviation	36.11	81.22	81.27

As of 30 June 2026, the aggregate exposure of the Bank's 10 largest group borrowers (fund-based) amounted to ₹1,915.54 billion representing 115.13 per cent. of the Bank's total capital, which comprises ₹1,470.83 billion Tier I and ₹192.94 billion Tier II capital. The Bank's exposure to the single largest group borrower (fund-based) on such date was ₹271.59 billion representing 16.32 per cent. of the Bank's capital.

The Bank's exposure (fund based) to its 10 largest individual borrowers as of 30 June 2026 was ₹1,552.29 billion.

The Bank's fund based outstanding advances to the tourism, hotel and restaurant sector amounted to ₹91.25 billion as of 30 June 2026.

Priority Sector Lending

As stipulated by the RBI guidelines, commercial banks in India are required to lend, through advances or investment, 40.00% of their adjusted net bank credit ("**ANBC**") or credit equivalent amount of off-balance sheet exposures, whichever is higher, to certain specified "priority sectors", subject to certain exemptions permitted by the RBI from time to time. We actively extend financial support and finance to such sectors. Our "priority sector" advances include loans to the agriculture, small-scale industries and services, loans to certain

sectors targeted as requiring special assistance, such as education, food and agriculture based processing sectors, and loans to the housing sector. Although the GoI and the RBI have identified the "priority sectors" and provided lending guidelines, we have complete discretion in determining the commercial terms and conditions in extending financing to borrowers in such sectors.

In the case of non-achievement of priority sector lending targets, including sub-targets, we are required to invest in the Rural Infrastructure Development Fund established with NABARD and other government directed funds as decided by the RBI from time to time. The amount to be deposited, interest rates on such deposits and periods of deposits, and other terms, are determined by the RBI from time to time. We report priority sector loans to the RBI on a quarterly basis. Pursuant to the RBI guidelines, at least 18.00% and 7.50% of the net bank credit is also required to be provided to the agriculture sector and micro enterprises sector, respectively, within priority sector lending requirements. Our Bank's advances to the agriculture sector and micro enterprises sector as a percentage of our ANBC was 18.09 per cent. and 9.70 per cent., as at 31 March 2026.

As at 31 March 2025 and 2026, our outstanding priority sector lending, as a percentage of our ANBC were 40.36 per cent. and 41.89 per cent., respectively.

The following table presents certain information on our outstanding priority sector lending, as a percentage of our ANBC as of the dates indicated:

	As at 31 March			
	2025		2026	
	Amount	Percentage of ANBC	Amount	Percentage of ANBC
	(₹ in billions)	*(%)*	*(₹ in billions)*	*(%)*
Agriculture credit	1,736.76	18.08%	1,966.83	18.09%
MSMEs	1,746.08	18.18%	1,949.44	17.93%
Other Priority Sectors credit	393.99	4.10%	638.02	5.87%
Priority Sectors credit total	3,876.82	40.36%	4,554.28	41.89%
Adjusted net bank credit	9,605.52	100%	10,872.24	100%

Note:

All figures and % to ANBC for 31 March 2025 and 2026 and the three months ended 30 June 2026 are on a quarterly average basis.

* The RBI has set a target of 40.00% of ANBCs for the priority sectors credit total, with 18% of ANBCs allocated to agriculture credit. Therefore, there are no specific targets for MSMEs or other priority sectors credit and are marked as 'NA' accordingly.

Regional Concentration

The Bank's widespread branch network enables the Bank to diversify its lending risks geographically. The following table presents an analysis of the Bank's domestic advances by region (based on RBI classification) as of the dates indicated:

Region	States	As at 31 March		As at 30 June
		2025	2026	2026
			(₹ in billions)	
Northern Region	Chandigarh	144.75	184.20	216.74
	National Capital Territory of Delhi	1,645.32	1,686.90	1,732.88
	Haryana	391.59	442.90	448.71
	Himachal Pradesh	141.98	161.86	166.09
	Jammu and Kashmir	36.52	43.99	45.71
	Ladakh	1.66	2.09	2.24
	Punjab	492.76	574.92	637.43
	Rajasthan	551.27	620.36	647.12
	Total	3,405.85	3,717.22	3,896.92
North Eastern Region	Arunachal Pradesh	2.92	2.64	2.74
	Assam	125.67	148.86	155.49
	Manipur	15.54	17.72	18.19
	Meghalaya	3.78	4.50	4.64
	Mizoram	1.51	1.61	1.67
	Nagaland	0.79	0.78	0.79
	Tripura	19.45	23.17	24.24
	Total	169.66	199.28	207.76
Eastern Region	Andaman and Nicobar Islands	0.85	1.08	1.25
	Bihar	253.11	270.39	282.16
	Jharkhand	64.07	75.19	80.97
	Odisha	257.67	275.96	287.46
	Sikkim	4.02	4.37	4.52
	West Bengal	626.88	731.63	757.46
	Total	1,206.60	1,358.62	1,413.82
Central Region	Chhattisgarh	181.09	244.02	248.02
	Madhya Pradesh	349.21	370.10	390.72
	Uttar Pradesh	953.36	1,073.09	1,066.65
	Uttarakhand	169.52	190.78	196.05
	Total	1,653.18	1,877.99	1,901.44
Western Region	Dadra and Nagar Haveli & Daman and Diu	2.73	2.81	3.00
	Goa	13.02	17.88	18.88
	Gujarat	252.20	310.03	327.01
	Lakshadweep	0.00	0.00	0.00
	Maharashtra	2,966.18	3,252.79	3,016.82
	Total	3,234.13	3,583.51	3,365.71

Region	States	As at 31 March		As at 30 June
		2025	2026	2026
			(₹ in billions)	
Southern Region	Andhra Pradesh	148.62	177.71	185.75
	Karnataka	174.23	219.13	224.86
	Kerala	107.67	142.68	141.44
	Puducherry	3.61	5.07	5.59
	Tamil Nadu	312.55	377.61	412.72
	Telangana	244.38	270.68	282.58
	Total	991.06	1,192.88	1,252.94
Total Domestic Advances		10,660.48	11,929.50	12,038.59

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 market place, 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 with the objective to achieve global benchmarks. Towards this goal, the Bank has focused on:

- identification and monitoring of Special Mention Accounts as per RBI guidelines in order to check the movement of 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 the Corporate Debt Restructuring ("CDR") scheme developed by the RBI as well as under the Bank's own scheme for limiting NPAs;
- upgrading the Bank's assets; and
- high-value accounts and cases referred to the BIFR.

The Bank's gross NPA ratio decreased from 5.73 per cent. as at 31 March 2024 to 3.95 per cent. as at 31 March 2025 and was 2.95 per cent. as at 31 March 2026. The Bank's net NPA ratio decreased from 0.73 per cent. as at 31 March 2024 to 0.40 per cent. as at 31 March 2025 and was 0.29 per cent. as at 31 March 2026.

The Bank's gross NPA ratio decreased from 3.78 per cent. as at 30 June 2025 to 2.78 per cent. as at 30 June 2026. The Bank's net NPA ratio decreased from 0.38 per cent. as at 30 June 2025 to 0.28 per cent. as at 30 June 2026.

See "*Risk Factors — If we are not able to control or reduce the level of non-performing assets in our portfolio or any increase in our NPA portfolio, RBI mandated provisioning requirements could adversely affect our business, financial conditions and results of operations.*"

The following table sets forth, for the periods indicated, information about the Bank's NPA portfolio.

	As at 31 March		As at 30 June
	2025	2026	2026
	(₹ in billions, except percentages)		
Non-Performing Assets	440.82	371.24	353.80
Gross NPAs	440.82	371.24	353.80
Specific provisions	383.97	315.67	297.25
Floating provisions	7.50	16.85	19.95
NPA net of provisions	42.91	36.10	34.33
Gross customer assets	11,166.37	12,585.59	12,731.32
Net customer assets	10,768.46	12,250.44	12,411.85
Gross NPAs/gross customer assets (%)	3.95	2.95	2.78
Net NPAs/net customer assets (%)	0.40	0.29	0.28
Specific provision as a percentage of gross NPAs	87.10	85.03	84.01
Total provisions as a percentage of gross NPAs	88.80	89.57	89.65
Provision cover (including technical write-offs)	96.82	97.14	97.23
Slippage Amount	67.61	64.45	20.80
Total Recovery (including technical write-offs and residual income)	190.23	134.02	38.24

Classification of Non-Performing Assets

As per the RBI Master Circular, banks are required to classify non-performing assets further into the following three categories based on the period for which the asset has remained non-performing and the realisability of the dues. Taking into account the time lag between an account becoming doubtful of recovery, its recognition as such, the realisation of the security and the erosion over time in the value of security charged to the bank, the banks should make provision against substandard assets, doubtful assets and loss assets as below.

Substandard assets

A substandard asset is one which has remained NPA for a period less than or equal to 12 months. In such cases, the current net worth of the borrower/guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full. In other words, such an asset will have well defined credit weaknesses that jeopardise the liquidation of the debt and are characterized by the distinct possibility that banks will sustain some loss, if deficiencies are not corrected.

Doubtful assets

A doubtful asset is one which has remained NPA for a period exceeding 12 months. A loan classified as doubtful has all the weaknesses inherent in assets that were classified as substandard, 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 loss has been identified by the Bank or internal or external auditors or the RBI inspection, but the amount has not been written off wholly. 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.

The following table sets forth, for the periods indicated, the classification of the Bank's gross NPAs in accordance with the RBI guidelines:

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
		(₹ in billions)	
Substandard	55.59	59.02	59.75
Doubtful	217.40	196.90	195.22
Loss	167.83	115.32	98.83
Gross NPAs	440.82	371.24	353.80

Restructured Assets

A fully secured standard asset can be restructured by rescheduling principal repayments and/or the interest element, subject to compliance with certain conditions but must be separately disclosed as a restructured asset. The amount of cut, if any, in the element of interest, measured in present value terms, is either written off or is required to be provided for. Similar guidelines apply to sub-standard assets and to doubtful assets, in the case of restructuring of assets under the corporate debt restructuring mechanism.

The sub-standard accounts which have been subjected to restructuring, whether in respect of principal instalment or interest amount, are eligible to be upgraded to the standard category only after the specified period, i.e. a period of one year after the date when the first payment of interest or of principal falls due, subject to satisfactory performance during the period.

Provisioning Policy for Non-Performing Assets

Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of wholesale and retail advances, subject to the minimum provisioning level prescribed by the RBI. The specific provision levels for retail NPAs are also based on the nature of product and delinquency levels. In relation to non-performing derivative contracts, as per the extant RBI guidelines, the Bank makes provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts.

Provisions for substandard, doubtful and loss asset categories are required to be made as per the RBI guidelines described below. These provisioning requirements are the minimum provisions that have to be made in accordance with the RBI guidelines.

Substandard assets

A general provision of 15.00 per cent. on total outstanding loans is required without making any allowance for the Export Credit Guarantee Corporation of India guarantee cover and securities available. The unsecured exposures which are identified as sub-standard are subject to an additional provision of 10.00 per cent. (i.e. a

total of 25.00 per cent. on the outstanding balance). However, unsecured loans classified as sub-standard, where certain safeguards such as escrow accounts are available, are subject to an additional provision of only 5.00 per cent. (i.e. a total of 20.00 per cent. on the outstanding balance).

Doubtful assets

A 100.00 per cent. provision is made against the unsecured portion of the doubtful asset. The value assigned to the collateral securing a loan is the realisable value determined by third party appraisers. In cases where there is a secured portion of the asset, depending upon the period for which the asset remains doubtful, a 25.00 per cent. to 100.00 per cent. provision is required to be made against the secured asset as follows:

- Up to one year: 25.00 per cent. provision.
- One to three years: 40.00 per cent. provision.
- More than three years: 100.00 per cent. provision.

Loss assets

The entire asset is required to be written off or 100.00 per cent. of the outstanding amount is required to be provided for.

Remediation Strategy for Non-Performing Loans

The Bank focuses on early problem recognition and active remedial management efforts in relation to its non-performing loans. Because the Bank is involved primarily in working capital finance with respect to wholesale loans, it tracks its borrowers' performance and liquidity on an ongoing basis. This enables the Bank to define remedial strategies proactively and manage its exposures to industries or customers that it believes are displaying deteriorating credit trends. The Bank has rationalized its recovery vertical with the set-up of Asset Recovery Management branches and Stressed Asset Management branches for focused NPA recovery management. A Litigation Management Cell at Head Office has been constituted for effective management of all NPA litigation. Recovery is pursued through, among others, legal process, enforcement of collateral, negotiated one-time settlements and other similar strategies. The particular strategy pursued depends upon the level of cooperation of the borrower, the Bank's assessment of the borrower's management integrity and long-term viability, the credit structure and the role of other creditors.

Restructured Assets

The RBI has issued prudential guidelines on the restructuring of assets by banks. The guidelines essentially deal with the norms/conditions, the fulfilment of which is required to maintain the category of the restructured account as a "standard asset". Similar guidelines apply to assets categorised as substandard. Substandard accounts which have been subjected to restructuring, whether in respect of principal instalment or interest amount, are eligible to be upgraded to the standard category only after the specified period, i.e. a period of one year after the date when the first payment of interest or principal, whichever is earlier, falls due, subject to satisfactory performance during the period. If there is a failure to meet payment or other terms of a restructured loan, it may be considered a failed restructuring, in which case it is no longer classified as a restructured loan.

The Bank restructures assets on a case-by-case basis after its management has determined that restructuring is the best means of maximising realisation of the asset. For restructured or rescheduled advances, provisions are made in accordance with the guidelines issued by the RBI from time to time, including provision for diminution in fair value of restructured advances measured at net present value terms as per the applicable RBI guidelines, including the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time, and the Reserve Bank of India (Commercial

Banks – Resolution of Stressed Assets) Directions, 2025, as amended from time to time. The total balance outstanding of standard restructured loan facilities, as at 30 June 2026, was ₹123.29 billion.

Funding

The Bank's funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The Bank's principal sources of funds are deposits from retail and corporate customers, borrowings from the RBI and other financial institutions, foreign currency borrowings, profits from the purchase and sale of investments, and the public issuance of bonds. Retail term deposits (less than ₹3 crore) raised were ₹5,988.22 billion, ₹6,543.20 billion and ₹6,711.69 billion and accounted for 39.62 per cent., 39.68 per cent. and 40.18 per cent. of total domestic deposits as at 31 March 2025 and 2026 and as at 30 June 2026, respectively. Of the Bank's domestic deposits as at 30 June 2026, 4.75 per cent. were current deposits and 31.96 per cent. were savings bank deposits, while 44.32 per cent. were retail term deposits up to ₹10 crores.

Bank's ratio of domestic CASA deposits to its total domestic deposits as at 31 March 2025 and 2026 and as at 30 June 2026 was 37.95 per cent., 36.97 per cent. and 36.71 per cent., respectively.

Total Deposits

The following table sets forth, for the periods indicated, the Bank's outstanding deposits and the percentage composition by each category of deposits. The average cost of deposits was 5.23 per cent. in the year ended 31 March 2025, 5.16 per cent. in the year ended 31 March 2026 and 4.99 per cent. for the three months ended 30 June 2026. 'Cost of Deposits' is the ratio of interest expense on deposits to total average deposits. The outstanding deposits for the periods set forth are as follows:

	As at 31 March				As at 30 June	
	2025		2026		2026	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(₹ in billions)	*(%)*	*(₹ in billions)*	*(%)*	*(₹ in billions)*	*(%)*
Demand deposits	751.14	4.79	792.98	4.63	793.21	4.60
Saving bank deposits	4,984.29	31.82	5,303.21	30.99	5,337.99	30.95
Term deposits	9,930.80	63.39	11,015.07	64.38	11,117.17	64.45
Total	15,666.23	100.00	17,111.26	100.00	17,248.37	100.00

Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's borrowed funding, which is comprised primarily of money-market borrowings.

	At 31 March				At 30 June	
	2025		2026		2026	
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total
	(₹ in billions)	*(%)*	*(₹ in billions)*	*(%)*	*(₹ in billions)*	*(%)*
Borrowings in India						

	At 31 March				At 30 June	
	2025		2026		2026	
Reserve Bank of India	286.73	34.23	171.52	20.84	99.24	12.52
Other banks	0.01	0.00	0.00	0.00	0	0
Other institutions and agencies	65.01	7.76	114.78	13.94	115.39	14.56
Upper and lower tier II capital and innovative perpetual debts	346.95	41.41	292.06	35.48	292.06	36.85
Bonds and Debentures (excluding subordinated debt)	29.50	3.52	29.50	3.58	29.51	3.72
Borrowings outside India	109.57	13.08	215.28	26.16	256.44	32.35
Total	837.77	100.00	823.14	100.00	792.64	100.00

The Bank also obtains funds from the issuance of unsecured non-convertible subordinated debt securities, which qualify as Additional Tier I or Tier II capital under the RBI's guidelines for assessing capital adequacy. The Bank's subordinated debt and perpetual debt instruments outstanding (excluding Mark-to-Market) as at 30 June 2026 are ₹150.09 billion (as at 31 March 2026: ₹150.09 billion) and ₹141.97 billion (as at 31 March 2026: ₹141.97 billion), respectively. The break-down of the same is shown in the following table:

Type	Currency	Year of issue	Year of maturity	Average tenor	Interest rate	Year of Call	Face value
				Years	*(%)*		*(₹ in billions)*
Tier II	-	-	-	-	-	-	-
Perpetual (FCY) (AT 1)[(1)]	-	-	-	-	-	-	-
Perpetual (Overseas) Rupee denominated) (AT 1)[(1)]	-	-	-	-	-	-	-
Perpetual Debts	INR	09.12.2021	09.12.2026	Perpetual	8.40	2026	20
Perpetual Debts	INR	17.01.2022	17.01.2027	Perpetual	8.50	2027	19.71
Perpetual Debts	INR	06.07.2022	06.07.2027	Perpetual	8.75	2027	20
Perpetual Debts	INR	21.09.2022	21.09.2027	Perpetual	8.30	2027	6.58
Perpetual Debts	INR	23.12.2022	23.12.2027	Perpetual	8.40	2028	5.82
Perpetual Debts	INR	27.03.2023	27.03.2028	Perpetual	8.75	2028	9.74
Perpetual Debts	INR	27.09.2023	27.09.2028	Perpetual	8.59	2028	30.00
Perpetual Debts	INR	28.12.2023	28.12.2028	Perpetual	8.55	2028	11.53
Tier II	INR	22.03.2024	22.03.2029	Perpetual	8.47	2029	18.59
Tier II	INR	26.12.2019	26.12.2029	10	8.15	-	15.00
Tier II	INR	11.11.2020	09.11.2035	15	7.10	2030	15.00
Tier II	INR	18.11.2021	18.11.2037	10	7.10	2026	19.19
Tier II	INR	01.12.2022	01.12.2037	15	7.89	2032	40.00
Tier II	INR	30.06.2023	30.06.2038	15	7.74	2033	30.9

Note:

Type	Currency	Year of issue	Year of maturity	Average tenor	Interest rate	Year of Call	Face value

(1) For more details on applicable requirements for eligible capital, please refer to the section entitled "*Supervision and Regulation – Capital Adequacy Requirements*"

Classification of Investments

Investments in India

As at 31 March 2026, the Bank had total net investments of ₹4,837.91 billion in India, of which 83.96 per cent. or ₹4,062.19 billion was held in approved Government securities. The Bank's investments are classified as Held-to-Maturity ("**HTM**"), Available-for-sale ("**AFS**"), Fair Value through Profit and Loss ("**FVTPL**"), Subsidiaries and/or joint ventures. Held for Trading ("**HFT**") shall be a separate investment sub-category within FVTPL. The Bank carries out its investment activities according to various investment and trading policies. These policies set forth delegation of powers, types of instruments, maximum limits on investments in different types of securities, position limits, stop loss limits, duration limits and minimum acceptable credit spreads.

As at 30 June 2026, the Bank had aggregate investments of ₹4,794.93 billion in India and net investment of ₹4,769.95 billion in India of which 84.30 per cent i.e. ₹4,021.01 billion was held in government securities (83.86 per cent. of aggregate investments in India. Out of total aggregate investments in India 72.44 per cent. were classified as HTM investments and 22.96 per cent. were classified as AFS investments and 1.11 per cent. belonged to SBJVAS. The remaining 4.01 per cent. is classified as FVTPL.

As at 30 June 2026, the Bank's equity portfolio amounted to ₹148.99 billion (including all equity investments in Subsidiaries and/or joint ventures and excluding other equity investments outside India), which represented 3.09 per cent. of total portfolio.

Investments outside India

The book value of the Bank's net investments outside India amounted to ₹87.32 billion as at 30 June 2026. The table below describes the Bank's investments outside of India by category as at the dates indicated.

	At 31 March				At 30 June	
	2025[1]		2026		2026	
	(₹ in billions)	*(%)*	*(₹ in billions)*	*(%)*	*(₹ in billions)*	*(%)*
Held-to-maturity	—	—	—	—	—	—
Subsidiaries and/or joint ventures	18.20	15.39	18.22	17.7	19.25	22.05
Fair Value through Profit and Loss	0.02	0.02	0.02	0.0	0.03	0.03
Available-for-sale	100.00	84.59	84.96	82.3	68.04	77.92
Total	**118.22**	**100.0**	**103.20**	**100.0**	**87.32**	**100.0**

Note:

(1) as per new master direction on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks dated 12 September 2023.

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
	2025	2026	2026
		(₹ in billions)	
Investments in India			
Government securities	4,196.28	4,062.19	4,021.01
Other approved securities	0.00	0.00	0
Shares	71.96	100.44	102.21
Debentures and Bonds	384.06	469.60	451.02
Subsidiaries and/or joint ventures (including sponsored institutions)	21.14	27.01	27.07
Others Mutual Funds, Venture Capital Funds, ARCIL Commercial Papers, Certificate of Deposits, etc.	181.45	178.67	173.59
Total Investments in India	4,854.89	4,837.91	4,774.90
Investments outside India			
Government securities (including local authorities)	93.05	79.59	61.53
Subsidiaries and/or joint ventures abroad	18.20	18.22	19.25
Others	6.97	5.40	6.54
Total Investments outside India	**118.22**	**103.21**	**87.32**
Grand Total	**4,973.11**	**4,941.12**	**4,862.22**

Capital Adequacy

The following table sets forth, for the periods indicated, the Bank's capital adequacy ratios computed as per applicable RBI guidelines on Basel III capital regulations:

	As at 31 March		As at 30 June
	2025	2026	2026
		(₹ in billions, except percentages)	
Common Equity Tier I (CET I)	1,020.16	1,228.09	1,332.85
Additional Tier I capital[(1)]	142.19	137.90	137.98
Tier I capital	1,162.35	1,365.99	1,470.83
Tier II capital	245.20	232.98	192.94
Total capital (Tier 1 + Tier 2)	**1,407.55**	**1,598.97**	**1,663.77**
Risk-weighted assets	**8,276.68**	**9,015.47**	**9,177.80**

	As at 31 March		As at 30 June
	2025	**2026**	**2026**
CET I ratio	12.33	13.62	14.52%
Tier I capital ratio	14.05	15.15	16.03%
Tier II capital ratio	2.96	2.59	2.10%
Tier capital ratio	**17.01**	**17.74**	**18.13%**

Note:

(1) For more details on applicable requirements for eligible capital, please refer to the section entitled "*Supervision and Regulation – Capital Adequacy Requirements*".

CLASSIFICATION OF ASSETS AND PROVISIONING REQUIREMENTS

The Bank classifies its loans and other assets in compliance with the RBI guidelines. *As on the date of this Offering Circular, the Bank's asset classification and provisioning requirements are governed by the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, as amended from time to time ("**IRACP 2025 Directions**").*

The Reserve Bank of India (Commercial Banks – Asset Classification, Provisioning and Income Recognition) Directions, 2026 will come into force with effect from 1 April 2027, and supersede the IRACP 2025 Directions. The repeal of the 2025 Directions with effect from 1 April 2027, will not prejudice any right, obligation or liability acquired, accrued or incurred under the IRACP 2025 Directions, nor any investigation, legal proceeding or remedy relating thereto, and actions taken or initiated under the repealed directions will continue to be governed by those provisions.

The following table 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 at the following rates for funds outstanding on a global loan portfolio basis: (i) farm credit to the agriculture activities, individual housing loans and small and micro enterprise ("**SME**") sectors at 0.25 per cent.; (ii) loans to medium enterprises at 0.40 per cent.; (iii) advances to the commercial real estate ("**CRE**") sector at 1.00 per cent.; (iv) advances to CRE – the residential housing ("**CRE-RH**") sector at 0.75 per cent.; (v) housing loans at teaser rates (i.e. at comparatively lower rates of interest in the first few years) at 2.00 per cent. The provisioning on these assets would revert to 0.40 per cent. after one year from the date on which the rates are reset at higher rates if the accounts remain standard; (vi) restructured advances, as stipulated in the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets)

		Directions, 2025, as amended from time to time ("**Stressed Assets Directions**"); and (vii) all other loans and advances not included in (i), (ii), (iii), (iv), (v), and (vi), above at 0.40%. **Delayed Implementation of Resolution Plan – Additional Specific Provisioning** An additional provision is to be made as 20 per cent. of total outstanding, if the resolution plan is not implemented within 180 days from the end of review period, and 15 per cent. (i.e. total additional provisioning of 35 per cent.) if the resolution plan is not implemented within 365 days from the commencement of review period. The 'review period' is as defined in the Stressed Assets Directions). The Bank has the option of reversing such provisions at the end of the specified period, subject to the account demonstrating satisfactory performance during the specified period. See "*Supervision and Regulation – Provisioning and Write-Offs*" for further details. 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 non-performing asset ("**NPA**") for a period of less than or equal to 12 months.	A general provision of 15.00 per cent. 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**") and the securities available. Unsecured exposures which are identified as sub-standard would attract an additional provision of 10.00 per cent. (i.e. a total of 25.00 per cent. 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 per cent. Instead of the aforesaid prescription of 25 per cent. 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 and the RBI's inspecting officers, is not more than 10.00 per cent., *ab initio*, of the outstanding exposure. The exposure shall include all funded and non-funded exposures (including underwriting and similar commitments). 'Security' is defined as tangible security properly discharged to the Bank and will not include intangible security such as guarantees (including State government guarantees) and comfort letters.
Doubtful	A doubtful asset is an asset which has remained in the sub-standard category continuously for a period of 12 months. An NPA where erosion in the realisable value of security is less than 50.00 per cent., as assessed by the Bank and as accepted by the RBI at the time of the last inspection, is immediately classified as a doubtful asset.	A provision of 100.00 per cent. is to be made for the deficit portion (i.e. to the extent that the advances are not covered by guarantee or the realisable value of the security or the ECGC/Credit Guarantee Fund Trust for Small Industries to which the Bank has 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 per cent. to 100.00 per cent. of the secured portion depending on the period for which the advance has remained in the doubtful category as detailed below: Up to one year — 25.00 per cent. One to three years — 40.00 per cent. More than three years — 100.00 per cent.
Loss	A loss asset is one where the loss has been identified by the Bank, internal auditors, external auditors or	Any loss is to be written off. If a loss asset is permitted to remain in the book

	inspectors of the RBI, but the amount has not been written off wholly or partially. In other words, such an asset is considered uncollectible with little salvage or recovery value. An NPA where the realisable value of the security, as assessed by the Bank / approved valuers / the RBI, has eroded to 10.00 per cent. or less of the outstanding amount, is immediately classified as a loss asset.	for any reason, 100.00% of the net outstanding loan is to be provisioned.

The principal features of the IRACP 2025 Directions pertaining to identification and classification of NPAs are provided here below. An asset, including a leased asset, becomes non-performing once it ceases to generate income for the Bank. The aforementioned master direction stipulates the criteria for determining and classifying an NPA. An NPA is a loan or an advance where:

- the interest and/or the instalments of principal have remained overdue for a period of more than 90 days in respect of a term loan;
- the account has remained out-of-order (as defined below), in respect of an overdraft or cash credit ("**OD/CC**");
- 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 has remained 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;
- a loan granted for short-duration crops will be treated as an NPA if the instalments of principal or interest thereon remain overdue for two crop seasons;
- a loan granted for long-duration crops will be treated as an NPA if the instalments of principal or interest thereon have remained overdue for one crop season;
- an amount of liquidity facility to be received has remained outstanding for a period of 90 days in respect of a securitisation transaction undertaken;
- 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 (subject to proviso's); or
- 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.

An OD/CC account is treated as "out-of-order" if: the outstanding balance in the OD/CC account remains continuously in excess of the sanctioned drawing limit. In circumstances where the outstanding balance in the principal operating account is less than the sanctioned drawing limit, but: (i) there is no credit for a period of 90 days as at the date of the balance sheet of the Bank; or (ii) the credit is not sufficient to cover interests debited

during the same period, these accounts are treated as "out-of-order". In addition, any amount due to the Bank under any credit facility is treated as "overdue" if it is not paid on the due date fixed by the Bank.

Each Territory is also regulated by the host country's regulator, and they are obligated to comply with local guidelines including related to the classification of assets and provisioning whichever is more stringent.

Please refer to the IRACP 2025 Directions issued by the RBI and other circulars/guidelines issued by the Bank, the RBI or applicable host country regulators from time to time.

NPAs

The following table describes the Bank's net and gross NPA ratios for the operations and as at the dates indicated below.

	As at 31 March 2025		As at 31 March 2026	
	Gross NPA Ratio	**Net NPA Ratio**	**Gross NPA Ratio**	**Net NPA Ratio**
Domestic operations	4.14	0.42	3.11	0.31
Overseas operations	0	0	0	0
Total ratio	3.95	0.40	2.95	0.29

	As at 30 June 2026	
	Gross NPA Ratio	**Net NPA Ratio**
Domestic operations	2.94	0.29
Overseas operations	0	0
Total ratio	2.78	0.28

The following table sets forth the classification of gross loan assets of the Bank as at the dates indicated below.

	As at 31 March 2025		As at 31 March 2026	
	Domestic	**Overseas**	**Domestic**	**Overseas**
Standard	10,219.66	505.89	11,558.26	656.09
Sub-standard	55.59	0	59.02	0
Doubtful	217.40	0	196.90	0
Loss	167.83	0	115.32	0

	As at 30 June 2026	
	Domestic	**Overseas**
Standard	11,684.79	692.71
Sub-standard	59.75	0
Doubtful	195.22	0

	As at 30 June 2026	
	Domestic	**Overseas**
Loss	98.83	0

The following table sets out the Bank's provisions for possible credit losses as at the dates indicated below.

	31 March 2025	**31 March 2026**
	(₹in billions, except for percentages)	
Provisioning for the following classes of assets:		
Standard	75.43	76.89
Sub-standard	11.58	15.92
Doubtful	205.94	185.47
Loss	166.45	114.28
Total provision for NPAs	383.97	315.67
Provision held for NPAs as percentage of gross advances	3.44%	2.51%
Provision held for NPAs as percentage of gross NPAs	87.10%	85.03%

	30 June 2026
	(₹in billions, except for percentages)
Provisioning for the following classes of assets:	
Standard	76.41
Sub-standard	14.96
Doubtful	184.80
Loss	97.49
Total provision for NPAs	297.25
Provision held for NPAs as percentage of gross advances	2.33%
Provision held for NPAs as percentage of gross NPAs	84.01%

NPA Management

A regular review of each NPA account is carried out to decide on further courses of action, including engagement with borrowers as well as legal recourses.

The Bank is committed to efficiently managing and reducing its NPAs and has implemented the following measures to manage and reduce its NPA ratio:

- Close monitoring of delinquent accounts, detecting early warning signals and monitoring red-flagged large advance accounts at branch, regional, zonal and corporate office levels to avoid slippage into NPA status. The Slippage Prevention Task Force ("**SPTF**") has been formed at the regional level. Members of the SPTF and/or deputy regional managers visit critical branches with large numbers of overdue accounts and accounts rated as high risk in order to determine prevention strategies and resolve outstanding issues. Reviews of accounts are undertaken by special zonal committees, which meet every three months to formulate action plans. There is also a status review of accounts which is causing concern in the corporate office.

- Undertaking the financial restructuring of accounts in a timely manner, so as to prevent further deterioration of financial conditions. Where an account shows signs of liquidity problems and does not generate enough cash surplus to meet its commitments, such account is reviewed and restructured depending on the financial viability of the account.

- Initiating recovery action immediately on slippage of accounts. This involves taking non-legal recovery action or initiating legal action.

- Conducting recovery meetings at regional and zonal levels to arrive at a compromised settlement which is both cost-effective and mutually beneficial. Recovery meetings involve inviting certain borrowers and defaulting borrowers to the Bank in order to negotiate and reach mutually agreeable settlement proposals.

- Taking an approach that recognises compromise with respect to settlements through the Lok Adalat, which means "the people's courts", constituted under the Legal Services Authorities Act 1987, to facilitate a speedy and compromised settlement. Only claims not exceeding Rs. 10.00 million can be brought to a Lok Adalat and its decision is binding on the parties. Given that it does not charge any fees and often resolves disputes faster than regular courts, the Bank strives to recover NPAs through a Lok Adalat to the extent practicable.

- Reporting of wilful defaulters with an overdue amount of at least Rs. 2.50 million to the RBI, in compliance with the Reserve Bank of India (Commercial Banks – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, as amended from time to time. The RBI then consolidates the data of such wilful defaulters and disseminates this information among banks. The legal process, wherever warranted, is initiated against the borrowers and the guarantors and foreclosure for recovery of dues. The Bank allows the rehabilitation or restructure of NPAs of wilful defaulters and, from time to time, enters into compromise settlements with such borrowers.

- Close monitoring of "compromised permitted accounts" for recovery in accordance with the terms of settlement. By maintaining an open dialogue with the borrowers of the compromised permitted accounts, the Bank seeks to recover its NPAs within specified periods and at minimum cost.

- Aggressively pursuing and achieving substantial progress in respect of measures allowed to be implemented by the Bank under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended from time to time ("**SARFAESI Act**") (as further explained below).

- Filing Debt Recovery Tribunal ("**DRT**") suits, which can be filed along with SARFAESI proceedings for all the cases where outstanding amount is more than Rs. 1.00 million. After giving the judgment, the

DRT endorses the same to recovery officers. The role of a DRT officer is to liaise with the advocates, branches and debtors and the DRT in debt recovery cases.

- Insolvency proceedings are initiated against borrowers and corporate guarantors under the Insolvency and Bankruptcy Code, 2016, as amended from time to time ("**IBC**") in cases where the default amount is Rs. 10.00 million or more (as further explained below).

Stressed Assets Resolution

The RBI through its notification dated 12 February 2018, has prescribed guidelines for the resolution of stressed assets. The same has been consolidated in the Stressed Assets Directions, which provide the current framework for early recognition, reporting and time-bound resolution of stressed assets. The framework permits resolution measures including regularisation, recovery, sale of exposures, change in ownership, extension of the Date of Commencement of Commercial Operations and restructuring.

Accordingly, resolution of stressed assets envisages early identification and reporting of stressed assets for immediate resolution by way of recovery and restructuring, including a change in management and a conversion of debt into equity/debenture in a fixed time-frame, failing which lenders will have to file for insolvency under the IBC within 15 days thereafter.

Any resolution plan needs to be approved/implemented by all the lenders, Independent Credit Evaluation ("**ICE**") with a minimum RP4 Rating with two ICEs in the event of aggregate exposure of Rs. 5.00 billion and above and at least one such ICE for accounts with aggregate exposure below Rs. 5.00 billion. An RP4 rating under the Stressed Assets Directions, denotes debt facilities/instruments which are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such debt facilities/instruments carry moderate credit risk.

During the period when the resolution plan is being finalised and implemented, the usual asset classification norms would continue to apply subject to additional provisioning requirements under the Stressed Assets Directions. The process of re-classification of an asset should not stop merely because the resolution plan is under consideration.

Restructuring

Restructuring is an act in which a lender, for economic or legal reasons relating to the borrower's financial difficulty, grants concessions to the borrower. Restructuring would normally involve the modification of the terms of the advances/securities, which may include, among other things: alteration of the repayment period/payable amount/the amount of instalments/rate of interest; roll over of credit facilities; sanction of additional credit facility; release of additional funds for an account in default to aid curing of default/enhancement of existing credit limits; and compromise settlements where the time for payment of the settlement amount exceeds three months. In accounts where restructuring has been done, the asset classification and provisioning have to be as per extant Income Recognition and Asset Classification Norms, as consolidated in the IRACP 2025 Directions.

Restructured accounts can be upgraded only after recovery of 20.00 per cent. of the principal repayment as per RP and within a "specified period" which is a minimum of one year from the date of commencement of repayment and only with a rating of BBB- or better, i.e. investment grade.

Enforcement of Security Interest under the SARFAESI Act, 2002

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 from the date of the notice, 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 at 31 March 2026, the Bank had issued notices under the SARFAESI Act, and since the enactment of the SARFAESI Act, to 2,81,473 borrowers with an aggregate outstanding of ₹2,872.67 billion. Out of total notices issued, cases where amount was recovered in 2,47,776 accounts of ₹613.96 billion. As on 31 March 2026 the Bank has seized/taken possession of the assets of 11,652 defaulting borrowers/loan accounts under the SARFAESI Act with aggregate outstanding dues of ₹185.80 billion.

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 ("**IBC**") on 28 May 2016.

The institutional infrastructure under the IBC rests on four pillars:

Insolvency Professionals

(A) 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

(B) 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 Code, 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, though this time limit is only directory in nature. 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). Following which, the Corporate Insolvency Resolution process 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.

For individuals, the Code provides for two distinct processes, namely, "Fresh Start" and "Insolvency Resolution", and it lays down the eligibility criteria for these processes. The Code 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 code 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 enacted the Insolvency and Bankruptcy Code (Second Amendment) Bill, 2018 and 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 per cent. from 75 per cent. 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 per cent. 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.

The Insolvency and Bankruptcy Code (Amendment) Act, 2026 enacted on 6 April 2026, introduces a comprehensive overhaul of India's insolvency regime, aimed at expediting resolution timelines, preserving asset value and enhancing certainty for creditors. Key reforms include introduction of a creditor-initiated insolvency resolution process, enabling specified financial creditors to commence a time-bound, largely out of-court resolution while the debtor remains in possession, a statutory framework for group insolvency to facilitate coordinated proceedings across related entities, and an enabling regime for cross-border insolvency, including recognition of foreign proceedings and cooperation with overseas courts. The amendments also codify the "clean slate" principle, whereby upon approval of a resolution plan, all pre-existing claims (including statutory dues) against the corporate debtor stand extinguished and regulatory approvals forming part of the plan are preserved, subject to compliance. Further, the amendments effected by the Insolvency and Bankruptcy Code (Amendment) Act, 2026 will come into force on such date or dates as the Government of India may notify, and different dates may be appointed for different provisions of the amendment act. *See 'Supervision and Regulation' for more information.*

As at 31 March 2026, the Bank had exposure of ₹517.86 billion in 537 accounts where a corporate insolvency resolution process ("**CIRP**") has been initiated under IBC. Out of 537 cases referred to NCLT under IBC, 303 cases have been resolved and the Bank has received ₹18.68 billion as part of the resolution during the FY2025-2026.

Central Repository of Information on Large Credit ("CRILC")

As per the framework, the RBI has set up the CRILC to collect, store and disseminate credit data to lenders. Banks will be required to report credit information, including the classification of an account as an SMA, to CRILC concerning all their borrowers having aggregate fund-based and non-fund-based exposures of Rs. 50.00 million and above with them.

SMA Subcategories	**Basis for classification**
SMA-0	Principal or interest payment not overdue for more than 30 days but account showing signs of incipient stress
SMA-1	Principal or interest payment overdue for 31 to 60 days
SMA-2	Principal or interest payment overdue for 61 to 90 days

DESCRIPTION OF THE BANK'S FOREIGN BRANCHES

As at 31 March 2026, the Bank has presence in seven countries with one branch at Dubai, one branch at GIFT City Gujarat (caters to the international business of the bank), two subsidiaries in London and Bhutan, one joint venture in Nepal and two representative offices in Myanmar and Bangladesh.

Description of the Bank's GIFT City Branch

Background

The Bank set up its GIFT City branch in 8 April 2022. The RBI construes the International Financial Service Centre ("**IFSC**") Banking Unit ("**IFSC Banking Unit**") of Indian Banks as foreign (offshore) branches. The IFSC Banking Units are regulated and supervised by International Financial Services Centers Authority ("**IFSCA**"), the unified regulator of IFSC set up in 2020 entrusted with the development and regulation of entities set up within the IFSC.

The operations at the Bank's IFSC Banking Unit are governed under the provisions laid down in the IFSCA Act, IFSCA (Banking) Regulations, Banking Handbooks released by IFSCA, and other guidelines and notifications published and as amended from time to time. The IFSC Banking Unit has been availing an Income Tax Holiday under the Income Tax Act and is further available for another 11 years.

Governance Framework of the IFSC Banking Unit

PNB IFSC Banking Unit as is working under the administrative control of International Banking and Trade Finance Division of our Head Office ("**IBTFD, HO**"). All matters related to branch are routed through IBTFD, HO except where independent reporting is required as per regulatory licensed function.

The corporate governance structure of IBU is designed to enshrine the concepts of good governance as required by the IFSCA.

As per IFSCA Banking handbook- General Directions, "Governance framework" shall mean the IBU's organizational structures, policies, procedures and systems and controls as they relate to the IBU's business objectives and the means of achieving them and also includes:

(a) its risk management framework;

(b) its internal control and assurance functions (that is, its risk management, compliance oversight and internal audit functions);

(c) its business objectives; and

(d) the governance requirements in these directions and any other applicable directions or statute

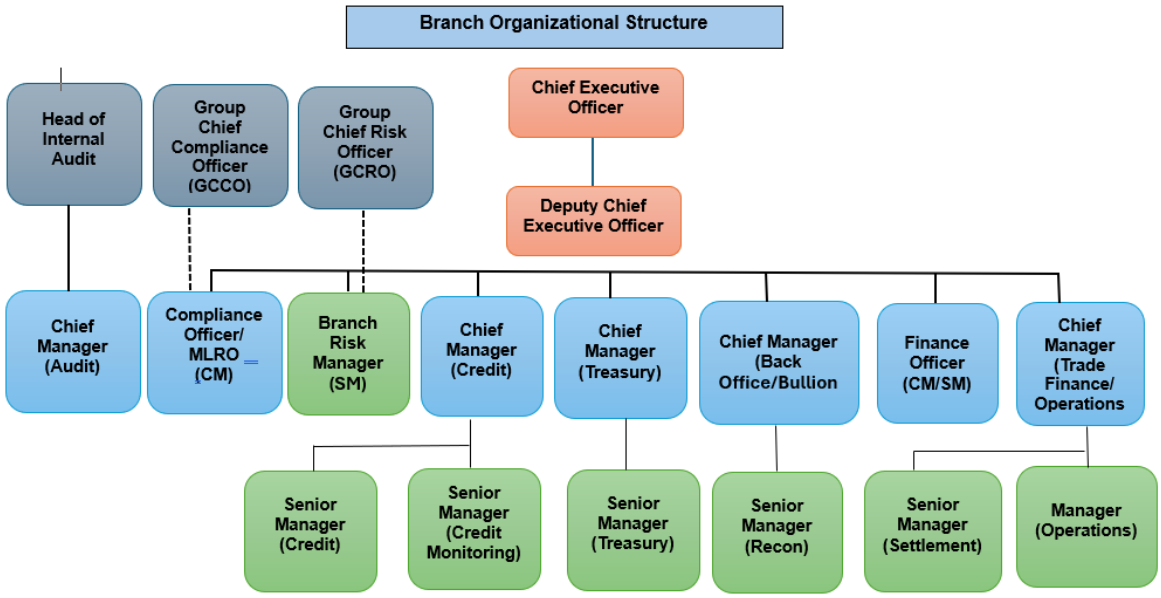
IFSC Banking Unit's Management team shall report through the governing body at Bank's IBTFD, HO, and IBTFD, HO in turn will report to the Board of the Bank. Organisation structure is prepared as per the '*IFSCA Banking handbook: General guidelines*'. The guidelines states that responsibilities of individual function:

(a) does not give rise to any internal or external conflict of interest;

(b) does not compromise the independence, objectivity and effectiveness of the exercise of any of the functions;

(c) the individual's combined exercise of the functions will not increase the firm's risk of non-compliance with the applicable laws and the regulations of the authority.

Organizational structure at IFSC Banking Unit Level



(a) **Deputy CEO**: Deputy CEO will be selected by the Head Office. The Deputy CEO will be responsible for business operations of the IFSC Banking Unit. The CEO shall have ultimate responsibility for the day-to-day management supervision.

(b) Chief Manager (Treasury): Treasury is one of the crucial desks of the IFSC Banking Unit in which the Chief Manager (Treasury) will be assisted by Senior Manager (Dealer). The Chief Manager (Treasury) will report to CEO of the IFSC Banking Unit and will be part of senior management of the IFSC Banking Unit. The function of departmental head is defined as designated function.

(c) Chief Manager (Credit): Chief Manager (Credit) will be in charge of credit business. He will be assisted by officers, who will handle credit business independently. The Chief Manager (Credit) will report to CEO of the IFSC Banking Unit and will be part of senior management of the IFSC Banking Unit. The function of departmental head is defined as designated function.

(d) Chief Manager (Trade Finance & Operations): Chief Manager (Trade Finance & Operations) will be in charge of Trade Finance and Operations. He will be assisted by officers, who will handle Trade Finance and Operations. The Chief Manager will report to CEO of the IFSC Banking Unit and will be part of senior management of the IFSC Banking Unit. The function of departmental head is defined as designated function.

(e) Finance Officer (Chief Manager/Sr. Manager): Finance Officer (Chief Manager/Sr. Manager) will be in charge of Finance/MIS of the branch and shall look after the work related to external two or more. The Chief Manager will report to CEO of the IFSC Banking Unit and will be part of senior management of the IFSC Banking Unit. The function of departmental head is defined as designated function.

(f) Chief Manager (Back Office/Bullion): Chief Manager (Back Office/Bullion) will be in charge of settlements. He will be assisted by officers, who will handle settlement and recon independently. The Chief Manager will report to CEO of the IFSC Banking Unit and will be part of senior management of the IFSC Banking Unit. The function of departmental head is defined as designated function.

(g) **Chief Manager (Audit):** Internal Auditor will oversee 'Audit Functions' of the branch, as 'Concurrent Auditor'. Only Internal Auditors will be assigned for Concurrent Audit. Internal Auditor would report any significant findings, to the inspection and audit division of the Head Office under copy to branch incumbent as well as to the controlling division of the IBTFD, HO. The scope of work is defined in the Concurrent Audit Policy for domestic and overseas offices.

(h) **Senior Manager (Branch Risk Manager):** The function of risk department head is defined as designated function. Branch Risk Manager ("**BRM**") shall be responsible for to oversee the implementation of risk management system and review thereof at IFSC Banking Unit level and shall be appointed in consultation with Group Chief Risk Officer. BRM act as a coordinator for Branch ALCO and BRMC. BRM to submit different reports on daily, monthly and quarterly basis to Integrated Risk Management Division of the Head Office for monitoring purpose.

Description of the Bank's Other Foreign Branches

The international branches are focusing on high quality medium/long-term assets to build a diversified loan portfolio with low credit risk weight to improve profitability and remain sustainable. Both international branches of the Bank are offering external commercial borrowing (ECB), foreign currency term loan (FCTL) and trade finance products to Indian and overseas customers. These branches also facilitate remittances for non resident Indians (NRIs).

Our domestic branches may utilize the services of these overseas branches, subsidiaries and joint venture for advising import letters of credit ("**LCs**"), forwarding export bills drawn by domestic exporters for realization depending upon the reimbursement instructions mentioned in LCs.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Our Bank has been constituted as a body corporate (nationalised bank) under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time ("**Banks Nationalisation Act**"). In terms of the provisions of the Banks Nationalisation Act, the general superintendence and direction of the affairs and business of our Bank is entrusted to the Board constituted as per the provisions of the Banks Nationalisation Act, the Nationalised Banks Scheme and the Punjab National Bank (Shares & Meetings) Regulations, 2000 ("**Punjab National Bank Regulations**").

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:

- not more than five whole-time directors to be appointed by the Central Government after consultation with RBI;
- 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;
- 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;
- one director, from among such of the employees of the corresponding bank who are workmen (as defined under Clause (s) of Section 2 of the Industrial Disputes Act, 1947) to be nominated by the Central Government;
- one director, from among the employees of the corresponding bank 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;
- 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;
- subject to directors elected 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;
- 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:
    1. not more than 16.00 per cent. of the total paid-up capital, one director;
    2. more than 16.00 per cent. but not more than 32.00 per cent. of the total paid-up capital, two directors; and
    3. more than 32.00 per cent. of the total paid-up capital, three directors.

As on the date of this Offering Circular, we have eight (8) directors on our Board. Our Board has four (4) Whole-Time Directors, comprising one (1) MD and CEO and three (3) Executive Directors. Further, we have one (1) GoI Nominee Director, one (1) RBI Nominee Director and two (2) Shareholder Directors on our Board. All Directors are appointed/nominated/elected pursuant to the Banks Nationalisation Act, and the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970 ("**Nationalised Banks Scheme**").

As on the date of this Offering Circular, the Board does not have the full strength in terms of the Banks Nationalisation Act, as the following positions are vacant:

(i) one (1) position each under Sections 9(3)(e) and 9(3)(f) of the Banks Nationalisation Act to be nominated by the Central Government:

(ii) one (1) position under Section 9(3)(g) the Banks Nationalisation Act, to be nominated by the Central Government in consultation with RBI; and

(iii) one (1) position under Section 9(3)(h) the Banks Nationalisation Act, to be nominated by the Central Government;

The Directors on the Board of the Bank are appointed by Govt. of India in terms of provisions of the Banks Nationalisation Act read with the Nationalised Banks Scheme, 1970, except Shareholder Directors under Section 9(3)(i) of the Act who are elected by the Shareholders of the Bank, other than the Central Government. For further details, please see "*Risk Factors* – As on date of this Offering Circular*, our Board does not have prescribed strength in terms of the Banks Nationalisation Act and independent women director in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI (LODR) Regulations**").

The following table sets forth details regarding our Board as on the date of this Offering Circular:

Name of Director	Position	Age
Shri Ashok Chandra	MD & CEO	57
Shri M. Paramasivam	Executive Director	59
Shri D. Surendran	Executive Director	59
Shri Amit Kumar Srivastava	Executive Director	55
Shri D. Anandan	GoI Nominee Director	50
Dr. Uma Sankar	RBI Nominee Director	59
Shri Ambarish Ojha	Shareholder Director	62
Smt. Vandana Bhagavatula	Shareholder Director	59

Brief Profiles of our Directors

Brief profiles of our Directors are set out below.

Mr. Shri Ashok Chandra joined the Bank as its MD & CEO on 16 January 2025 from Canara Bank where he was working as Executive Director. In a career spanning over three decades he has managed almost all facets of banking such as digital banking and information technology, strategy and planning, marketing and public relations, financial inclusion, MSME, retail asset, agriculture and priority sector, gold loan, liability management, recovery and legal and stressed asset management. He started his career with erstwhile Corporation Bank where he was the Head of Dubai Representative Office and went on to become Chief General Manager of Union Bank of India after the merger of Corporation Bank with Union Bank of India.

He has a Master of Economics, a Certified Associate of Indian Institute of Bankers and was selected to be a part of the Leadership Development Programme curated by the erstwhile Banks Board Bureau and conducted by India Institute of Management ("**IIM**"), Bangalore.

He is a member of IBA standing committee for HR and on the Board of Oriental Insurance Company Ltd., PNB International Ltd. and member on the governing bodies of NIBM, MDI Gurgaon and Governing Council of Indian Institute of Banking and Finance.

Mr. Shri M. Paramasivam joined the Bank as an Executive Director on 1 December 2022. He started his career with Canara Bank as an Agricultural Extension Officer in 1990 and has worked in various leadership capacities across large branches, regional offices, circle offices, and the Priority Credit Wing at Head Office over the past 32 years. His expertise encompasses the entire gamut of banking, including credit, priority sector, forex & trade finance, compliance, and branch banking.

He is an agriculture graduate and was a part of the Leadership Development Programme conducted by IIM – Bangalore**.**

Mr. Shri D. Surendran joined the Bank as an Executive Director on 24 March 2025. He began his career in 1990 as an Agriculture Extension Officer in Canara Bank and worked in various leadership capacities in retail & MSME credit, priority credit, recovery, branch banking. He was also the General Manager of Karnataka Gramin Bank, Head of HR at the Head Office of PNB until he assumed the charge of Executive Director.

He has a Post-Graduate degree in Agriculture, is a Certified Associate of Indian Institute of Bankers ("**CAIIB**") and was a part of the Leadership Development Programme conducted by IIM – Bangalore. He is also on the board of PNB Housing Finance Limited.

Mr. Shri Amit Kumar Srivastava started as an Executive Director of the Bank on 24 November 2025. He started his journey in the banking industry in 1994 in erstwhile Oriental Bank of Commerce, became a part of the PNB-Parivar upon amalgamation of Oriental Bank of Commerce with PNB and continued as Executive Director.

With knowledge of variety of subjects and experiences, he accomplished various roles in treasury management, risk management, credit review & monitoring, zonal manager and branch banking. He was also the Group Chief Risk Officer in the Bank with distinction.

An alumnus of Banaras Hindu University, He holds a Master of Science, a PG Diploma in Treasury & Forex Management from Institute of Chartered Financial and Analysts of India, certified in sustainability and climate risk by Global Association of Risk Professionals and is a professional risk manager and risk in financial services.

He is on the Board of PNB Gilts Limited.

Mr. Shri. D. Anandan joined the Bank as the GoI Nominee Director since 24 July 2025. He is an Indian Administrative Service ("**IAS**") Officer belonging to Sikkim Cadre. He is currently serving as Additional Secretary, Department of Expenditure, Ministry of Finance, Government of India.

Prior to his present assignment, He has held important positions in Government of Sikkim, heading Departments such as Rural Development Department, Health & Family Welfare Department, Commerce and Industries Department, etc. and served as Chief Electoral Officer, Sikkim under the Election Commission of India. He was also posted as Joint Development Commissioner, Special Economic Zones, Tamil Nadu and as Chairman and Executive Director of Rubber Board of India under the Department of Commerce, Government of India.

Mr. Shri D. Anandan is an IAS, holds a Master of Commerce and is a qualified Cost and Management Accountant.

Dr. Uma Sankar has been the RBI Nominee Director of the Bank since 14 July 2023. She is the Regional Director of Tamil Nadu and Puducherry of RBI and joined RBI in 1993. She has extensive experience in

supervision of Banks & NBFCs, Urban Co-operative Banks, training and capacity building, currency management, financial literacy and, as Banking Ombudsman.

She holds a Master's in Business Economics and a Bachelor of Commerce from Delhi University and has pursued Master of Science in Management, Organisations and Governance from London School of Economics and Political Science, United Kingdom. She is a CAIIB Associate.

She was awarded a Doctorate Degree from ICFAI University, for her thesis on 'Urban Cooperative Banks - A 360-Degree View of IT Risk Management, Cybersecurity Management and Current Regulatory Framework.'

Mr. Shri Ambarish Ojha has been the Shareholder Director of the Bank since 12 September 2024. He is a Bachelor of Engineering in Electronics and Communication from IIT Roorkee (erstwhile University of Roorkee) and has specialised knowledge and experience in information technology, risk management, payment & settlement systems and business management.

He has 35 years of experience and has worked in various multinational companies at senior executive positions.

He has experience in IT infrastructure, networking and security, enterprise resource planning, supply chain management, buy-now pay-later supply chain financing and loan management and KYC modern tools including credit scoring.

Smt. Vandana Bhagavatula is the Shareholder Director of the Bank since 29 August 2025. She is a Bachelor of Commerce, Chartered Accountant and holds a Diploma in Information Systems Audit. She has knowledge and experience in accountancy, banking, finance, audit, risk and IT.

She has 25 years of professional experience, gained in independent practice, worked with HDFC Bank Ltd. and was the independent woman director on the Board of Shakti Pumps (India) Limited. She is an Honorary Advisor to Dr. S. Natarajan's - Sundaram Natarajan Blind Free India Foundation.

Relationship between our Directors

None of our Directors are related to each other as on the date of this Offering Circular.

Remuneration details of our directors

Remuneration details of our Whole-time Directors

The details of the remuneration paid by our Bank to our present Whole-time Directors including all allowances, provident fund contribution for the period ended 30 June 2026 and for the Fiscals 2026, 2025 and 2024, respectively are set forth below:

Name of the Director	**Remuneration**			
	For the period 1 April 2026 up to 30 June 2026	**For Fiscal 2026**	**For Fiscal 2025**	**For Fiscal 2024**
		(₹in crores)		
Shri Ashok Chandra	0.12	0.52	0.09	Not applicable
Shri M. Paramasivam	0.13	0.69	0.60	0.39
Shri D. Surendran	0.13	0.47	0.01	Not applicable
Shri Amit Kumar Srivastava	0.12	0.17	Not applicable	Not applicable

Remuneration details of our Non-Executive Directors

As per Government of India's directive F.No.15/1/2011-BO.I dated 28 October 2025, the entitled directors under the provisions of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, are to be paid a sitting fees for attending meetings of the Board and committees of the Board, as decided by the Board of Directors, subject to the limitations prescribed under the Companies Act, 2013, and no overall annual ceiling limit.

The Board of Directors, in its meeting held on 8 January 2026, approved ₹90,000.00 to be paid as sitting fees for attending per meeting of the Board and ₹45,000.00 to be paid for attending per meeting of the committees of the Board, additional fees of ₹10,000.00 to be paid for chairing per meeting of the Board and ₹5,000.00 to be paid for chairing per meeting of committees of the Board with effect from 28 October 2025.

Accordingly, the details of the sitting fees paid by our Bank to our present Non-Executive Directors for the period ended 30 June 2026 and for the Fiscals 2026, 2025 and 2024, respectively are set forth below:

Name of the Director	**Sitting fees paid***			
	For the period 1 April 2026 up to 30 June 2026	**For Fiscal 2026**	**For Fiscal 2025**	**For Fiscal 2024**
		(₹in crore)		
Shri D. Anandan	Nil	Nil	Nil	Nil
Dr. Uma Sankar	Nil	Nil	Nil	Nil
Shri Ambarish Ojha	0.09	0.34	0.19	Nil
Smt. Vandana Bhagavatula	0.11	0.22	Nil	Nil

Performance Linked Incentive or Bonus or profit-sharing plan for our directors

Government of India, Ministry of Finance, Department of Financial Services *vide* notification number F.No.15/6/2024 – BOI dated 19 November 2024 has set out broad parameters for payment of performance linked incentives to whole time directors on the boards of public sector banks. Such performance linked incentives are given in accordance with scores obtained as per the performance evaluation matrix prescribed in the notification. The performance evaluation matrix consists of qualitative and quantitative parameters. Further, in accordance with the action point 16 of banking reforms set out in the Reforms Agenda for Responsive and Responsible PSBs ("**PSB Reforms Agenda**"), the board of directors of a public sector bank shall evaluate the performance of the bank's whole-time directors in terms of its implementation of the six-point action plan stated in the PSB Reforms Agenda.

Shareholding details of our Directors in our Bank

The directors elected under section 9(3)(i) of the Banks Nationalisation Act by the shareholders (other than the Government), are required to hold a minimum of 100 equity shares of our Bank in terms of Regulation 65 of the Punjab National Bank Regulations.

The following table sets forth details of shareholding of our Directors in our Bank, as on 30 June 2026:

Name of the Director	No. of equity shares	Percentage shareholding
		(%)
Shri Ashok Chandra	Nil	Nil
Shri M. Paramasivam	25	Negligible
Shri D. Surendran	Nil	Nil
Shri Amit Kumar Srivastava	4,400	Negligible
Shri D. Anandan	Nil	Nil
Dr. Uma Sankar	Nil	Nil
Shri Ambarish Ojha	100	Negligible
Smt. Vandana Bhagavatula	1,000	Negligible

Interest of our Directors

Our Whole-Time Directors may be deemed to be interested to the extent of salary and remuneration paid to them for services rendered as Directors of our Bank, perquisites and reimbursement of expenses, if any, payable to them, as allowed in the ordinary course of business in terms of Central Government guidelines and RBI guidelines, as may be applicable.

Further, our Non-Executive Directors other than the Government's Nominee Director and RBI's Nominee Director, are entitled to receive sitting fees for attending each meeting of our Board and its Committees and are also entitled to reimbursement of expenses to attend such meeting as may be applicable.

Our Directors may also be regarded as interested to the extent of Notes held by them in our Bank and dividend payable to them, if any. For details of Notes held by our Directors in our Bank, see "*Shareholding details of our Directors in our Bank*" above.

Except as disclosed in this Offering Circular, and except to the extent of shareholding in our Bank, our Directors do not have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Except as otherwise stated in this Offering Circular, we have not entered into any contract, agreement or arrangement during the preceding three years from the date of this Offering Circular in which any of the Directors or any of their relatives are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Except as stated in "*Related Party Transactions*" in *"Financial Statements"*, our Directors do not have any other interest in the business of our Bank.

Other Confirmations

Neither our Bank nor any of our Directors have been identified as wilful defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or Fraudulent Borrowers issued by RBI.

Neither our Bank nor any of our Directors have been debarred from accessing capital markets under any order or direction made by SEBI, the Stock Exchanges or any other regulatory or supervisory authority.

Corporate Governance

The Board presently consists of eight (8) directors. Our Board has four (4) Whole-Time Directors comprising one (1) MD and CEO and three (3) Executive Directors.

Pursuant to the SEBI (LODR) Regulations (i) where the chairperson of the board of directors of a listed entity is non-executive, not less than one-third of the board of directors is required to comprise of independent directors and (ii) where the chairperson of the board of directors of the listed entity does not have a regular non-executive chairperson, at least half of the board of directors of the listed entity is required to comprise of independent directors.

Except as stated below, our Bank is in compliance with the requirements of the SEBI (LODR) Regulations to appoint independent directors on our Board:

In terms of Regulation 17(1)(a) of SEBI (LODR) Regulations, the Board of the Bank shall have at least one independent woman director. As of 30 June 2026, there is no independent woman director on the Board of the Bank.

RBI issued the Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, with effect from 28 November 2025, pertaining to instructions with regard to the chair and meetings of the board, composition of certain committees of the board, age, tenure and remuneration of directors, and appointment of the whole-time directors ("**RBI Circular**"). Our Bank complies with the instructions as mentioned in the RBI Circular

As per the RBI Circular, at least half of the directors attending the meetings of the board shall be independent directors. The quorum for the board meetings shall be one-third of the total strength of the board or three directors, whichever is higher.

As on date, there are 8 Directors on the Board of the Bank out of which 2 are Independent Directors. In view of the existing vacancies on the Board of the Bank, the guidelines relating to half of the directors attending the meetings of the board being independent directors are not always adhered to.

For further details please see "*Risk Factors – As on date of this Offering Circular, our Board does not have prescribed strength in terms of the Banks Nationalisation Act and the SEBI (LODR) Regulations.*".

Committees of our Board

Our Board has constituted the following key Committees, as may be applicable on our Bank:

1. Management Committee of the Board;
2. Audit Committee of the Board;
3. Stakeholders' Relationship Committee;
4. Risk Management Committee of the Board;
5. Capital Raising Committee;
6. Customer Service Committee of the Board;
7. IT Strategy Committee of the Board;
8. Performance Evaluation committee;

9. Business Review Committee;
10. Director's Promotion Committee;
11. Committee of the Board to monitor the progress in recovery;
12. Special Committee of the Board to monitor and follow up on cases of frauds;
13. Committee of Directors to Review Vigilance and Non Vigilance cases;
14. Credit Approval Committee of the Board – Level III;
15. Election of Shareholder Directors – Voting by Public Sector Banks;
16. Committee for Review of Identification of Wilful Defaulters; and
17. Steering Committee of the Board on HR.

Details of Committees are as follows:

Management Committee of the Board

The Management Committee of the Board has been constituted in accordance with 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 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. Our Management Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Shri Ashok Chandra	Chairperson	MD & CEO
Shri M. Paramasivam	Member	Executive Director
Shri D. Surendran	Member	Executive Director
Shri Amit Kumar Srivastava	Member	Executive Director
Dr. Uma Sankar	Member	RBI Nominee Director

Audit Committee of the Board

Our Audit Committee has been constituted in terms of RBI (Commercial Banks – Governance) Directions, 2025 dated 28 November 2025 and such other circulars issued by RBI. Our Audit Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Smt. Vandana Bhagavatula...	Chairperson	Shareholder Director
Dr. Uma Sankar	Member	RBI Nominee Director
Shri Ambarish Ojha	Member	Shareholder Director

Further, the SEBI (LODR) Regulations require two-third of the Audit Committee to comprise independent directors. As on the date of this Offering Circular, the Audit Committee includes 3 directors, that is, Dr. Uma Sankar, who is our RBI Nominee Director, appointed pursuant to Section 9(3)(c) of the Banks Nationalisation

Act, Shri Ambarish Ojha and Smt. Vandana Bhagavatula, who are our Shareholder Directors, elected pursuant to Section 9(3)(i) of the Banks Nationalisation Act.

Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee has been constituted pursuant to Regulation 20 read with Clause B of Part D of Schedule II of the SEBI (LODR) Regulations as amended and Punjab National Bank Regulations. Our Stakeholders' Relationship Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Smt. Vandana Bhagavatula...	Chairperson	Shareholder Director
Shri Ashok Chandra	Member	MD & CEO
Shri M. Paramasivam	Member	Executive Director

Risk Management Committee of the Board

Our Risk Management Committee has been constituted in accordance with the RBI (Commercial Banks – Governance) Directions, 2025 dated 28 November 2025, as may be amended and Regulation 21 of the SEBI Listing Regulations, as may be amended Our Risk Management Committee comprises the following members:

Name of Director	Designation	Nature of Directorship
Shri Ambarish Ojha.....	Chairperson	Shareholder Director
Shri Ashok Chandra	Member	MD & CEO
Shri Amit Kumar Srivastava	Member	Executive Director
Smt. Vandana Bhagavatula...	Member	Shareholder Director

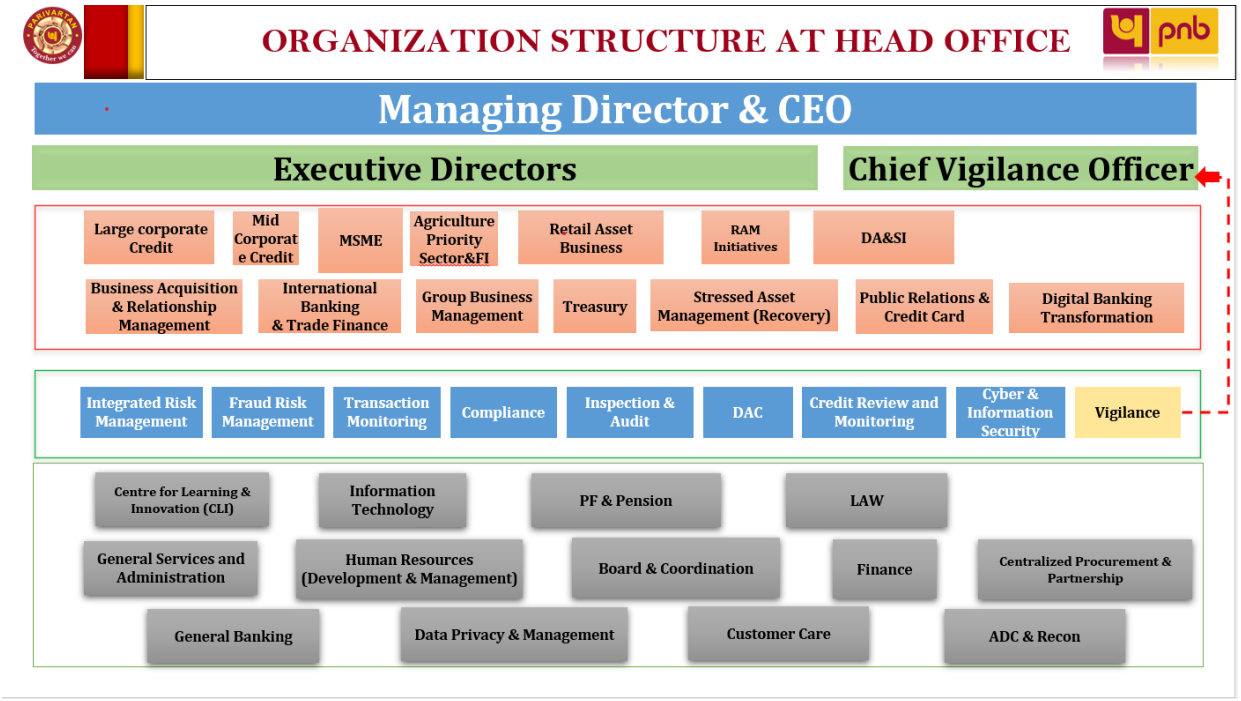
Nomination & Remuneration Committee ("NRC")

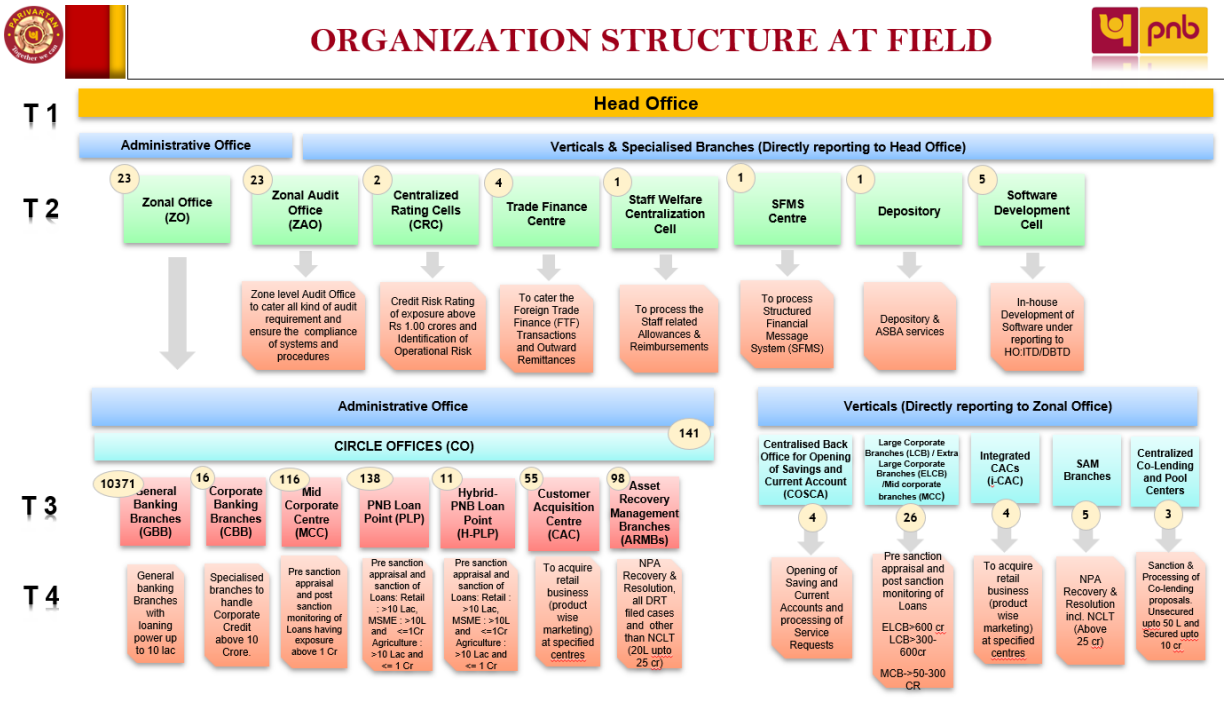
In terms of the RBI (Commercial Banks – Governance) Directions, 2025 dated 28 November 2025, the Bank shall constitute a Nomination and Remuneration Committee consisting of only non-Executive Directors. Further, the Government of India nominee director and the RBI nominee director, appointed under Section 9(3)(c) of the Banks Nationalisation Act, shall not be part of the Committee. Further, the NRC shall meet with a quorum of three members and least half of the members attending the meeting of the NRC shall be independent directors.

As on 30 June 2026, there are only 4 non-Executive Directors on the Bank's Board, comprising GoI nominee director, RBI nominee director and 2 shareholder directors. Due to inadequacy of the non-Executive Directors on the Bank's Board, the NRC is non-functional as on 30 June 2026. There is no sanction or penalty imposed to the Bank as a result of not having a functional NRC.

Management Organization Structure

Set forth is the organization structure of our Bank:





Our Senior Managerial Personnel

The Bank's senior management as at the date of this Offering Circular, is comprised of the following:

Name	Position	Age
Shri Bikramjit Shom	Company Secretary	52
Shri Raman Grover	Chief Financial Officer & Chief General Manager	57
Shri Sanjeevan Nikhar	Group Chief Compliance Officer & Chief General Manager	56
Mousumi Majumdar	Group Chief Risk Officer & General Manager	57
Shri Raghvendra Kumar	Chief Vigilance Officer	58

All our above mentioned Senior Managerial Personnel are permanent employees of our Bank.

Relationships between Senior Managerial Personnel and with Directors

None of our Senior Managerial Personnel are related to each other or to our Directors.

Shareholding of our Senior Managerial Personnel

The following table sets forth details of shareholding of our following Senior Managerial Personnel in our Bank, as on 30 June 2026:

Name of the Senior Managerial Personnel	No. of equity shares	Percentage shareholding
		(%)
Shri Bikramjit Shom	100	Negligible
Shri Raman Grover	0	Negligible
Shri Sanjeevan Nikhar	2,500	Negligible
Ms Mousumi Majumdar	6,927	Negligible
Shri Raghvendra Kumar	0	Negligible

Interests of our Senior Managerial Personnel

None of our Senior Managerial Personnel have any interest in our Bank except to the extent of their, remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business, which they receive from our Bank, and loans availed from our Bank, if any.

Our Senior Managerial Personnel may also be deemed to be interested to the extent of Notes held by them in our Bank and any dividend or other distributions payable to them in respect of the said Notes (if any). For details of Notes held by our Senior Managerial Personnel in our Bank, see "*Shareholding details of our Senior Managerial Personnel*" above.

None of our Senior Managerial Personnel have any financial or other material interest in the Issue and there is no effect of an interest by virtue of having shareholding in our Bank, so far as it is different from the interests of other persons.

Other than as disclosed in this Offering Circular, there were no outstanding transactions other than in the ordinary course of business undertaken by our Bank in which the Senior Managerial Personnel were the interested parties.

Policy on disclosures and internal procedure for prevention of insider trading

Regulation 8(1) and 9(1) of the SEBI Prohibition of Insider Trading Regulations, 2015 as amended applies to the Bank and its employees and requires our Bank to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and to regulate, monitor and report trading by its employees and other connected persons towards achieving compliance with. Our Bank has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations, 2015, as amended from time to time.

Employee Stock Option Scheme/Employee Stock Purchase Scheme

As on the date of this Offering Circular, our Bank does not have any Employee Stock Option Scheme/Employee Stock Purchase Scheme.

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 and departments , the RBI and the Indian Banks Association, and has not been prepared or independently verified by the Bank, the Arrangers, the Dealers, the Trustee or any of their affiliates 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 apex supervisory authority for Indian banks and non-banking finance companies. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

- commercial banks;
- small banks and payment banks;
- long-term lending institutions;
- non-banking financial companies, including housing finance companies;
- other specialized financial institutions and state-level financial institutions;
- insurance companies;
- all India financial institutions; and
- mutual funds.

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.

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 and monetary 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. For further discussion regarding the Reserve Bank of India's role as the regulatory and supervisory authority of India's financial system and its impact on us, see "*Supervision and Regulation - The RBI Act and other RBI Regulations*".

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 per RBI's statistics, there are 119 scheduled commercial banks as on the fortnight ended 31 July 2026 (*Source: Reserve Bank of India - Scheduled Banks' Statement of Position in India as on 31 July 2026*). As per official figures, scheduled commercial banks recorded robust credit growth of 15.9 per cent in Fiscal Year 2025 - 2026, reflecting strong economic activity and credit demand (*Source: Ministry of Finance, Press Release dated 5 May 2026*).

Public Sector Banks

As at 10 June 2026, there were 12 PSBs in India, including the State Bank of India and the Bank, and these make up the largest category in the Indian banking system. State Bank of India merged its five associate banks, namely State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Mysore, State Bank of Travancore and State Bank of Hyderabad, together with Bhartiya Mahila Bank, with itself, effective 1 April 2017. In fiscal year 2019, the ownership of a PSB, IDBI Bank, was acquired by Life Insurance Corporation of India, following which IDBI Bank was reclassified as a private sector bank by the RBI.

PSBs recorded net profit of ₹1.98 lakh crore in Fiscal Year 2025–2026, marking the fourth straight year of profitability. Further, PSBs registered lowest ever NPAs; asset quality improved significantly, with the gross NPA ratio declining to 1.93% and the net NPA ratio dropping to 0.39% as of 31 March.

The aggregate business of PSBs increased to Rs. 283.3 lakh crore as on 31 March 2026, registering growth of 12.8% over the previous year. Aggregate deposits rose by 10.6% year on year to ₹156.3 lakh crore, reflecting continued depositor confidence and strong resource mobilisation by PSBs. Gross advances registered growth of 15.7% YoY and reached ₹127 lakh crore, indicating sustained credit demand across sectors of the economy (*Source: Ministry of Finance, Press Release dated 12 May 2026*)

During the fiscal year ended 31 March 2020, 10 of the PSBs were amalgamated into four entities as part of one of the largest consolidations in the Indian banking industry. As part of this exercise, United Bank of India and

Oriental Bank of Commerce were amalgamated with and into the Bank, with the amalgamation taking effect from 1 April 2020. The other amalgamations undertaken as part of this exercise were the merger of Syndicate Bank with Canara Bank, the merger of Allahabad Bank with Indian Bank and the merger of Andhra Bank and Corporation Bank with Union Bank of India.

Bank of Baroda, the country's third-largest PSB by assets, completed integration/migration of 3,898 branches of erstwhile Vijaya Bank and Dena Bank with itself. Effective 1 April 2019, Dena Bank and Vijaya Bank were officially merged into Bank of Baroda.

Bank of Baroda completed the integration of 1,770 erstwhile Dena Bank branches in December 2020 and had earlier completed the integration of 2,128 erstwhile Vijaya Bank branches in September 2020.

Regional Rural Banks

Regional rural banks were established from 1976 to 1987 by the central government, state governments and sponsoring commercial banks jointly with a view to develop the rural economy. Regional rural banks provide credit to small farmers, artisans, small entrepreneurs and agricultural laborers. NABARD is responsible for supervising the functions of the regional rural banks. As at 10 June 2026, there were 28 regional rural banks (*Source: Reserve Bank of India - List of Scheduled Commercial Banks (SCBs)*). The net profit of regional rural banks rose to ₹10,176 Crore, and the total business crossed ₹13.5 Lakh Crore in Fiscal Year 2025-2026 (*Source: Ministry of Finance, Press Release dated 25 August 2026*).

Private Sector Banks

Most large banks in India were nationalized in 1969, resulting in PSBs making up the largest portion of Indian banking. The Government's focus on PSBs 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 10 June 2026 there were a total of 21 private banks and private sector banks (*Source: Reserve Bank of India - List of Scheduled Commercial Banks (SCBs)*).

Foreign Banks

As at 10 June 2026, there are 44 foreign banks operating in India (*Source: Reserve Bank of India - List of Scheduled Commercial Banks (SCBs)*). 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.

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. Currently, the RBI is responsible for the supervision and regulation of urban cooperative banks, and NABARD for state co-operative banks and district central cooperative 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), Industrial Finance Corporation of India (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 in the country after a few decades. The Act subsequently received the assent of the President on 28 March 2021 and has come into force effective 19 April 2021. RBI vide its letter dated 8 March 2022 has advised that NaBFID shall be regulated and supervised by RBI as an All India Financial Institution ("**AIFI**") under sections 45L and 45N of the RBI Act, 1934, respectively.

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, including into:

- fee-based activities such as investment banking and advisory services; and
- short-term lending activity, including making corporate finance and working capital loans.

Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group, which was constituted in 1999 to harmonize the role and operations of long-term lending institutions and banks, in fiscal 2000, the RBI announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms as applicable to banks. In April 2001, the RBI issued guidelines on several operational and regulatory issues, which needed to be addressed, and laid down a path for how long-term lending institutions can transition into universal banks.

The long-term funding needs of Indian companies are now primarily met by banks, Life Insurance Corporation of India and specialized non-banking financial companies such as Infrastructure Development Finance Corporation. Indian banking companies also make bond issuances to institutional and retail investors.

Non-Banking Financial Companies

There were 8,561 non-banking financial companies in India as at 30 June 2026, mostly in the private sector. All NBFCs are required to register with the RBI. The NBFCs may be categorized into entities which take public deposits and those which do not. As on 31 March 2026, there were 23 deposit accepting NBFCs (NBFCs-D). The companies which take public deposits are subject to strict supervision and the capital adequacy requirements of the RBI.

The RBI, in an effort to provide a more streamlined regulatory framework, issued the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 effective immediately, intended to consolidate the various regulations for NBFCs of different scales and functions in one place. On 28 November 2025, the aforesaid directions were consolidated by way of the Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025. The regulatory structure envisages scale-based as well as activity-based regulation, and the following prescriptions apply to NBFCs.

(a) Base Layer

The Base Layer shall comprise of non-deposit taking NBFCs below the asset size of INR 1,000 crore and NBFCs undertaking the following activities – NBFC-Peer to Peer Lending Platform (NBFC-P2P), NBFC-Account Aggregator (NBFC-AA), Non-Operative Financial Holding Company (NOFHC) and NBFC not availing public funds and not having any customer interface.

(b) Middle Layer

The Middle Layer shall consist of – all deposit taking NBFCs (NBFCs-D), irrespective of asset size, non-deposit taking NBFCs with asset size of INR 1,000 crore and above and NBFCs undertaking the following activities Standalone Primary Dealer (SPD), Infrastructure Debt Fund-Non-Banking Financial Company (IDF- NBFC), Core Investment Company (CIC), Housing Finance Company (HFC) and Non-Banking Financial Company-Infrastructure Finance (NBFC-IFC).

(c) Upper Layer

The Upper Layer shall comprise of those NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor.

(d) Top Layer

The Top Layer will ideally remain empty. This layer can get 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.

NBFC Amendment Directions

The RBI has recently issued the Reserve Bank of India (Non-Banking Financial Companies-Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026 ("**NBFC Amendment Directions**"), introducing a new category of NBFCs, unregistered type I NBFCs, which are exempt from mandatory registration under Section 45-IA of the Reserve Bank of India Act, 1934, as they do not access public funds and do not have a customer interface.

The RBI vide notification dated 29 April 2026, issued the NBFC Amendment Directions, amending the Reserve Bank of India (Non-Banking Financial Companies, Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025. The NBFC Amendment Directions are in effect from 1 July 2026. The NBFC Amendment Directions seek to relax the regulatory compliances required from NBFCs that do not access public funds and do not have a customer interface. These entities, by their very nature, pose limited systemic and consumer risk.

Thus, this new category of NBFCs, Unregistered Type I NBFCs, are exempt from mandatory registration under Section 45-IA of the Reserve Bank of India Act, 1934, subject to compliance with prescribed conditions.

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 ("**HFCs**") 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. Housing Development Finance Corporation Limited is a leading provider of housing finance in India. In recent years, several other players, including banks, have entered the housing finance industry. The National Housing Bank 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 provides for securitization of housing loans, foreclosure of mortgages and setting-up of the Mortgage Credit Guarantee Scheme. Since the transfer of the regulation of housing finance companies from the National Housing Bank to the RBI with effect from 9 August 2019, various regulations have been issued treating housing finance companies as a category of NBFCs. On 28 November 2025, RBI released the Reserve Bank of India (Housing Finance Companies) Directions, 2025, which consolidated the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and covers all the specific provisions governing the operations and governance of HFCs.

Microfinance Institutions

Microfinance institutions 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.

Microfinance Industry Network ("**MFIN**") was established in 2009 as an Association for NBFC-MFIs. MFIN members are RBI regulated entities comprising the Non-Banking Financial Companies - Microfinance Institutions ("**NBFC-MFI**"), Banks, Small Finance Banks, NBFCs, Banking Correspondents, Credit Bureau, Fintech companies, among several others. In 2014, the RBI recognized MFIN as a Self-Regulatory Organization ("**SRO**") for the NBFC-MFI, making MFIN the first industry association to be accorded recognition as an SRO by the RBI. Under the SRO function, MFIN's primary objective is to support member NBFC-MFIs in adhering to regulatory and industry standards, with focus on customer welfare and protection.

Master Directions of the RBI for the NBFC-MFIs encourage them to become a member of at least one SRO recognized by the RBI and to comply with the Code of Conduct prescribed by the SRO. The Direction while entrusting the responsibility for compliance to all regulations with the NBFC-MFIs themselves, also see industry associations/SROs playing a key role in ensuring compliance with the regulatory framework. As an SRO, MFIN reports to the RBI on a quarterly basis on the industry including operational and financial trends, customer complaints, non-compliances, actions taken and emerging issues, among other things

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, National Housing Bank, Power Finance Corporation Limited,

Infrastructure Development Finance Corporation Limited, 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.

Small Finance Banks and Payment Banks

The RBI on 27 November 2014 issued guidelines for small finance banks and payments banks in the private sector. The primary objective of setting up the payment banks and small finance banks was to further financial inclusion by providing (i) small savings accounts and (ii) payments/remittance services to a migrant labor 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 the date of this Offering Circular, there are 4 payment banks and 11 small finance banks.

The RBI has issued guidelines for on-tap licensing of small finance banks, on 5 December 2019, which were modified with effect from 28 March 2020. Subsequently, the Reserve Bank of India (Small Finance Banks – Licensing) Guidelines, 2025, dated 28 November 2025, as amended from time to time, consolidated and revised the guidelines for registration, eligibility criteria, corporate structure, scope of activities, and capital requirements for a small finance bank.

The RBI had, vide order dated 24 April 2026, cancelled the banking licence issued to Paytm Payments Bank Limited under Section 22(4) of the Banking Regulation Act, 1949 effective from close of business on 24 April. The Hon'ble High Court of Delhi, vide order dated 8 July 2026, has allowed the winding up of Paytm Payments Bank Limited in Company Petition No. 3 of 2026.

The RBI issued guidelines for on-tap licensing of small finance banks on 5 December 2019, which were modified with effect from 28 March 2020. Subsequently, the RBI (Small Finance Banks – Licensing) Guidelines, 2025, dated 28 November 2025, as amended from time to time, consolidated and revised the guidelines for registration, eligibility criteria, corporate structure, scope of activities, and capital requirements for a small finance bank.

Insurance Companies

As on 23 April 2026, there are 74 insurers operating in India; of which 26 are life insurers, 35 non-life insurers, 7 standalone health insurers and 1 re-insurance company. The only reinsurance company is the General Insurance Corporation of India, which 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 (*Source: Press Information Bureau Press Release- Insurance for All: Expanding Coverage, Strengthening Social Security).*

The insurance sector in India is regulated by the Insurance Regulatory and Development Authority of India ("**IRDAI**"). 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. On 16 December 2025, the Lok Sabha (the lower house of the Parliament) passed the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Bill, 2025 and received the Presidential assent on 20 December 2025, and thereby the Sabka Bima Sabki Raksha (Amendment of Insurance Laws) Act was published for general information in the Gazette of India on 21 December 2025. The Act paved the way for allowing up to 100 per cent foreign direct investment (FDI) in insurance companies, a move the government says will deepen capital flows and strengthen the sector. At present, the insurance industry has attracted around ₹82,000 crore in foreign direct investment.

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.

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 Securities and Exchange Board of India (Mutual Funds) Regulations, 2026., which consolidated the provisions of the Securities and Exchange Board of India (Mutual Fund) Regulations, 1996, and came into effect on April 1, 2026. The Securities and Exchange Board of India (Mutual Funds) Regulations, 2026 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.

There were 55 mutual funds in India with assets under management ("**AUM**") as at 30 June 2026 of ₹ 84,18,486 crore. The mutual fund industry has grown at a compounded annual growth rate of approximately 17% in the last ten years. The AUM of the Indian mutual fund industry has grown from ₹13.81 trillion as on 30 June 2016 to ₹82.22 trillion as on 30 June 2026, about a six-fold increase in a span of 10 years. The mutual fund industry AUM has grown from ₹33.67 trillion as on 30 June 2021 to ₹82.22 trillion as on 30 June 2026, about a three-fold increase in a span of 5 years. The mutual fund industry AUM stood at ₹ 82.22 trillion (₹82.22 lakh crore) as on 30 June 2026.

Pension Sector

Currently, the pension schemes operating in India can be broadly classified in the following categories: pension schemes for the Government's employees, the employees' provident fund and employees' pension schemes for employees in the organized sector, voluntary pension schemes and the new pension system. In case of pension schemes for the Government's employees, the Government pays its employees a defined periodic benefit upon their retirement. Further, the contribution towards the pension scheme is funded solely by the Government of India and not matched by a contribution from the employees.

The Government set up the Pension Fund Development and Regulatory Authority to regulate the pension industry in August 2003. In October 2013, the Pension Fund Regulatory and Development Authority Act, 2011 was enacted giving powers to the Pension Fund Development and Regulatory Authority to regulate pension schemes and funds and frame investment guidelines for pension funds. Foreign direct investments in the pension sector are allowed up to 49%. Private sector participation in managing pension assets was permitted for the first

time in fiscal 2009, and six private sector companies have been issued licenses. The minimum net worth requirement for asset management companies is ₹500 million at all times.

Recent Macroeconomic and Banking Sector Trends

Growth

According to ICRA, India's real GDP growth stood at 7.7 per cent. (provisional estimate) in fiscal 2026, up from 7.1 per cent. in fiscal 2025, with GDP growth of 7.8 per cent. recorded in the fourth quarter of fiscal 2026. ICRA expects growth to moderate to around 6.7 per cent. in fiscal 2027, amid the fallout of the conflict in West Asia and the rising likelihood of a deficient southwest monsoon, before declining to around 6.6 per cent. in fiscal 2028 based on ICRA's structural model estimates, assuming a normal monsoon and no major exogenous or policy shocks.

Inflation

ICRA has reported that headline CPI inflation hardened to 4.4 per cent. in June 2026 and to 3.9 per cent. in the first quarter of fiscal 2027 (from 3.1 per cent. in the fourth quarter of fiscal 2026), reflecting the pass-through of higher global energy and other commodity prices amid the conflict in West Asia, as well as firmer food inflation. ICRA expects CPI inflation to average around 5.0 per cent. in fiscal 2027. The Monetary Policy Committee ("**MPC**") of the RBI kept the policy repo rate under the liquidity adjustment facility unchanged at 5.25 per cent. at its meeting held from 3 to 5 June 2026, with the standing deposit facility rate at 5.00 per cent. and the marginal standing facility rate and the RBI bank rate at 5.50 per cent., while retaining a neutral stance.

Deposits and Credit

According to ICRA, the aggregate deposit base of the banking system rose to ₹265.4 trillion as on 30 June 2026, up 13.3 per cent. year-on-year from ₹234.3 trillion as on 27 June 2025, while outstanding non-food credit reached ₹217.96 trillion as on 30 June 2026, up 18.3 per cent. year-on-year from ₹184.19 trillion as on 27 June 2025. With deposit growth continuing to lag credit growth, the system-wide credit-to-deposit ratio rose to 82.1 per cent. as on 30 June 2026 from 81.2 per cent. as on 31 March 2026. PSBs continued to report higher year-on-year credit growth (16.3 per cent. as on 31 March 2026) relative to private sector banks (13.8 per cent. as on 31 March 2026), although private sector banks' credit-to-deposit ratio (89.4 per cent.) remained higher than that of PSBs (79.9 per cent.) as of the same date. PSBs' share of incremental deposit mobilization stood at 59.0 per cent. in fiscal 2026, while their share of system deposits stood at 63.4 per cent. as on 31 March 2026. ICRA expects deposit growth of 13.0-13.5 per cent. and incremental credit growth of 13.5-14.2 per cent. for the banking system in fiscal 2027.

Earnings, Profitability and Asset Quality

PSBs recorded an aggregate net profit of ₹1.98 lakh crore in fiscal 2026, an all-time high and the fourth consecutive year of profitability for the segment, with an annualized return on assets and return on equity of 1.33 per cent. and 13.06 per cent. respectively as of March 2026. Net profit growth of scheduled commercial banks as a whole moderated to 6.0 per cent. year-on-year in fiscal 2026 from 14.7 per cent. in fiscal 2025, alongside a 20-basis-point compression in net interest margin to 3.26 per cent., reflecting increasing pressure on profitability. Asset quality across scheduled commercial banks continued to improve, with the gross NPA ratio and net NPA ratio declining to multi-decadal lows of 1.73 per cent. and 0.40 per cent. respectively, while the net NPA ratio for PSBs ranged between 0.13 per cent. and 0.79 per cent.

Liquidity and Bond Markets

According to ICRA, average systemic liquidity surplus increased to ₹2.1 trillion in the first quarter of fiscal 2027 from ₹1.6 trillion in the fourth quarter of fiscal 2026, supported by G-Sec redemptions, variable rate repo operations and a record RBI dividend payout to the Government of India. India's 10-year G-Sec yield

softened to 6.75 per cent. as on 30 June 2026 from 7.05 per cent. as on 31 March 2026, reflecting easing geopolitical tensions and lower crude oil prices during the period; ICRA projected the yield to trade in a range of 6.70-6.90 per cent. until a rate hike from the MPC appears imminent. Corporate bond issuances declined to ₹2.8 trillion in the first quarter of fiscal 2027 from ₹3.2 trillion in the fourth quarter of fiscal 2026, as issuers shifted towards bank borrowings amid elevated bond yields; ICRA expects overall bond issuances of ₹12.8-13.3 trillion for fiscal 2027.

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

Credit

Fiscal 2026 was a good year for the banking sector. Both PSBs and private sector banks saw healthy business growth with the former's combined net profit reaching ₹1.98 lakh crore in fiscal 2026. During the period, the aggregate advances and deposits registered a year on year growth of 16.1 per cent. and 13.5 per cent. respectively, while the credit to deposit ratio at system level reached 82.1 per cent as on 30 June 2026. The wedge between deposits and credit growth persisted all through the year. The health of banking system further improved during fiscal 2026. In general, there was no significant pressure on asset quality and the net NPA of PSBs was in the range 0.13 per cent. to 0.79 per cent. The net interest margins also stayed healthy for PSBs, averaging around 3 per cent. as of March 2026.

The shares of agricultural and industrial loans in aggregate credit have contracted, while those of services and personal loans have expanded over the last fiscal year. Credit to agriculture and allied activities registered a year on year growth of 14.91 per cent. (last year year on year growth: 7.47 per cent.) and industry recorded a year on year growth of 19.2 per cent. (last year year on year growth 4.82 per cent.). Credit to 'Micro and Small' and 'Medium' industries sustained robust expansion. Credit to large industries also strengthened further. Among major industries, outstanding credit to 'infrastructure', 'all engineering', 'basic metal and metal product', 'chemical and chemical products, and 'petroleum, coal products and nuclear fuels' marked resilient year on year growth. Credit to services sector registered a growth rate of 18.75 per cent. YoY, supported by higher growth in segments such as NBFCs, 'trade' and 'commercial real estate'. Credit to personal loans segment recorded a YoY growth of 15.72 per cent. While segments such as 'vehicle loans' and 'loans against gold jewellery' sustained robust credit growth, credit to 'housing' segment remained steady.

Earnings and Profitability

Net profit growth of SCBs moderated to 6.0 per cent. in fiscal 2026 on a YoY basis from 14.7 per cent. in fiscal 2025, alongside a 20-bps compression in NIM from 3.46 per cent. to 3.26 per cent., indicating increasing pressure on profitability during the period. PSBs recorded an all-time high net profit of ₹1.98 lakh crore in fiscal 2025–26, marking the fourth straight year of profitability. The improved performance demonstrates the resilience, stability and enhanced institutional capacity of PSBs in supporting the credit needs of a fast-growing Indian economy. The annualised return on assets (RoA) and return on equity (RoE) stood at 1.33 per cent. and 13.06 per cent. respectively in March 2026.

Asset quality

SCBs continued to record improvement in their asset quality, with the gross NPA ratio and net NPA ratio declining to multi-decadal lows of 1.73 per cent. and 0.40 per cent., respectively.

Recent Structural Reforms

Prudential Framework for Resolution of Stressed Assets

The RBI issued the master circular on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning Pertaining to Advances' on 1 April 2025, which *inter alia* consolidated the erstwhile circular on 'Prudential Framework for Resolution of Stressed Assets', dated 7 June 2019.

On 28 November 2025, RBI had released the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. The aforesaid directions lay down the consolidated regulatory treatment relating to timely recognition and disciplined resolution of stressed advances, with asset-classification and provisioning consequences where accounts are not resolved in accordance with the prescribed framework. The following provisions apply to all commercial banks.

Purpose:

(a) These directions were issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets; and

(b) These directions were issued without prejudice to issuance of specific directions, from time to time, by the Reserve Bank 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 Insolvency and Bankruptcy Code, 2016 (the "**IBC**").

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 provisions 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 per cent.
365 days from the commencement of review period	15 per cent. (i.e. total additional provisioning of 35 per cent.)

As per the (Commercial Banks — Resolution of Stressed Assets) Directions, 2025 read with RBI (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025, in the event of a default by a borrower, all lenders to the borrower would put in place a resolution plan within 30 days of such default ("**Review Period**"). During this Review Period, the lenders would decide on a resolution strategy, which includes sale of loan, legal action for debt recovery, immediate referral to the National Company Law Tribunal ("**NCLT**"), restructuring or change in ownership.

The resolution plan should be implemented within 180 days from the end of the review period. In the event a resolution plan is implemented, the lenders would enter into an inter creditor agreement ("**ICA**") during the Review Period. The ICA shall provide that any decision agreed by lenders representing 75 per cent. by value of total outstanding credit facilities (fund based as well non-fund based) and 60 per cent. of the lenders by number shall be binding upon all the lenders. In addition, the ICA would provide for rights and duties of majority lenders, duties and protection of rights of dissenting lenders and treatment of lenders with priority in cash flows and differential security interest.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code was introduced in 2016, with the aim to provide for the efficient and timely resolution of insolvency of all persons, including companies, partnership firms, limited liability partnerships and individuals. The recent amendments to the Insolvency and Bankruptcy Code introduce significant changes, including a creditor-initiated insolvency resolution process, personal insolvency, enabling frameworks for group and cross-border insolvency etc.

The recent amendments to the IBC pursuant to the Insolvency and Bankruptcy Code (Amendment) Act, 2026, which received Presidential assent on 6 April 2026, will come into force upon notification, which introduces

significant changes to the IBC, including a creditor initiated insolvency resolution process, enabling frameworks for group and cross-border insolvency.

The Government notified several provisions of the Insolvency and Bankruptcy Code (Amendment) Act, 2026 into force from 26 May 2026. (See "Supervision and Regulation - Insolvency and Bankruptcy Code" for more information.).

Interest 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 same had been extended to medium enterprises from 1 April 2020. 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. The aforementioned circulars/directions stand withdrawn, and their provisions were consolidated in the Reserve Bank of India (Commercial Banks - Interest Rates on Advances) Directions, 2025, with effect from 28 November 2025, as amended from time to time. A bank must now adopt a uniform external benchmark within a loan category; in other words, the adoption of multiple benchmarks by the same bank is not allowed within a loan category.

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. As of December 2025, the share of the external benchmark-based lending rate ("**EBLR**") linked loans in total outstanding floating rate loans of SCBs is at 65.4 per cent. and the share of Marginal Cost of Funds based Lending Rate ("**MCLR**") linked loans at 32.0 per cent. PSBs still have a significant proportion of their loans linked to the MCLR, while private banks extend a large part of their loans linked to EBLR. The bulk of the external benchmark-based loans use the policy repo rate as the benchmark.

The Banking Regulation (Amendment) Act, 2025

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 318 efficiency. Further, financial transparency has been prioritised. Additionally, the definition of "substantial interest" has been increased to Rs. 20 million (previously, Rs. 0.5 million). The 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.

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 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.

Acquisition Finance Framework by the RBI

Previously, 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.

With the aim of facilitating bank finance for strategic acquisitions by Indian listed entities, the RBI released the draft of the Reserve Bank of India (Commercial Banks—Capital Market Exposure) Directions, 2025 on 24 October 2025, seeking feedback from stakeholders. Subsequently, based on the feedback received in relation to the draft directions, the RBI issued the Reserve Bank of India (Commercial Banks—Credit Facilities) Amendment Directions, 2026, Reserve Bank of India (Commercial Banks—Concentration Risk Management) Amendment Directions, 2026, the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026, dated along with other related amendment directions, and further updated them pursuant to revised amendments dated 30 March 2026 (collectively, the "**CME Amendment Directions**"), which together propose to implement a revised framework governing capital market exposures and connected lending activities of commercial banks. The CME Amendment Directions came into effect on 1 July 2026

The CME Amendment Directions permit banks to finance acquisitions across sectors, subject to certain key requirements such as requirements that the acquisition must result in the acquisition of control of the target. Where financing is raised from a bank, such financing must be secured, and in the case of bridge financing, must not result in dilution of the security coverage prescribed under the CME Amendment Directions. Under the amended framework, banks are permitted to finance up to 75% of the acquisition value of equity shares or compulsorily convertible debentures of a target entity, where the objective is to secure long-term strategic control.

RBI Monetary Policy Report and Monetary Policy Committee discussion

The RBI issues an annual policy statement setting out its monetary policy stance and announcing various regulatory measures in April of every financial year. The Committee is responsible for inflation targets and monetary policy decisions. The first meeting of the Monetary Policy Committee was held in October 2016. The RBI issues half yearly Monetary Policy Statement setting out its monetary policy stance and announcing various regulatory measures. The MPC of the RBI is responsible for taking the important monetary policy decisions including, that of setting key policy rates. The MPC meets monthly. Key highlights of the Monetary Policy Report released in April 2026 and excerpts from the meeting conducted in June 2026 of the committee are provided below:

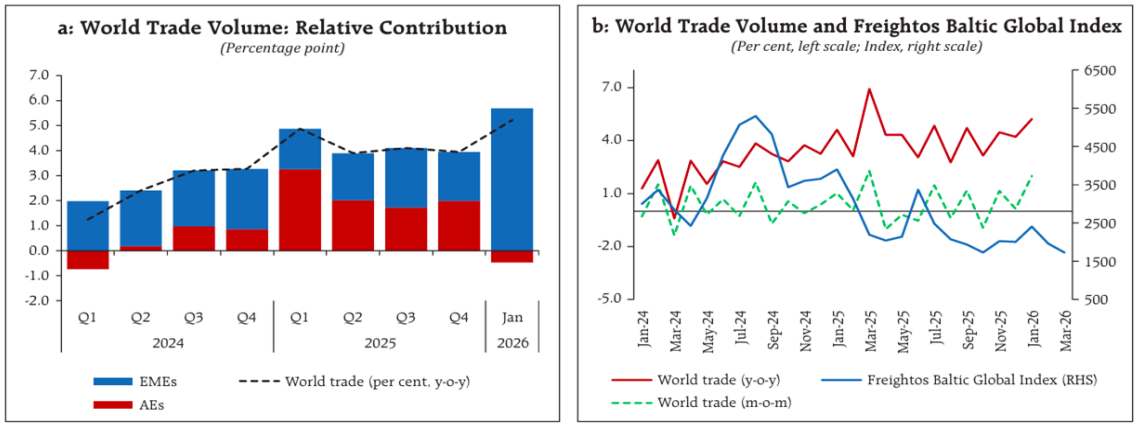
Economic Outlook:

In 2025, global growth remained resilient but below its historical average, with AI-driven investment and accommodative financial conditions somewhat offsetting tariff and geopolitical headwinds. Renewed inflation risks, driven by energy prices and volatile financial markets impart greater uncertainty to the global macroeconomic and financial outlook. Amidst heightened uncertainty and volatile capital flows, domestic financial markets fluctuated intermittently in the second half of 2025-26. System liquidity remained in surplus during second half of 2025-26. Money market rates evolved largely in sync with system liquidity and monetary policy actions. A combination of domestic and global cues hardened long-term government bond yields and rendered equity markets volatile. The depreciation pressures in INR accentuated at the tail end of 2025-26, breaching its previous record lows amidst concerns over West Asia conflict. While bank credit growth continued to improve and remained supportive of real economic activity, financing from non-bank sources also increased. Transmission of the policy rate to both lending and deposit rates continued in the second half and remained robust during the current easing cycle, albeit with some frictions.

In recent months, the combination of sustained credit demand and persistent gap between credit and deposit growth prompted banks to increase their term deposit rates, in addition to resource mobilisation through certificate of deposits, to bridge the funding gap. Domestic economic activity also remained resilient in the second half of 2025–26, primarily driven by private consumption, supported by both rural and urban demand, GST rate rationalisation and monetary easing. Structural reforms, favourable financial conditions and government's thrust on infrastructure spending aided investment activity. On the supply side, services remained buoyant, and manufacturing strengthened, although agricultural activity moderated due to weather disruptions. The underlying momentum in economic activity, buoyed by further progress on trade deals with major economies, bodes well for India's overall growth outlook.

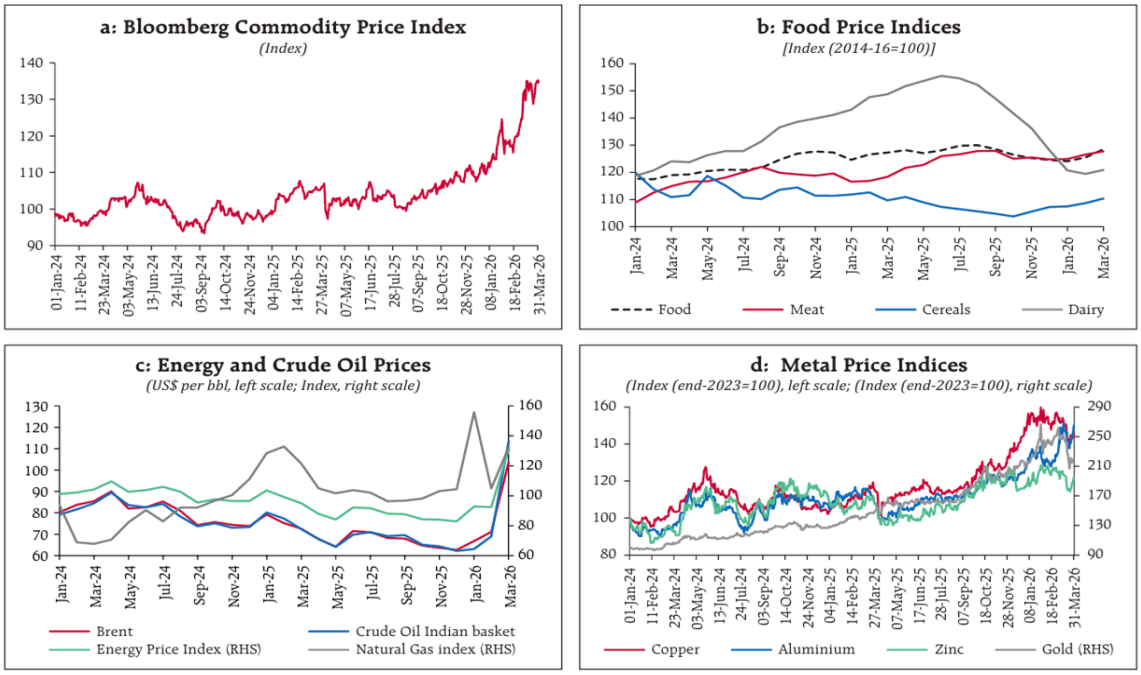
Global headwinds from geopolitical tensions, volatile commodity prices and supply-chain disruptions pose downside risks to the outlook. Specifically, intensification of the West Asia conflict could strain input supplies to various downstream sectors that may be growth inhibiting. Headline inflation in India increased from historical low levels seen in October 2025 but remained below the target thereafter. The pick-up in inflation was driven by the food group where the waning of base effects led to a turnaround from deflation. Fuel group inflation remained moderate and core inflation remained contained barring precious metals. Major methodological changes brought about by the introduction of the new series have significant implications for inflation, such as higher food group inflation and lower core. The realised cost conditions: input costs, wage costs, and margins showed no major pressures up to February 2026. Contribution of imported inflation, however, has been rising and imported input cost pressures have accentuated in March. The impact of conflict-driven spikes in global energy prices is also likely through multiple channels. Going forward, India's macroeconomic outlook remains resilient despite elevated geopolitical tensions and lingering global trade frictions. Strong fundamentals, including sustained growth, low inflation, and fiscal consolidation, provides India the wherewithal to withstand the adverse impact of heightened global uncertainties. The surge in global crude oil prices since the West Asia conflict, exacerbated by significant supply disruptions, have tilted risks to inflation on the upside and growth on the downside, which have been communicated through asymmetric fan charts, scenario, and sensitivity analysis. In navigating through these turbulent times, monetary policy in India will continue to focus on reinforcing price stability while remaining growth supportive.

Chart I.2: World Trade Volume



Sources: CPB Netherlands; and RBI staff calculations.

Chart I.3: Commodity Prices



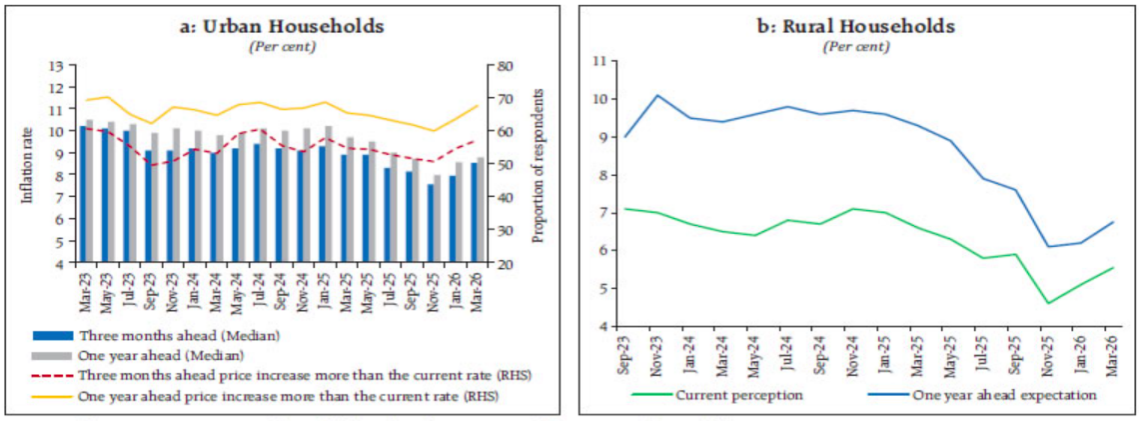
Sources: Food and Agriculture Organisation; World Bank; Bloomberg; and Petroleum Planning and Analysis Cell, Ministry of Petroleum & Natural Gas, Government of India.

Inflation Outlook

Domestic headline inflation picked up to 3.2 per cent in February 2026 on account of food and beverages. Core (excluding food and fuel) inflation was steady at 3.7 per cent. However, the impact of the conflict on the cost and availability of key commodities has emerged as the primary risk to inflation at the current juncture. Energy prices have risen to levels that were last seen during the 2022 Russia-Ukraine war, and the costs of many other commodities have gone up on account of increased freight and insurance costs. Apart from exerting significant upward pressure on domestic retail prices, they also feed into input costs for a number of products, which risks the emergence of cost-push inflation. Supply shortages in critical inputs such as fertilisers, which, if prolonged, could lead to a further increase in the cost of production, exacerbating the inflation outlook. Urban households' inflation expectations for the next three months ahead rose by 60 bps to 8.5 per cent whereas one year ahead witnessed a modest rise of 20 bps to 8.8 per cent in the latest survey round (March 2026) of the RBI's bi-monthly households survey. For the second consecutive round, the shares of respondents anticipating rise in inflation has increased for both the near term and the year ahead (Chart V.2a). Additionally, according to the

RBI's recent bi-monthly Rural Consumer Confidence Survey, the current perception of annual inflation of rural and semi-urban households increased by 50 basis points (bps) to 5.6 per cent in March 2026 as compared with the previous round.

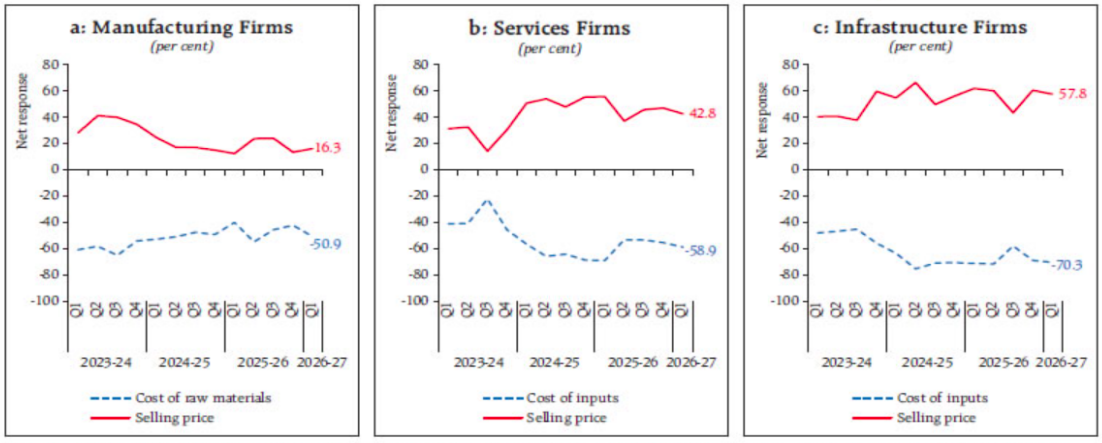
Chart V.2: Inflation Expectations of Households



Sources: Inflation Expectations Survey of Households; and Rural Consumer Confidence Survey of Households, RBI.

Moreover, their one-year ahead expectations also rose by 60 bps to 6.8 per cent (Chart V.2b). Manufacturing firms surveyed in the January-March 2026 round of the RBI's quarterly Industrial Outlook Survey expect rising pressures from cost of raw materials in Q1:2026-27. Growth in selling prices is also expected to rise relative to the previous quarter (Chart V.3a). Services and infrastructure firms anticipate rising input cost pressures but lower growth in selling prices in Q1:2026-27 vis-a-vis previous quarter (Chart V.3b and V.3c).

Chart V.3: Expectations about Cost of Raw Materials/Inputs and Selling Prices



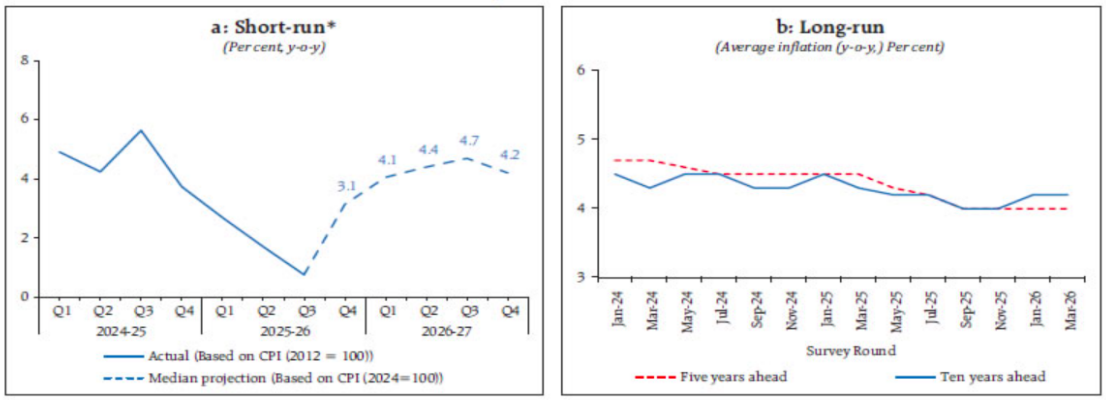
Note: Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100.
Sources: Industrial Outlook Survey; and Services and Infratructure Outlook Survey, RBI.

Professional forecasters surveyed by the RBI in March 2026 projected CPI inflation to be at 3.1 per cent in Q4:2025-26. It is expected to increase gradually to 4.1 per cent in Q1:2026-27, to 4.4 per cent in Q2 and further to 4.7 per cent in Q3 before moderating to 4.2 per cent in Q4:2026-27 (Chart V.4a and Table V.3). CPI inflation, excluding food and beverages, pan, tobacco and intoxicants, and fuel and light, is expected at 3.5 per cent in Q4:2025-26 and thereafter, remain around 4.0-4.3 per cent till Q4:2026-27. Long-run inflation expectations of professional forecasters – measured by their five- and ten-year horizons – is at 4.0 per cent and 4.2 per cent, respectively, in the current round (Chart V.4 b).

Considering the initial conditions, signals from forward-looking surveys and estimates from time-series and structural models, CPI inflation is projected to average 4.6 per cent in 2026-27 - with 4.0 per cent in Q1; 4.4

per cent in Q2; 5.2 per cent in Q3 and 4.7 per cent in Q4, with risks tilted towards the upside. The 50 per cent and the 70 per cent confidence intervals for headline inflation in Q4:2026-27 are 3.6- 7.9 per cent and 3.0-9.6 per cent, respectively (Chart V.5 and Table V.3). Assuming a normal monsoon and no further exogenous or policy shocks, structural model estimates indicate that inflation will average 4.6 per cent in 2027-28. The 50 per cent and the 70 per cent confidence intervals for headline inflation in Q4:2027-28 are 3.4-8.2 per cent and 2.7-10.0 per cent, respectively. Taking into account uncertainty in global macroeconomic conditions, headline inflation is projected to average 5.0 per cent in 2026-27 and 5.1 per cent in 2027-28, based on the assumption of higher crude oil prices than the baseline (Table V.3).

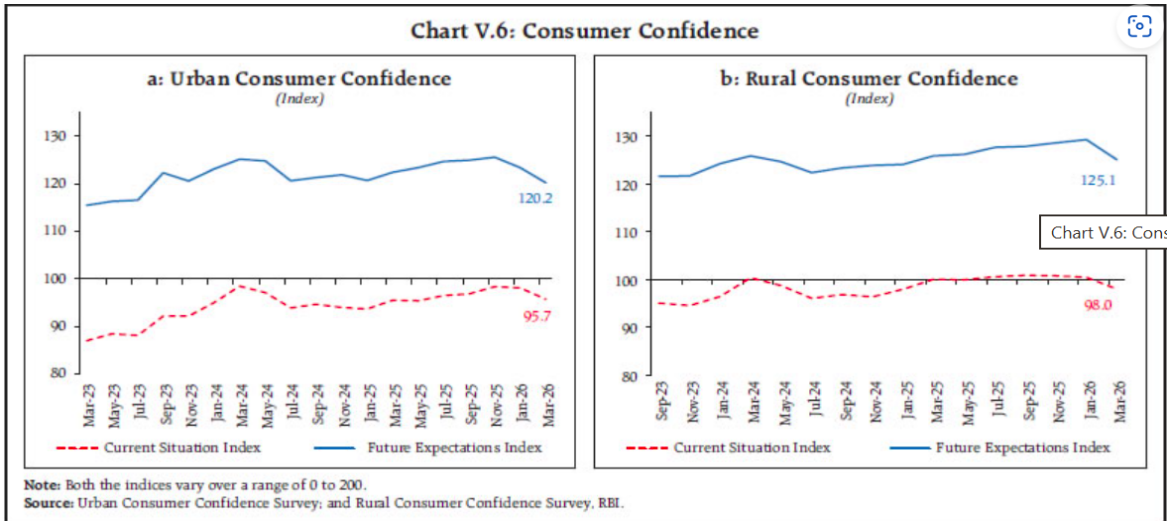
Chart V.4: CPI Inflation Expectations of Professional Forecasters



*: Five quarters ahead expectations in March 2026.
Sources: Survey of Professional Forecasters, RBI; and National Statistics Office.

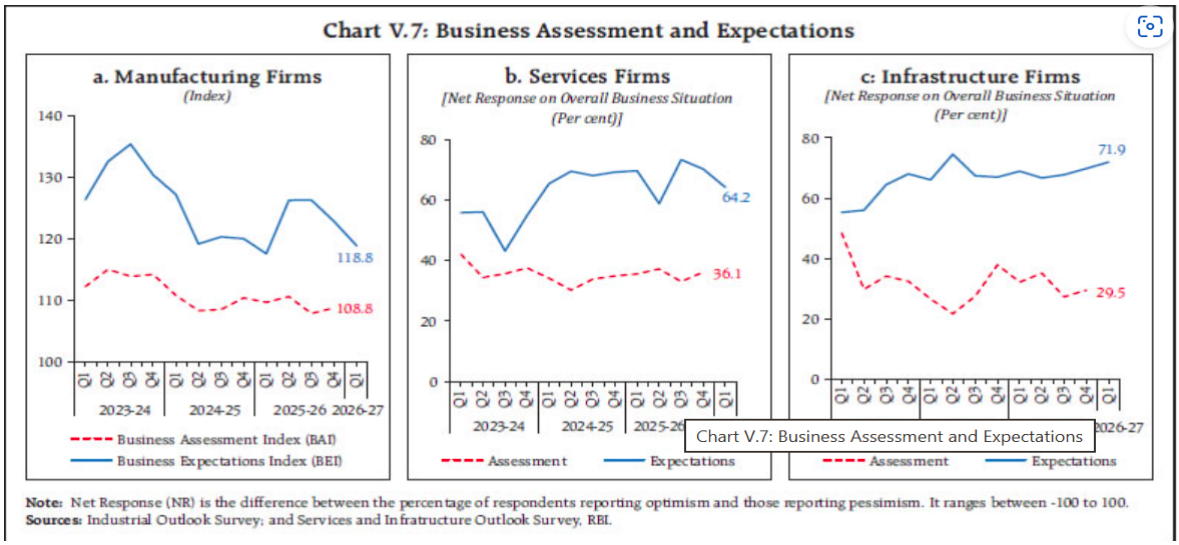
Growth Outlook

Domestic economic activity remains resilient supported by private consumption and fixed investment. High-capacity utilisation, robust bank credit growth, conducive financial conditions, and the government's continued emphasis on infrastructure are expected to stimulate investment activity. Moreover, several measures announced in the Union Budget 2026-27 are also growth supportive. However, spillovers from the ongoing West Asia conflict along with volatility in international financial markets and trade dynamics, pose downside risks to the growth outlook. Forward-looking surveys offer additional insights. The bi-monthly consumer confidence (current situation index) for urban households deteriorated further into the pessimistic zone in March 2026 vis-à-vis the previous round. Consumer confidence of rural households also declined in March 2026 survey round, moving into pessimistic zone following six consecutive rounds of relative stability around the neutral level (Chart V.6). Consumers' optimism for the year ahead, measured by the future expectations index, remained in optimistic territory; however, it declined for both urban and rural households in the recent survey round, driven mainly by lower expectations across most survey parameters (Chart V.6).



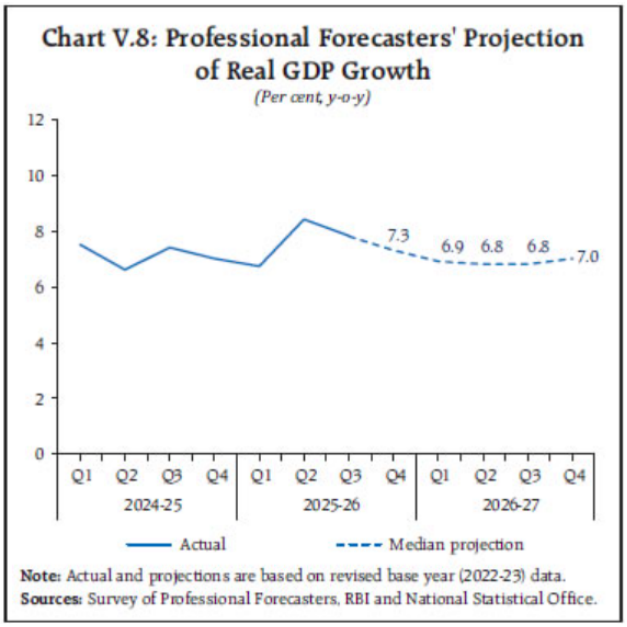
Note: Both the indices vary over a range of 0 to 200.
Source: Urban Consumer Confidence Survey; and Rural Consumer Confidence Survey, RBI.

In the RBI's quarterly industrial outlook survey of January-March 2026, manufacturing firms continued to stay optimistic about their business conditions (BAI/BEI) albeit with some moderation (Chart V.7a). The services and infrastructure companies also continue to remain optimistic on overall business situation in Q1:2026-27 (Charts V.7b and V.7c).

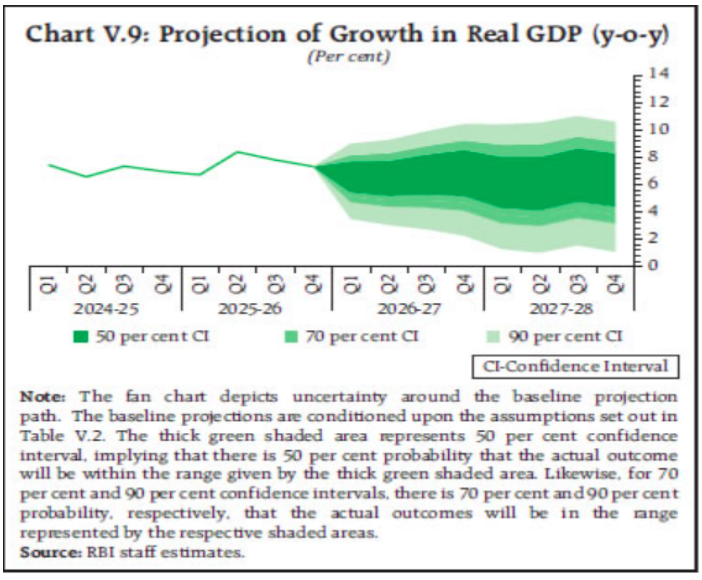


Note: Net Response (NR) is the difference between the percentage of respondents reporting optimism and those reporting pessimism. It ranges between -100 to 100.
Sources: Industrial Outlook Survey; and Services and Infratructure Outlook Survey, RBI.

Professional forecasters polled in March 2026 round of the Reserve Bank's survey projected real GDP growth at 7.3 per cent during Q4:2025-26. Growth is expected to be in the range of 6.8-7.0 per cent during the subsequent four quarters (Chart V.8).



As per the new GDP series (base year 2022–23), real GDP growth stood at 7.8 per cent in Q3:2025–26 as against 8.4 per cent in Q2:2025–26, reflecting sustained resilience in domestic economic activity supported by private consumption and robust fixed investment. Considering the baseline assumptions, survey indicators and model forecasts, real GDP growth is projected at 6.9 per cent in 2026-27 with 6.8 per cent in Q1; 6.7 per cent in Q2; 7.0 per cent in Q3 and 7.2 per cent in Q4 – with risks tilted towards the downside around this baseline path (Chart V.9 and Table V.3). Assuming a normal monsoon and no major exogenous or policy shocks, structural model forecast for 2027-28 indicate real GDP growth at 6.6 per cent. Under the scenario of higher crude oil prices than the baseline, real GDP growth is projected at 6.7 per cent and 6.4 per cent for 2026-27 and 2027-28 respectively (Table V.3).



There are upside and downside risks to the baseline growth trajectory. Upside risks emanate from improving corporate performance, an accelerated revival in private investment, and quick resolution of the West Asia conflict. On the downside, spillovers from prolonged geopolitical conflict, volatility in global financial markets, shifting trade patterns, and climate-related shocks pose risks to the baseline growth path.

Monetary Policy Statement for meeting from 3 to 5 June 2026

After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted unanimously to decide the following:

- The policy repo rate under the liquidity adjustment facility stands unchanged at 5.25 per cent.
- Consequently, the standing deposit facility rate remains at 5.00 per cent and the marginal standing facility rate and the RBI Bank Rate remain at 5.50 per cent.

CPI inflation remains below the target despite the global shock as the passthrough to domestic prices has been limited. Although risks of higher inflation have amplified, the MPC felt it would be prudent to wait for greater clarity to emerge. Accordingly, the MPC voted to keep the policy rate unchanged. At the same time, the MPC will continue to remain data dependent and closely monitor the developments, including supply side pressures getting embedded in the general price level and inflation expectations. The MPC also decided to retain the neutral stance.

Minutes of the RBI's Monetary Policy Committee Meeting, held between 3 to 5 August 2026

The 62nd meeting of the MPC, constituted under Section 45ZB of the Reserve Bank of India Act, 1934, was held during 3 to 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 nominated by the Central Board under Section 45ZB(2)(c) of the Reserve Bank of India Act, 1934).

According to Section 45ZL of the RBI Act, the RBI shall publish, on the fourteenth day after every meeting of the Monetary Policy Committee, the minutes of the proceedings of the meeting which shall include the following, namely: the resolution adopted at the meeting of the Monetary Policy Committee; the vote of each member of the Monetary Policy Committee, ascribed to such member, on the resolution adopted in the said meeting; and the statement of each member of the Monetary Policy Committee under sub-section (11) of section 45ZI on the resolution adopted in the said meeting.

In the light of evolving developments on the global and domestic front, the MPC reviewed in detail the staff's macroeconomic projections that included inputs from survey results and stakeholder consultations. The MPC also reviewed alternative scenarios around various risks to the outlook. 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 unchanged at 5.25 per cent. Consequently, the standing deposit facility rate remains at 5.00 per cent and the marginal standing facility (rate and the RBI bank rate remains at 5.50 per cent. The MPC also decided to continue with the neutral stance.

RBI's Financial Stability Report (FSR)

On 30 June 2026, the RBI released the 33rd issue of the FSR. Key Highlights of the FSR are as follows:

1. Despite repeated shocks, the global financial system has thus far since the last report, demonstrated notable resilience, with markets remaining orderly after an initial bout of volatility following the outbreak of the West Asia conflict.
2. Nevertheless, global financial stability risks remain elevated. Persistent supply chain uncertainties could tighten financial conditions and revive inflationary pressures. Meanwhile, elevated public debt, bond market fragilities, stretched asset valuations, and leveraged NBFIs remain key vulnerabilities that could amplify future shocks.

3. India's sound macroeconomic fundamentals in 2026 place it in a stronger position than many of its peers and provide greater resilience to external shocks than in past crisis episodes.
4. The balance of risks has turned favourable since the last report was published, supported by the interim peace deal and recent policy measures by the Government and the RBI aimed at strengthening capital inflows.
5. Domestic financial system remains resilient underpinned by strong bank and non-bank balance sheets. SCBs remain safe and sound, supported by strong capital and liquidity buffers, continued improvement in asset quality, and stable profitability.
6. Macro stress test results indicate that the banking system remains well-positioned to absorb potential shocks, with aggregate capital ratios projected to remain comfortably above regulatory thresholds even under hypothetical adverse scenarios.
7. NBFCs continue to remain financially sound, supported by strong capitalisation, healthy profitability, and improving asset quality.
8. The insurance sector continues to display balance sheet resilience with the solvency ratio of life insurers remaining above the minimum threshold.

Recent Developmental and Regulatory Policy Measures by the RBI

Set out below are various developmental and regulatory policy measures by RBI to *inter alia* improve the functioning of markets and market participants; measures to support exports and imports; efforts to further ease financial stress caused by global market disruptions by providing relief on debt servicing and improving access to working capital; and steps to ease financial constraints faced by state governments.

Liquidity measures by the RBI

- In view of the liquidity pressures arising mainly from volatile capital flows and an increase in currency in circulation during the year, the RBI undertook several liquidity augmenting measures including term repo, open market operations, long-term forex swaps and Cash Reserve Ratio ("**CRR**") reduction. The RBI reviewed the liquidity management framework against the backdrop of structural changes in the financial system, including 24×365 payment systems and 'Just-in-Time' fund releases for centrally sponsored schemes. The review retained the weighted average call rate as the operating target of monetary policy and the symmetric policy corridor of 50 bps around the policy repo rate. *(Source: RBI Annual Report, 2025-26)*
- The 14-day variable rate repo and reverse repo auctions were discontinued as the main liquidity management operations. Transient liquidity was sought to be managed primarily through variable rate repo and reverse repo auctions of 7-day and other tenors (from overnight to 14-days). *(Source: RBI Annual Report, 2025-26)*
- To ease potential liquidity stress, the CRR was reduced by 100 bps to 3.0 per cent of net demand and time liabilities in a staggered manner during September to November 2025. In line with the lower policy repo rate, short-term money market rates softened. *(Source: RBI Annual Report, 2025-26)*

Recent changes in the Financial Markets regulations

- The RBI, through its circular dated 8 June 2026, introduced a US Dollar-Rupee Forex Swap Facility for fresh Foreign Currency Non-Resident (Bank) (FCNR(B)) deposits mobilized by Authorised Dealer Category-I banks. The facility applies to deposits raised between the date of the circular and 30 September 2026, with tenors ranging from three to five years, and will remain available until 16 October

2026. Banks may mobilize deposits in any freely convertible currency, though swaps with RBI will be conducted only in US Dollars. The swap tenor must match the underlying deposit tenor, and transactions will be undertaken at par using the FBIL Reference Rate. Banks are required to maintain separate records, furnish declarations regarding compliance, and may access the facility once a week. While deposits are subject to a one-year lock-in period, swaps with RBI cannot be cancelled. The measure aims to facilitate FCNR(B) deposit mobilization and provide forex liquidity management support.

- The extant regulatory framework for Rupee interest rate derivative ("**IRD**") was reviewed and re-issued on 8 December 2025. This update reflects the evolving IRD market landscape, aligns with the financial system's risk management requirements, and aims to enhance transparency in the Rupee IRD market. To give a fillip to the market for municipal bonds, such bonds were notified as eligible collateral for repo transactions in consultation with the Government.

- The investment regime governing investment by foreign portfolio investors ("**FPIs**") in debt securities was recalibrated. The macro-prudential controls under the general route for FPI investments in corporate debt securities were reviewed, and the short-term investment limit and concentration limit were withdrawn. Surplus balances in special Rupee vostro accounts were permitted to be invested in central government securities (including treasury bills), non-convertible debentures/bonds and commercial papers. Further, with a view to ensuring predictability about the availability of investment limits under the voluntary retention route ("**VRR**") and to further enhance ease of doing business, it was decided that with effect from 1 April 2026, investments under the VRR shall be reckoned under the limit for FPI investments under the general route; and FPIs that have availed retention periods longer than the minimum retention period shall have the option of liquidating their portfolio, fully or partly, and exiting the VRR after the end of the minimum retention period.

- Considering the evolution of the microstructure of the money market with collateralised markets becoming the dominant segment, the secured overnight Rupee rate (SORR) - a benchmark based on secured money markets (basket repo and triparty repo (TREP)) - was authorised. Financial Benchmarks India Private Limited ("**FBIL**") commenced the publication of the SORR benchmark with effect from 7 July 2025.

- To further deepen the onshore forex market and encourage banks to quote rates directly in a larger set of currency pairs, FBIL was authorised to publish reference rates in the currencies of India's major trading partners. FBIL commenced the publication of additional reference rates with effect from 5 January 2026.

- With a view to ensure orderly market conditions and curbing excessive volatility and speculative positions, Authorised Dealers (ADs) were mandated to maintain their net open positions involving Rupee (NOP-INR) in the onshore deliverable market within US$100 million at the end of each business day, at the earliest but no later than 10 April 2026.

Developmental and regulatory policy measures relating to regulation and supervision

Ministry of Finance

- **Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026**

  The amendment, with effect from 2 May 2026, was issued to strengthen regulations governing foreign investment into India. The amendment clarifies that entities or individuals from countries sharing land borders with India, or where beneficial ownership lies with such countries, can invest only through the Government approval route. It also extends this requirement to any subsequent transfer of ownership that results in such beneficial ownership. Special provisions apply to investors from Pakistan, restricting

investment to permitted sectors under the Government route. The rules further define "beneficial ownership" with reference to the Prevention of Money Laundering Act and introduce detailed criteria for determining control.

- **Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2026**

  The amendment, with effect from 2 May 2026, revises foreign investment norms in the insurance sector. The amendment permits up to 100 per cent. foreign direct investment in Indian insurance companies and insurance intermediaries under the automatic route, subject to regulatory approval and compliance with the Insurance Act, 1938 and applicable IRDAI regulations. However, foreign investment in the Life Insurance Corporation of India remains capped at 20 per cent. under the automatic route. The rules impose governance conditions, including the requirement that key managerial personnel such as the chairperson, managing director or chief executive officer must include at least one resident Indian citizen. Additional compliance obligations include adherence to pricing guidelines, disclosure requirements and sector-specific regulations.

- **Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2026**

  The rules, with effect from 12 June 2026, expanded the scope of investment provisions previously applicable only to Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) to cover all individual persons resident outside India. The amendments permit such individuals to purchase, sell, and transfer equity instruments of listed Indian companies on a repatriation basis, subject to prescribed limits and conditions. Prior Government approval is mandated where investments or transfers result in ownership or control passing to entities or citizens of countries sharing a land border with India, or where beneficial ownership lies with such persons. The rules also prescribe divestment requirements where individual holdings exceed the prescribed threshold of 10 per cent., failing which the investment may be reclassified as FDI.

Reserve Bank of India

- **Withdrawal of Guidelines on Enhancing Credit Supply for Large Borrowers through Market Mechanism:** Earlier guidelines dated 25 August 2016 on enhancing credit supply for large borrowers were withdrawn with effect from 1 January 2026. Banks are mandated to have systems to monitor and address the risks emanating from their exposures to ultra-large borrowers who are excessively leveraged and have substantial borrowings from the banking system.

- **Foreign Exchange Management (Authorised Persons) Regulations, 2026:**

  The RBI has issued revised regulations governing authorised persons under the FEMA, with effect from 6 May 2026, consolidating and updating the existing framework for entities authorised to deal in foreign exchange. The regulations lay down the eligibility criteria, categories of authorisation, and the scope of permissible activities for various classes of authorised persons, including authorised dealers, money changers and payment aggregators handling cross-border transactions.

  These regulations rationalise the authorisation and renewal framework for authorised persons and extend the principal-agent model for delivery of foreign exchange facility while maintaining appropriate checks and balances.

- **Advertising, Marketing and Sales of Financial Products and Services by Regulated Entities (REs)**

  The RBI issued comprehensive instructions to regulated entities on advertising, marketing and sales of financial products and services. Comprehensive instructions on this subject to all commercial banks (other than Small Finance Banks, Payments Banks, Regional Rural Banks and Local Area Banks) have

been issued under the Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025, dated 15 June 2025, with effect from 1 January 2027.

- **Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents**

  Currently, different sets of instructions are applicable to different categories of Regulated Entities (REs) with respect to the engagement of recovery agents and conduct related aspects of loan recovery. It has now 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. Accordingly, the draft instructions in this regard shall be issued shortly for public consultation. The RBI issued revised draft Amendment Directions on 'Conduct of Regulated Entities in Recovery of Loans and Engagement of Recovery Agents' on 20 May 2026, incorporating stakeholder feedback on the initial draft released in February 2026, including provisions on technology-based recovery mechanisms, and invited further comments from regulated entities and the public until 31 May 2026.

- **Review of framework of Limiting Customer Liability in digital transactions**

  The extant instructions on limiting the liability of customers in unauthorised electronic banking transactions were issued in 2017, which deal with scenarios and timelines for zero/limited liability of a customer. In view of the rapid adoption of technology in the banking sector and payments systems since issuance of these instructions, the existing instructions have been reviewed. Specific instructions on this subject were revised in the Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025, by notification dated 24 June 2026, with effect from 1 January 2027. They cover other categories of fraudulent electronic banking transactions, reduce the time taken by banks to process complaints related to fraudulent electronic banking transactions, and introduce a compensation mechanism for small value fraudulent electronic banking transactions.

Insolvency and Bankruptcy Board of India (IBBI)

- **Passing of The Insolvency and Bankruptcy Code (Amendment) Act, 2026**

  The Insolvency and Bankruptcy Code (Amendment) Bill, 2026, was passed by the Lok Sabha and Rajya Sabha on 30 March 2026 and 1 April 2026, respectively. The Insolvency and Bankruptcy Code (Amendment) Act, 2026 received the President's assent on 6 April 2026. The Ministry of Corporate Affairs vide its notification dated 22 May 2026, has brought into force all the provisions of the amendment act with effect from 26 May 2026, except the provisions relating to group insolvency, cross border insolvency, creditor initiated insolvency resolution process, and insolvency and bankruptcy fund.

- **Amendment to Information Utilities Regulations:**

  The amendment, which came into effect on 3 June 2026, clarifies that where a record of default ("**RoD**") with an Information Utility ("**IU**") is submitted by a financial institution, it would be sufficient for the adjudicating authority to establish the existence of default. Accordingly, the terminology used in the IU Regulations has been aligned with the IBC, by replacing references to "financial creditor, which is a bank included in the second schedule of the RBI Act" with the broader term "financial institution" as defined under section 3(14) of the IBC. Further, the regulations have been amended to provide for issuance of a RoD in cases where: (i) the debtor confirms the information of default; or (ii) the debtor does not respond even after the prescribed reminders. The regulations have been amended to introduce a distinct informational output, namely "Information of Dispute", as a standardised output to capture cases where the debtor disputes the information of default.

The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated 8 April 2026) sets out various developmental and regulatory policy measures relating to (i) Regulations; (ii) Supervision; (iii) Payment Systems; and (iv) Financial Markets:

I. Regulations

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.

Review of Guidelines on Investment Fluctuation Reserve

Banks currently maintain Investment Fluctuation Reserve ("**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.

II. Supervision

Consolidation of Supervisory Instructions

The 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 9,000 existing regulatory circulars/guidelines into 238 function-wise Master Directions (MDs), 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 the RBI website for public comments.

III. Payment Systems

Simplifying the onboarding process of MSMEs in Trade Receivables Discounting System (TReDS)

With a view to facilitating timely access to working capital for MSMEs, guidelines for Trade Receivables Discounting System ("**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.

IV. Financial Markets

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., AIFIs, 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.

Guidelines on Liquidity Risk Management and Basel III Framework on Liquidity Standards

To address the deficiencies witnessed in liquidity risk management in the recent crisis and to strengthen liquidity risk management in banks, the Basel Committee on Banking Supervision ("**BCBS**") published "Principles for Sound Liquidity Risk Management and Supervision" in September 2008. This was followed by the publication of "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" in December 2010, i.e. the Basel III rules text on liquidity prescribing two minimum global regulatory standards, namely the liquidity coverage ratio and the net stable funding ratio for liquidity risk and a set of five monitoring tools.

In accordance with this, the RBI, being a member of the BCBS, released draft guidelines "Liquidity Risk Management and Basel III Framework on Liquidity Standards" in February 2012. The final guidelines on Basel III capital regulations were issued on 2 May 2012. The Basel III guidelines became effective 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 further consolidated by way of the Capital Adequacy Directions.

Compliance with Basel II and Basel III Requirements

In April 2011, the RBI issued guidelines to banks in relation to moving towards the "Advanced Measurement Approach" ("**AMA**") for computing capital for operational risk. According to the AMA guidelines, banks are required to submit their letter of intent to migrate to the AMA followed by a detailed application to the RBI for migrating to the advanced measurement approach. The Bank had submitted its letter of intent for migration to the AMA in September 2012. On the basis of the RBI's permission, the Bank had made its final application for moving to the AMA in September 2014. The RBI had undertaken an offsite and onsite assessment of the Bank's preparedness and had granted approval to the Bank to migrate to the AMA on a parallel run basis in June 2015.

The framework for computing capital for operational risk has since been revised and consolidated in the Capital Adequacy Directions. A bank shall compute the capital requirements for operational risk under the Basic Indicator Approach. The RBI shall review the capital requirements arrived at by the Basic Indicator Approach for general credibility, especially in relation to a bank's peers, and in the event that credibility is lacking, appropriate supervisory action under Pillar 2 shall be considered.

In April 2010 and March 2012, the RBI had issued guidelines relating to switching over to (i) the "Internal Model Approach" for computing capital for market risk and (ii) the "Internal Ratings-Based Approach" ("**IRB**") for computing capital for credit risk, respectively. The Basel Committee on Banking Supervision issued the final 'Basel III framework (Basel III: Finalising post-crisis reforms) in December 2017, with a view to ensuring prudent and credible calculation of risk-weighted assets for arriving at capital ratios for banks in a comparable and risk-sensitive manner. The framework has permitted two broad approaches for calculating risk-based capital requirements for credit risk, viz., the Standardised Approach and the IRB. The guidelines on approaches for computing capital for market and credit risk, have since been revised and consolidated within the Capital

Adequacy Directions. A bank shall follow the 'Standardized Approach' for computing the capital charge for credit risk.

Under Basel III, the total capital of a bank in India must be at least 9.00 per cent of risk weighted assets ("**RWAs**") (8.00 per cent as specified by the BCBS), Tier I capital must be at least 7.00 per cent of RWAs (6.00 per cent as specified by the BCBS) and Common Equity Tier I capital must be at least 5.50 per cent of RWAs (4.50 per cent as specified by the BCBS). Thus, within the minimum Tier 1 capital, AT1 capital can be admitted at a maximum of 1.5 per cent of RWAs.

In addition to the minimum requirements as indicated above, banks are required to maintain a capital conservation buffer ("**CCB**") in the form of common equity of 2.50 per cent of RWAs. Further, total capital with CCB has been fixed at 11.5 per cent of RWAs applicable as of November 2025. At a minimum, these disclosures shall be made on a quarter-end basis (i.e., as on 30 June, 30 September, 31 December and 31 March of a financial year), along with the figures of the prior three quarter-ends.

The Bank maintains a robust Internal Capital Adequacy Assessment Process ("**ICAAP**") policy, which is subject to annual review. The ICAAP document, which evaluates capital requirements under both normal and stressed conditions and assesses risks in accordance with both Pillar I and Pillar II of the regulatory framework, is presented to the Board on a semi-annual basis and is prepared on both a solo and consolidated basis at the group level.

The Bank has adopted the Standardized Approach for credit risk, the Standardized Duration Approach for market risk and the Basic Indicator Approach for operational risk for computation of risk weighted assets under the Basel III norms. The Bank also plans to migrate to advanced approaches for computation of risk weighted assets/capital charge for credit, market and operational risks, subject to regulatory approval. The Bank calculates capital and risk weighted assets under the Foundation Internal Ratings Based approach and reports the same to the RBI on a quarterly basis, and has submitted a formal letter of intent for adoption of the Advanced Internal Ratings Based approach for credit risk and the Internal Models Approach for market risk, in each case subject to regulatory approval.

With regard to market risk capital charge, the Bank currently follows the Standardized Duration Approach and has automated the computation of capital charge within its systems to ensure accuracy, consistency and real-time calculation in line with regulatory requirements. The Bank has also developed a Risk Adjusted Return on Capital framework, which provides a single scale for comparing the return on capital for a credit proposal against the risk perceived, to support credit decision-making and enable maximization of shareholder value.

The Bank calculates Expected Credit Loss ("**ECL**") under Indian Accounting Standard (Ind AS)-109 on a quarterly basis, with results submitted to the RBI in the prescribed proforma on a half-yearly basis. The Bank is in the process of automating its ECL calculation and reporting through a vendor-based solution, and continuously takes measures to comply with the phasing-in of capital and leverage ratio requirements under the Basel III guidelines as per the schedule prescribed by the RBI.

Developments in the Banking Sector

Expected Credit Loss Framework

The current incurred loss approach to provisioning results in delayed stress recognition, with potential amplification of procyclicality. In order to address these concerns, the RBI proposed migration of SCBs (excluding small finance banks, payments banks and regional rural banks) and AIFIs to an ECL based framework from 1 April 2027, with a five-year transitional arrangement to smoothen the capital impact. This will help strengthen risk management practices, improve pricing of credit, enhance transparency and comparability of banks' financial statements, and foster discipline in credit origination.

The final Reserve Bank of India (Commercial Banks - Asset Classification, Provisioning and Income Recognition) Directions, 2026, incorporating the ECL framework for provisioning, were issued on 27 April 2026. These Directions, effective from 1 April 2027, inter alia, provide for introduction of a staging framework for asset classification, adoption of a forward-looking provisioning approach and adoption of effective interest rate (EIR) method. These are intended to further strengthen credit risk management practices, improve comparability across regulated entities, and align the regulatory framework more closely with internationally accepted financial reporting principles. *(See "Supervision and Regulation" for transitional provisions.)*

Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 dated 16 February 2026

The RBI has issued the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 on 16 February 2026, which amend the Borrowing and Lending Regulations. It substantially revises the framework governing External Commercial Borrowings ("**ECBs**"). The revised regime consolidates eligibility, end-use, maturity, cost, security, refinancing, conversion and reporting requirements into a more structured framework, while introducing substantive changes to borrowing limits, strategic use of proceeds, and compliance obligations.

Thus, the amended ECB framework has been rationalised, *inter alia*, by expanding the universe of eligible borrowers and recognised lenders, linking borrowing limits with the borrower's financial strength and stipulation of uniform minimum average maturity period requirement. It also involves removal of cap on the cost of borrowing for ECB, liberalisation of the end-use restrictions and simplification of reporting requirements. The amended ECB framework also provides for an exhaustive list of prohibited end-uses. Any person resident in India (other than individuals), incorporated or established under a Central or State Act, qualifies as an eligible borrower, subject to sectoral permissions. Entities under restructuring or corporate insolvency resolution may raise ECB only if expressly permitted under the approved plan. The ECB Regulations prescribe a minimum average maturity period of three years for ECB. The stipulations in relation to hedging have been removed.

Foreign Exchange (Guarantees) Regulations, 2026, dated 10 January 2026

Through rationalisation of the FEMA guarantees framework, the universe of guarantees enabled under automatic route has been expanded. While the previous framework did not have any enabling provision for guarantees issued by a non-resident entity, primary conditions for a guarantee transaction between a principal debtor and a surety, under the rationalised regime, are that the underlying transaction should not be prohibited under FEMA, 1999, and the surety and the debtor, wherever their residential statuses are different, are eligible lender and borrower under the extant borrowing/lending framework. Further, a comprehensive reporting on a quarterly basis has been introduced for all guarantees – issued, modified and invoked.

Consolidation of Master Directions by the Department of Supervision, RBI

The RBI on 28 November 2025 issued around 244 master directions consolidating and segregating the applicable guidelines for each of the regulated entities, such as commercial banks, NBFCs, AIFIs and Asset Reconstruction Companies. Accordingly, it also withdrew around 9,445 circulars. The objective behind this exercise was to eliminate regulatory overlaps, curtail repetition and cross-referencing, and streamline the regulatory frameworks for the aforementioned regulated entities otherwise dispersed across multiple guidelines/directions.

Dynamic provisioning guidelines

At present, banks generally make two types of provisions; general provisions on standard assets and specific provisions on NPAs. Since the level of NPAs varies through the economic cycle, the resultant level of

specific provisions also behaves cyclically. Consequently, lower provisions during upturns and higher provisions during downturns have a pro-cyclical effect on the real economy.

The RBI, in its Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 dated 24 September 2021, has decided that, when the stressed loan is transferred to an Asset Reconstruction Company at a price below the Net Book Value ("**NBV**") at the time of transfer, lenders shall debit the shortfall to the profit and loss account for the year in which the transfer has taken place. Banks are permitted to use countercyclical or floating provisions for meeting any shortfall on transfer of stressed loan when the transfer is at a price below the NBV.

The RBI issued Master Direction on 16 January 2023 titled 'Master Direction - Acquisition and Holding of Shares or Voting Rights in Banking Companies, 2023' to provide the applicable shareholding ceilings in private sector banks to various categories of shareholders. The aforementioned directions were further consolidated by way of the Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025 dated 28 November 2025. As per the Directions:

i. Prior approval for acquisition:

- The Applicable Laws read with Section 12B of the Banking Regulation Act, 1949 mandate prior RBI approval to attain an aggregate holding of five percent or more ("**Major Shareholding**") in a banking company through the acquisition of shares or voting rights. Further, the RBI may impose certain conditions on the applicant and the concerned banking company while granting approval;
- If the total shareholding or voting rights falls below the Major Shareholding threshold at any time after the acquisition, fresh RBI approval will be required to attain Major Shareholding; and
- Further, persons (other than existing major shareholders) who are from FATF non-compliant jurisdictions are prohibited from acquiring Major Shareholding in banks.

ii. Limits on shareholding

- For non-promoters: 10.0 per cent. of the paid-up share capital or voting rights of the banking company in case of natural persons, non-financial institutions, financial institutions directly or indirectly connected with large industrial houses, and financial institutions that are owned to the extent of 50.0 per cent. or more or controlled by individuals. 15.0 per cent. of the paid-up share capital or voting rights of the banking company in case of financial institutions other than those mentioned above, supranational institutions, public sector undertakings and the Central or State Government;
- For promoters: 26.0 per cent. of the paid-up share capital or voting rights of the banking company after the completion of 15 years from commencement of business of the banking company. Prior to the completion of 15 years following the commencement of business, a higher percentage of shareholding may be allowed as part of the licensing conditions or the shareholding dilution plan approved by the RBI; and

- The RBI may allow shareholding higher than the limits prescribed above (with or without conditions) on a case-to-case basis depending on circumstances such as relinquishment by existing promoters, supervisory intervention, etc.

iii. Lock-in requirements

- Shareholding of 10.0 per cent. or more of the paid-up equity share capital of the banking company but less than 40.0 per cent. will remain under lock-in for five years from the date of completion of the acquisition;
- In case of shareholding of 40.0 per cent. or more of the paid-up equity share capital of the banking company, the lock-in mandated for the first five years will be applicable only on 40.0 per cent. of the paid-up equity share capital; and
- The locked-in shares cannot be encumbered in any manner.

iv. Reporting requirements

- Banking companies are mandated to furnish to the RBI the details of the issued and allotted shares within 14 days from the date of completion of the allotment process; and
- Banking companies are required to report the details of creation, invocation, and/or release of encumbrance of shares to the Department of Supervision, RBI, within 30 days from the date of the event.

Economic Survey- 2025- 2026

The Economic Survey 2025-26 ("**Survey**") places the financial services sector at the centre of India's growth–resilience trade-off, positioning it not merely as an intermediary of capital but as a strategic shock absorber in an increasingly volatile global environment. The Survey's core message is that India must "run a marathon and sprint at the same time" and has direct and layered implications for banks, NBFCs, insurers, asset managers and capital market institutions.

At a broad level, the Survey's positive assessment of growth, inflation control and balance-sheet health gives the financial sector room to expand. The structural reality is that India still relies on foreign capital to fund investment and imports. By linking the cost of capital to external imbalances rather than just policy rates, the Survey resets expectations for the sector. For financial institutions, this means lending, especially to infrastructure, manufacturing and MSMEs, will continue to carry a structural risk premium through credit enhancement measures such as refinance programmes with sectoral focus. As a result, growth will increasingly depend on smarter structuring guarantees, co-lending, blended finance and better risk sharing rather than simple balance-sheet expansion.

This macro framing flows directly into the Survey's discussion on monetary management and financial intermediation. While accommodative liquidity conditions and past rate cuts have improved credit flow, the Survey highlights that financial stability will increasingly rely on prudential discipline rather than headline policy easing. For banks and NBFCs, this signals a shift away from aggressive loan growth towards more disciplined underwriting. Asset quality, stress testing and provisioning are no longer defensive tools but competitive advantages and the need of the hour. Institutions that price risk well and manage cycles better will be the ones that grow sustainably.

The Survey notes that despite strong services exports and remittance inflows, India's inability to generate sustained merchandise trade surpluses keeps the rupee vulnerable during periods of global risk aversion. For the financial services sector, this translates into heightened foreign exchange risk, episodic capital flow volatility, and the need for robust asset-liability management. Banks and asset managers are therefore pushed to deepen

hedging markets, expand foreign currency financing solutions, and strengthen offshore financial intermediation, particularly through platforms such as GIFT City, which the Survey highlights as a strategic interface with global capital.

The Survey also stresses global uncertainty like geopolitics, trade fragmentation and volatile capital flows. Even with strong domestic fundamentals, the rupee and financial markets remain exposed to shifts in global risk appetite, resulting in higher foreign exchange risk and more volatile capital flow. The Survey also explains the push toward strengthening domestic financial capacity so that India relies less on unpredictable foreign inflows and more on stable domestic savings, and capital markets, insurance and pensions come into sharper focus.

The Survey implicitly assigns domestic institutional investors a bigger role in stabilising markets and funding long-term growth. For asset management companies, insurers and pension funds, this means deeper responsibility in channelling household savings into productive assets, infrastructure and long-duration investments. The emphasis on a more calibrated, trust-based regulatory approach signals that financial institutions will be given more operational flexibility but also more accountability.

By treating digital public infrastructure as the foundational economic plumbing, the Survey reinforces its central role in financial services from payments and credit to data sharing and customer onboarding. At the same time, its caution around AI-driven risks sends a clear signal that innovation is encouraged, but it must be explainable, secure and well-governed. Financial institutions that use AI to improve efficiency, reduce fraud and expand access will gain an edge, but only if they can manage the accompanying operational and regulatory risks.

Thus, the Survey paints a clear picture of what is expected from the financial services sector going forward. Financial institutions are expected to allocate capital efficiently, manage volatility and support long-term national priorities. Those that can balance growth with resilience without relying on regulatory forbearance or short-term capital will define the next phase of India's financial sector. Additionally, the Union Budget 2026-27 charts a clear path for stronger financial markets. A high-level banking sector review, restructuring of key PSU NBFCs for greater scale and efficiency, and expanded portfolio investment limits reflect reforms aimed at stability, growth and investor confidence – the cornerstones of the Union Budget 2026-27.

Key Highlights of the Economic Survey are as follows:

- The global environment remains fragile, with growth holding up better than expected but risks elevated amid intensifying geopolitical tensions, trade fragmentation and financial vulnerabilities. The impact of these shocks may still surface with a lag. Against this backdrop, India's performance stands out.
- India's monetary and financial sectors have exhibited robust performance in fiscal 2026 (April to December 2025), underpinned by strategic policy actions and structural resilience across financial intermediation channels.
- As of 31 December 2025, the year-on-year growth in outstanding credit by SCBs increased to 14.5 per cent compared to 11.2 per cent in December 2024.
- India's first international financial services centre at GIFT City is creating an enabling ecosystem to attract and channel global capital.
- India's first International Financial Services Centre at GIFT City continues to attract global capital, complementing the resilience seen across the country's monetary and financial sectors.
- Banking sector performance – a significant improvement has been observed in the asset quality of scheduled commercial banks (SCBs), as evidenced by their gross NPA ratio standing at 2.2 per cent. in

September 2025 and net NPA ratio at 0.5 per cent. in September 2025, having reached a multi-decadal low level and record low level, respectively.

- Outlook for the banking sector – the systemic rise in regulatory quality has received international validation through the Financial Sector Assessment Program conducted jointly by the IMF and World Bank in 2025. Both reports noted an increasingly resilient, diversified and inclusive financial system, with total financial sector assets at nearly 187.0 per cent of GDP in CY 2024 and capital markets expanding from 144.0 per cent of GDP in CY 2017 to 175.0 per cent in CY 2024. The assessments found that banks and NBFCs possess adequate capital buffers even under severe stress scenarios

SUPERVISION AND REGULATION

The following description is a summary of certain sector specific laws, guidelines and regulations in India, as prescribed by the Government and other regulatory bodies, which are applicable to the Bank. The regulations summarised below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for any professional legal advice.

The information detailed in this section has been obtained from publications and press releases available in the public domain as of the date of the Offering Circular. The laws, regulations and guidelines set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice or a detailed of the relevant laws, regulations and guidelines.

For purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Investors should carefully consider the information described below, together with the information set out in other sections of this Offering Circular including the financial statements before making an investment decision relating to the Notes.

Regulatory framework governing the banking sector in which the Bank operates

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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the "**SARFAESI Act**"), the IBC and the Bankers' Books Evidence Act, 1891. 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**"). 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.

Compliance with regulatory requirements is assessed by reference to financial statements prepared under Indian GAAP. In April 2026, the Reserve Bank of India issued two key regulatory instruments — the Reserve Bank of India (Commercial Banks - Asset Classification, Provisioning and Income Recognition) Directions, 2026 and the Reserve Bank of India (Commercial Banks — Capital Charge for Credit Risk — Standardized Approach) Direction, 2026 — each effective from 1 April 2027. The Bank is also subject to regulation by various other regulators, including SEBI and the RBI.

The Bank is India's second largest state-owned international banking and financial services banking company.

Statutory framework governing the Bank

The Bank is a body corporate (nationalised bank) constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, as amended from time to time ("**Banks Nationalisation Act**"). The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended from time to time (the "**Nationalised Banks Scheme**"), prescribes the framework for the management, board constitution, and operational governance of the nationalised banks constituted under the Banks Nationalisation Act.

The Banks Nationalisation Act was enacted following the Supreme Court of India's declaration on 10 February 1970, that the earlier Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969 was void. This earlier act had initially nationalized major Indian scheduled banks, but the Court's judgment reverted their undertakings back to the banks. To resume control, the President promulgated the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, which was later replaced by the Banks Nationalisation Act. The Act retroactively applied from 19th July 1969, the date of the original acquisition, except section 21.

With the enactment of the Banks Nationalisation Act, existing banking companies were acquired, and fourteen new banks were established as nationalised banks under Schedule I. Initially, the entire capital of the nationalised banks was held by the Government, but through an amendment in 1994 to the Banks Nationalisation Act, the Government reduced its stake in the nationalised banks by issuing shares to the public. However, under Section 3(2-B)(c) of the Banks Nationalisation Act, the Government 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

While the primary legislation governing commercial banks in India is the Banking Regulation Act and some of these provisions are applicable to the Bank, the Bank is mainly governed by the provisions of the Banks Nationalisation Act and the Nationalised Banks Scheme. The provisions of the Banking Regulation Act apply in addition to the Banks Nationalisation Act and the Nationalised Banks Scheme and any other law in force. As the Bank was constituted under the Banks Nationalisation Act and the Nationalised Banks Scheme, the provisions of the Companies Act are inapplicable. In particular, 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 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 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 company. 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 Nationalised Banks (Management and Miscellaneous Provisions) Amendment Scheme, 2022 amended the Nationalised Banks Scheme by, among other matters, omitting the provisions relating to the Banks' Board Bureau and amending the tenure of whole-time Directors, including the Managing Director. The amended Scheme provides for an initial term of up to five years, extendable to an aggregate period of up to 10 years, as specified by the Central Government after consultation with the RBI, with eligibility for re-appointment.

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 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 Regulation (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" has been increased to INR 2 crore (previously, INR 5 lakhs).

Public sector banks (PSBs) are now permitted to transfer unclaimed shares, interest, and bond redemption amounts to the Investor Education and Protection Fund (IEPF), bringing them in line with practices followed by companies under the Companies Act, 2013. The amendments also empower PSBs to offer remuneration to statutory auditors, facilitating the engagement of high-quality audit professionals and enhancing audit standards. Further, rules regarding nominations in lockers were revised. The amendments to the Reserve Bank of India Act redefine the term "fortnight" and omit certain sub-sections, with the objective of aligning reporting periods and ensuring consistency in reporting by banks to the Reserve Bank of India. These changes are intended to streamline reporting processes and enhance regulatory oversight. These changes seek to strengthen investor protection and governance standards within public sector banks.

The Banking Regulation Act is also subject to significant revisions. The bill aims to redefine "substantial interest" and enhance the threshold for shareholding of a beneficial interest by an individual. Furthermore, it addresses the tenure of directors in co-operative banks and revises reporting dates, with the goal of easing services for depositors and their nominees and aligning reporting periods. These amendments are designed to enhance depositor protection and governance standards within the banking sector. The RBI Act and other RBI Regulations.

Further, the Banking Regulation (Companies) Amendment Rules, 2025 (notified on 10 December 2025 and with effect from 15 December 2025) and the RBI Scheduled Banks' (Amendment) Regulations, 2025 (notified 15 January 2026), aligns the relevant rules with the amended framework of the Banking Laws (Amendment) Act, 2025.

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, viz, (i) the demand and time liabilities, (ii) the total amount of legal tender notes held by it in India, (iii) the balances held by it at other banks in current account; (iv) the money at call and short notice in India; (v) its investments (at book value) in central and state government securities including treasury bills and treasury deposit receipts; (vi) the amount of advances in India; and (vii) the inland bills purchased and discounted in India and foreign bills purchased and discounted.

The Bank, being licensed by the RBI, 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.

Consolidation of master directions

The 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, on 28 November 2025, the RBI undertook a consolidation exercise, consolidating over 9000 existing regulatory circulars / guidelines into 238 master directions, specific to each category of regulated entity (e.g., commercial banks, non-banking financial companies, All India Financial Institutions, etc.). The regulations, directions, notifications and circulars issued by the RBI are amended and updated from time to time in keeping with various factors including but not limited to incorporating global best practices, keeping in line with governmental policies and developments in the global economic landscape, and elimination of regulatory redundancy.

In July 2026, the RBI further consolidated its supervisory framework for Commercial Banks through the issuance of consolidated supervisory directions, bringing together and rationalising supervisory requirements applicable to regulated entities. The Bank is accordingly subject to the RBI's applicable Directions, regulations, notifications and circulars, as amended or updated from time to time.

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**"). In terms of these provisions, banks cannot, without the prior approval of the RBI, open or change a place of business in India or abroad or change, other than within the same city, town or village, the location of the existing place of business. Before granting such permission, the RBI may require an inspection or otherwise of, (a) the financial condition and history of the banking company, (b) the general character of its management, (c) the adequacy of its capital structure and earning prospects, and (d) whether public interest will be served by the opening or, as the case may be, change of location of the existing place of business.

The RBI issued a liberalised branch authorisation policy in September 2005, as amended from time to time, under which the existing system of granting authorisations for opening individual branches from time to time will be replaced by a system of aggregated approvals on an annual basis. The updated and consolidated Master Circular dated 1 July 2015 on Area of Operation, Branch Authorisation Policy, Opening/Upgradation of Extension Counters, ATMs and Shifting/Splitting/Closure of Offices, defines the term "branch" to also include extension counters, off-site ATMs, mobile branches, satellite offices, controlling offices, administrative offices and service branches (back offices or processing centres) where banking transactions are undertaken. A call centre will not be treated as a "branch".

The medium-term framework and the specific proposals would cover the opening, closing, shifting, merger and conversion of all categories of branches. Banks are free to submit their Annual Branch Expansion Plan ("ABEP") any time during the year. Notwithstanding the above, banks may approach the RBI for any urgent proposals regarding the opening of branches, especially in under-banked areas (districts) anytime during the year, in addition to the authorisations granted under the annual plan, which would be considered on merit. Effective from 15 July 2011, banks were advised, in the preparation of their ABEP, to allocate at least 25.00 per cent. of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres. An unbanked rural centre would mean a rural (Tier 5 and Tier 6) centre that does not have a brick and mortar structure of any scheduled commercial bank for customer-based banking transactions.

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.

On 18 May 2017, the RBI issued a revision to the 'Rationalization of Branch Authorization Policy'. A significant change as per this circular is that in place of a branch, a banking outlet has been defined as follows:

- Banking Outlet – A 'Banking Outlet' for a domestic scheduled commercial bank, a Payment Bank or a Small Financial Bank (SFB) is a fixed point service delivery unit, manned by either the bank's staff or its Business Correspondent where services such as the acceptance of deposits, encashment of cheques/cash withdrawal or lending of money are provided for a minimum of 4 hours per day for at least five days a week.

- Part time Banking Outlets – Any fixed point service delivery unit of a bank which does not comply with the prescriptions regarding minimum working hours/days will be considered to be a 'part-time Banking Outlet'.

- The Branch Authorisation Directions clarified and expanded the definition of 'Banking Outlet' and 'Part-time Banking Outlet' as follows:

- 'Banking Outlet' is 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'.

These guidelines have now been consolidated in the current framework of regulation set out under the Branch Authorization Directions.

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 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. Regulatory capital is broadly classified into Tier 1 and Tier 2 capital, with Tier 1 capital having greater loss-absorption capacity. The Bank is also required to maintain, at both standalone and consolidated levels, a minimum Tier 1 capital ratio of 7.00%..

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.

Capital Adequacy Directions

The Basel III capital framework was historically consolidated through RBI master circulars, which were withdrawn with effect from 28 November 2025. The current capital adequacy framework applicable to the Bank is consolidated in the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, as amended from time to time (the "Capital Adequacy Directions").

Amendments to the Capital Adequacy Directions

The Capital Adequacy Directions were amended with effect from 1 January 2026 to remove the additional risk weight for incremental exposure beyond the Normally Permitted Lending Limit and, with effect from 9 January 2026, to revise risk-weighting requirements for claims on non-resident corporates and introduce specialised offshore rating mappings. Amendments in March 2026 addressed the inclusion of Counterparty Credit Risk ("CCR") exposures of consolidated entities in group-wide capital calculations and capital requirements relating to irrevocable payment commitments.

An amendment dated 27 April 2026, with relevant provisions effective from 1 April 2027, aligned the capital adequacy framework with the ECL-based asset classification and provisioning framework and revised the treatment of provisions for regulatory capital purposes. Further amendments effective 8 May and 18 May 2026 addressed the recognition of profits for CRAR purposes and excluded the discontinued Investment Fluctuation Reserve from Tier 2 capital.

In June 2026, the Capital Adequacy Directions were amended to prescribe risk weights for exposures to REITs (effective 1 October 2026) and exposures guaranteed under the ECLGS. An amendment dated 24 June 2026, with effect from 1 April 2027, also revised the methodology for calculating net open position ("NOP") and the corresponding capital charge for foreign exchange risk at standalone and consolidated levels, including the treatment of overseas operations, derivatives, gold and structural foreign currency positions.

Amendments to Pillar 3 Disclosures

The Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Seventh Amendment Directions, 2026, was issued on 30 July 2026 to amend Annex III: Pillar 3 disclosure requirements of the Capital Adequacy Directions for greater consistency with the Basel Pillar 3 disclosure requirements. Effective 1 April 2027, the amendments substitute specified references to disclosure tables and templates, revise provisions relating to the objectives, applicability, assurance, confidentiality, guiding principles, frequency, timing, regulatory disclosure section, presentation of disclosure requirements, and qualitative narrative for Pillar 3 disclosures, delete paragraph 242, substitute Annex III with a revised version, and replace the reference in paragraph 259(2) from "Table DF 11" to "Template CC1".

The amendments also prescribe that quarterly, semi-annual and annual Pillar 3 disclosures shall commence from the reporting periods ending 30 June 2027, 30 September 2027, and 31 March 2028, respectively. Banks are required to maintain a Regulatory Disclosure Section on their websites and comply with the revised disclosure framework.

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.

Pursuant to the Capital Adequacy Directions, the capital adequacy requirements applicable to the Bank are as follows:

Minimum capital ratios (as % of risk weighted assets)	**Requirement (in %)**
Minimum Common Equity Tier I Ratio (CET1)	5.5
Capital Conservation Buffer (CCB)	2.5
Maximum Additional Tier I Capital (with minimum Tier I capital ratio of 7%)	1.5
Minimum CET1 + CCB	8
Minimum Tier I Capital Ratio	7
Maximum Tier 2 Capital (with minimum total capital ratio of 9%)	2

Minimum Total Capital Ratio	9
Minimum Total Capital Ratio + CCB	11.5

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 (SRP) 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 aims 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 introduces a countercyclical capital buffer framework which requires banks to build up a buffer of capital in profitable periods which may be used to maintain flow of credit to the real sector in adverse periods. 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. The pre-specified trigger for loss absorption through conversion/write-down of AT1 instruments (Perpetual Non-Convertible Preference Shares and Perpetual Debt Instruments) remained unchanged since October 2021.

The latest 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 Capital Adequacy Directions.

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 Basel III guidelines, *inter alia*, establish common equity Tier I as a new tier of capital; impose a minimum CET1 risk-based capital ratio of 5.5 per cent. and a minimum Tier I risk-based capital ratio of 7.0 per cent. while retaining the minimum total risk-based capital ratio of 9.0 per cent.; require banks to maintain a CET1 capital conservation buffer of 2.5 per cent. of risk-weighted assets ("**RWAs**") above the minimum requirements to avoid restrictions on capital distributions and discretionary bonus payments; establish new eligibility criteria for capital instruments in each tier of regulatory capital; require more stringent adjustments to and deductions from regulatory capital; provide for more limited recognition of minority interests in the regulatory capital of a

consolidated banking group and impose a 4.5 per cent. Basel III leverage ratio of Tier I capital to exposure measure.

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 period of stress. The requirement is based on simple capital conservation rules designed to avoid breaches of minimum capital requirements. Therefore, in addition to the minimum total of 9.00 per cent. as indicated above, banks will be required to hold a capital conservation buffer of 2.50 per cent. of RWAs in the form of common equity to withstand future periods of stress bringing the total common equity requirement of 8.00 per cent. of RWAs and total capital of RWAs to 11.50 per cent.

Countercyclical Capital Buffer

A countercyclical capital buffer within a range of 0.00-2.50 per cent. of RWAs of the bank is required to be maintained. The purpose of a countercyclical capital buffer 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.

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-GDP gap (which will be used in conjunction with the GNPA growth).

Liquidity Coverage Ratio (LCR, FALLCR against credit disbursed to NBFCs and HFCs)

The Basel III framework on 'Liquidity Standard' includes 'Liquidity Coverage Ratio' ("**LCR**"), 'Net Stable Funding Ratio' and liquidity risk monitoring tools. The erstwhile instructions in this regard stand withdrawn as of 28 November 2025.

Presently, the concept of LCR is covered Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025, as amended from time to time ("**ALM Directions**"). The LCR promotes the short-term resilience of a bank by ensuing that it has sufficient high-quality liquid assets (HQLA) to survive a significant stress scenario lasting 30 calendar days. Under the LCR framework, a bank is required to maintain an adequate level of unencumbered HQLA that can be converted into cash to meet its liquidity needs for a 30 calendar days' time under a significantly severe liquidity stress scenario specified by the RBI. At a minimum, the stock of liquid assets should be sufficient to enable a bank to survive until day 30 of the stress scenario, by which time it is assumed that appropriate corrective action can be taken. The LCR will be used on an ongoing basis to help monitor and control liquidity risk. Banks are required to maintain an LCR of minimum 100 per cent (i.e., the stock of HQLA shall be at least equal to total net cash outflows) on an ongoing basis. As stock of unencumbered HQLA is intended to serve as a defense against the potential onset of liquidity stress, banks should strive to achieve a higher ratio than the minimum ratio prescribed as an effort towards better liquidity risk management. However, during a period of financial stress, banks have the option to use its stock of HQLA and thereby allowing LCR to fall below 100 per cent. In such a case, banks need to immediately report the shortfall to the RBI, including reasons for such usage and corrective steps initiated to rectify the situation.

The ALM Directions also include provisions on "net stable funding ratio" (NSFR). The objective of NFSR is to ensure that a bank maintains a stable funding profile in relation to the composition of its assets, to reduce the probability of erosion of its liquidity position due to disruptions in regular sources of funding, that would

increase the risk of its failure and potentially lead to broader systemic stress. As per the ALM Directions, the NSFR is required to be at least 100% on an ongoing basis.

Large Exposures Framework

Pursuant to the Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025 dated 28 November 2025 ("CRM Directions"), the 'Large Exposures Framework' shall be applied by a bank at the same level as the risk-based capital requirements, i.e., at two levels: (i) the consolidated (group) level, after consolidating the assets and liabilities of its subsidiaries/joint ventures/associates (including overseas operations through the bank's branches), excluding those engaged in insurance and any non-financial activities. The exposures of all entities within the banking group that are under the regulatory scope of consolidation shall be considered and the aggregate of such exposures shall be compared with the banking group's eligible consolidated capital base; and (ii) the solo level, at the standalone level also (including overseas operations through branches), which should measure exposures to a counterparty based on the bank's standalone capital strength and risk profile.

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 are as follows:

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 additional tier 1 capital.

Further, if a bank goes into liquidation before the additional tier 1 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 additional tier 1 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.

As per the Capital Adequacy Directions, 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 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 RBI's Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated 28 November 2025, as amended from time to time ("**IRACP 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, an asset, including a leased asset, becomes non-performing when it ceases to generate income for the Bank. An NPA is an asset in respect of which either the principal or interest remains overdue for more than 90 days.

The RBI guidelines stipulate the criteria for determining and classifying an NPA. 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 for more than 90 days;
- a bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
- a loan granted for short duration crops is treated as an NPA if the instalments of principal or interest thereon remain overdue for two crop seasons;
- a loan granted for long duration crops will be treated as an NPA if the instalments of principal or interest thereon remain overdue for one crop season;
- an amount received remains overdue for a period of 90 days in respect of other accounts;
- 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 dated 28 November 2025 and as updated from time to time; and
- 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.

Banks should classify an account as an NPA only if the interest imposed during any quarter is not fully repaid within 90 days from the end of the relevant quarter.

"Out-of-Order" Status

An account should be treated as "out-of-order" if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power. In cases where the outstanding balance in the principal operating account is less than the sanctioned limit or drawing power, and there are no credits continuously for 90 days as at the date of balance sheet of the Bank, or credits are not sufficient to cover the interest debited during the same period, these accounts should be treated as "out of order".

ASSET CLASSIFICATION

Under the RBI's Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated 28 November 2025 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, 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 loan classified as doubtful 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. 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.

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.

The RBI also has separate guidelines for restructured assets in terms of the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 dated 28 November 2025.

As per the RBI circular dated 17 April 2017, the RBI assesses compliance by banks with extant prudential norms on income recognition, asset classification and provisioning ("**IRACP**") as part of its supervisory processes. In order to ensure greater transparency and promote better discipline with respect to compliance with IRACP norms, it has been decided that banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by the RBI exceed 15 percent of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by the RBI exceed 15 per cent. of the published incremental Gross NPAs1 for the reference period, or both.

Banks are required to report credit information, including classification of an account as SMA to the Central Repository for Information on Large Credit ("**CRILC**") on all borrowers having aggregate exposure of Rs. 50 million and above. The CRILC-Main Report will now be required to be submitted on a monthly basis effective 1 April 2018. In addition, the lenders shall report to CRILC, all borrower entities in default (with aggregate exposure of Rs. 50 million and above), on a weekly basis, at the close of business every Friday, or the preceding working day if Friday is a holiday.

The RBI has specified that during the pendency of the application for restructuring of the advance, the usual asset classification norms continue to apply. The RBI, by way of its circular dated 14 September 2020 (titled 'Automation of Income Recognition, Asset Classification and Provisioning processes in banks'), stated that in order to ensure the completeness and integrity of the automated asset classification, provisioning calculation and income recognition processes, banks are required to upgrade their systems to conform to the guidelines dated 4 August 2011, issued by the RBI, in terms of which banks were advised, among others, to have appropriate information technology systems in place for identification of NPAs and generation of related data, both for regulatory reporting and bank's own record requirements.

Guidelines on Sale and Purchase of Non-Performing Assets

On 24 September 2021, the RBI released the Master Direction on Transfer of Loan Exposures, 2021 for providing guidelines relating to the sale of non-performing assets banks to securitisation companies, reconstruction companies, banks, non-financial banking companies and financial institutions. The same was 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 the sale of non-performing assets banks to securitisation companies, reconstruction companies, banks, non-financial banking companies and financial institutions.

Pursuant to the these directions, the board of directors must establish policies governing the transfer and acquisition of loan exposures, including stressed loans. A bank must ensure that, following a transfer of loan exposures, it retains no continuing involvement with the assets transferred and assumes no operational, legal or other risk in relation to them, and any transfer must effect a transfer of economic interest without recourse to the transferor. A loan transfer should result in immediate separation of the transferor from the risks and rewards associated with the loans to the extent that the economic interest has been transferred. The transferee(s) should have the unrestricted right to transfer or otherwise dispose of the loans free of any restraining condition to the extent of economic interest transferred to them.

Further, in 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 full sale consideration. The selling bank shall pursue staff accountability aspects as per existing instructions in respect of non-performing assets sold to other lenders. Purchases and sales of NPAs must be without recourse to the seller and on a cash basis, with full consideration being paid upfront. The bank acquiring stressed loans shall hold the acquired stressed loans in its books for a minimum period of six months before transferring to other lenders. Additionally, banks are generally prohibited from acquiring loans that had been transferred by other lenders as stressed loans in the previous six months. The asset cannot be sold back to the original seller.

The RBI issued the '*Commercial Banks – Transfer and Distribution of Credit Risk (Amendment) Directions, 2026*' on 27 April 2026, to refine the regulatory framework governing loan transfers and risk distribution. Effective from 1 April 2027, the amendments align loan recognition, measurement, and provisioning with the updated guidelines for asset classification, provisioning and income recognition (*See below "**ECL Framework"***). A new provision mandates that acquired loans be recognized and measured under the IRACP framework, ensuring consistency across banks. Stressed loans acquired by banks are now classified as purchased or originated credit-impaired (POCI) assets, with corresponding provisioning and disclosure requirements. Certain earlier provisions have been removed to streamline regulations.

TRANSITION TO THE EXPECTED CREDIT LOSS FRAMEWORK

The RBI has on 27 April 2026, published the Reserve Bank of India (Commercial Banks-Asset Classification, Provisioning and Income Recognition) Directions, 2026, which introduces the ECL framework for provisioning and income recognition, aligning with international best practices and is proposed to be applicable from 1 April 2027. The final guidelines have since been issued on 27 April 2026.

This marks a shift from the incurred-loss model to an ECL framework, and mandate a 3-stage asset classification, transition to Effective Interest Rate (EIR) methodology, strict IT automation rules, and robust model risk management. The management must initiate a comprehensive gap analysis, IT overhaul, and capitalization strategy to ensure full compliance.

On the date of transition to the ECL framework, i.e., 1 April 2027, banks are required to fairly value their entire loan portfolio, including all outstanding advances. For loans originated on or after 1 April 2027, a bank shall measure a financial asset, including a loan, at fair value plus or minus transaction costs that are directly attributable to the acquisition or origination of the financial asset. After initial recognition, a bank shall measure financial assets at amortised cost using the effective interest rate (EIR) method. A bank shall recognise loss allowance under the ECL framework using a "three stage" approach, based on changes in credit risk since initial recognition, and on whether the asset is credit-impaired at the reporting date.

The ECL framework requires that all loans outstanding as on 31 March 2027, shall be brought under the EIR regime no later than 31 March 2030. Banks shall ensure that the necessary adjustments arising out of transition to the EIR framework are duly recognized in their financial statements.

With a view to mitigating the impact of transition to the ECL Framework on regulatory capital and to providing banks with the time to rebuild their capital resources, the following transitional arrangement shall apply where the adoption of ECL results in increase in provisioning requirements:

(b) The transitional adjustment amount shall be the excess, if any, of the ECL required as on 1 April 2027, computed on the basis of the balance sheet position as on 31 March 2027, over the provisions held as per the extant norms as on 31 March 2027.

(c) This transition impact, if any, shall be adjusted against opening earnings as on 1 April 2027, and shall not be routed through profit and loss account.

(d) For the purpose of regulatory capital, a bank may, at its option, add back to CET-1 capital a fraction of the transitional adjustment amount, net of applicable taxes, during the transition period ending 31 March 2031, as per the table below. A bank may choose to complete such transition over a shorter period.

(e) The transitional adjustment amount included in CET1 capital during each year of the transition period shall also flow through, as appropriate, to Tier 1 capital and total capital, and consequently to measures derived therefrom, including the leverage ratio and large exposures limits. However, the transitional adjustment amount added back shall not be: (1) included in Tier 2 capital; (2) used to reduce exposure amounts under the standardised approach; and (3) used to reduce the total exposure measure for the purpose of the leverage ratio.

(f) Where the ECL required as on 1 April 2027, is lower than the provisions held under the extant IRACP norms as on 31 March 2027, banks may record the adjustment directly in retained earnings as on 1 April 2027, instead of routing the same through the profit and loss account.

(g) A bank should continue to calculate and maintain provisions as per the ECL framework from FY 2027-28 onwards, irrespective of whether it avails of the transitional arrangement under these directions.

(h) A bank shall make appropriate disclosures in their financial statements regarding: (1) whether the regulatory transitional arrangement has been applied; and (2) the impact of such arrangement on the bank's regulatory capital and leverage ratios, as compared with the bank's fully loaded capital and leverage ratios had such transitional arrangement not been applied.

RESOLUTION OF STRESSED ASSETS DIRECTIONS

On 8 June 2023, the RBI issued a regulatory framework for governing compromise settlements and technical write-offs which will be applicable to all Regulated Entities ("**RE**"). The framework requires the REs to have a board approved policy laying down the process to be followed when undertaking compromise settlements and technical write-offs. Among other things, the framework provides that:

- in case of compromise settlements, if the time for payment of the agreed settlement amount exceeds three months, then it shall be treated as restructuring in accordance with the "Prudential Framework on Resolution of Stressed Assets" dated 7 June 2019; and
- in case of partial technical write-offs, the prudential requirements in respect of residual exposure, including provisioning and asset classification, shall be with reference to the original exposure.

On 28 November 2025, the RBI released the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, with a view to providing 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 Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, dated 28 November 2025, the provisions are based on guidelines specific to the classification of the assets. 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 at 2.00 per cent.;

  (v) restructured advances – as stipulated in the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025; and

  (vi) all other loans and advances not included in (i), (ii), (iii), (iv) and (v) above at 0.40 per cent.

- ***Unsecured exposure***. Is defined as an exposure where the realisable value of security, as assessed by the Bank, approved valuers and the RBI's inspecting officers, is not more than 10.00 per cent., *ab initio*, of the outstanding exposure. "**Exposure**" shall include all funded and non-funded exposures (including underwriting and similar commitments). "**Security**" shall mean tangible security properly discharged to the bank and shall not include intangible securities such as guarantees and comfort letters.

- ***Sub-Standard Assets***. It means an asset, which has remained a non-performing asset (NPA) for a period less than or equal to twelve months. 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, unsecured exposures in respect of infrastructure loans classified as sub-standard, where certain safeguards such as escrow accounts are available, attract an additional provision of 5.0 per cent. (i.e., a total of 20.0 per cent. on the outstanding balance).

- ***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 may 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***. The entire asset should be written off. If, for any reason, an asset is allowed to remain in the books, 100.00 per cent. of the sum of the net investment should be provided for.

- ***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. For more information, see "*Structure of India's Banking Industry*".

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 Sub-section (1) of Section 19 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. 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 Commercial Banks – Credit Facilities Directions, 2025 and the Commercial Banks – Concentration Risk Management Directions, 2025 and implemented the proposal for permitting banks to fund acquisitions, which was effective from 1 April 2026 (or earlier, if banks choose to adopt them) (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.

That effective date was subsequently extended to 1 July 2026 by an update to the Acquisition Financing Amendments on 30 March 2026 ("**Updated Amendments**"). Historically, banks in India were largely precluded from lending to finance acquisition of shares, subject to limited exceptions, most notably for acquisitions in the infrastructure sector and for overseas acquisitions.

Pursuant to the Updated Amendments, banks have been permitted to extend finance for 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 acquisition value. Valuation must be independently determined in line with RBI's prescribed parameters. The acquiring company, or where the acquisition is routed through a subsidiary or SPV, the controlling acquiring company, must have a minimum net worth of Rs. 500 crore and must have been in net profit after taxes in each of the three immediately preceding consecutive financial years. Unlisted acquirers are additionally required to hold an investment-grade credit rating of BBB- or above from a recognised credit rating agency prior to disbursement.

In conjunction with the Updated Amendments, which substantially revise the existing Credit Facilities Directions, the Reserve Bank of India also issued the Reserve Bank of India (Commercial Banks — Concentration Risk Management) Amendment Directions, 2026, the Reserve Bank of India (Commercial Banks — Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026, and the Reserve Bank of

India (Commercial Banks — Financial Statements: Presentation and Disclosures) Third Amendment Directions, 2026, to rationalise and align norms on Capital Market Exposure ("CME"), capital adequacy, and presentation and disclosure of financial statements with the revised credit facilities framework. Taken together, these instruments establish a new framework for acquisition finance in India. They adopt a principle-based approach to capital market exposure, remove specific quantitative ceilings in favour of greater flexibility, raise lending limits in certain categories and put in place an enabling framework for financing of acquisitions.

Amendment to Concentration Risk Management Framework

The amendment, dated 30 March 2026, revises the regulatory framework governing Capital Market Exposures ("**CME**") of commercial banks. The amendment introduces an overall ceiling of 40% of a bank's eligible capital base for aggregate CME, within which direct capital market exposure is capped at 20% and acquisition finance is capped at 20%. The revised framework also specifies the exposures to be included in and excluded from CME, prescribes the manner of computation of such exposures and introduces limits on intra-day exposures. Further, certain acquisitions of shares pursuant to debt conversion during restructuring or under the corporate insolvency resolution process have been excluded from the prescribed CME limits, subject to continued compliance with Section 19(2) of the Banking Regulation Act, 1949. The amendments are intended to align the regulatory framework for capital market exposures with the revised framework governing credit facilities extended by commercial banks.

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 per cent. of the acquisition value. The valuation must be independently determined in line with RBI prescribed parameters. The balance 25 per cent. 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, following loans by 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

As per the Key Facts Statement ("**KFS**") for loans and advances dated 15 April 2024, to reduce information asymmetry on retail and MSME term loan products offered by regulated entities, such as banks and NBFCs, instructions on a KFS for loans and advances are harmonised. All new retail and MSME term loans sanctioned on or after 1 October 2024, including fresh loans to existing customers, must comply with these instructions and the KFS directions were further consolidated as per the Reserve Bank of India (Commercial Banks – Responsible Business Conduct) Directions, 2025. Some of the key instructions are as follows:

- regulated entities must provide a 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 three working days for loans having tenor of seven days or more, and a validity period of one working day for loans having tenor of less than seven 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 and the amortisation schedule of the loan over the loan tenor.

Circular – Fair Practices Code for Lenders – Charging of Interest

The RBI has issued the circular on Fair Practices Code for Lenders – Charging of Interest (Circular on Fair Practices) dated 29 April 2024. The Circular on Fair Practices is applicable to all REs. As per the Circular on Fair Practices, during the onsite examination of REs for the period ended 31 March 2023, the RBI came across instances of lenders resorting to certain unfair practices in charging of interest such as: (i) charging of interest from the date of sanction of loan or date of execution of loan agreement and not from the date of actual disbursement of the funds to the customer; and (ii) collecting one or more instalments in advance but reckoning the full loan amount for charging interest. The RBI further observed that wherever such practices have come to light, the RBI through its supervisory teams has advised Res to refund such excess interest and other charges to customers. The RBI has further instructed all REs to review their practices regarding mode of disbursal of loans, application of interest and other charges and to take corrective action to address the issues highlighted by the RBI.

The Reserve Bank of India (Commercial Banks – Responsible Business Conduct) Fourth Amendment Directions, 2026, dated 6 August 2026, introduce comprehensive requirements governing the recovery of loan dues and engagement of recovery agencies by commercial banks (other than Small Finance Banks, Payments Banks, Regional Rural Banks and Local Area Banks), effective from 1 January 2027. The amendment defines "recovery agency" and "recovery agent" and requires banks to maintain a detailed recovery policy covering escalation procedures, codes of conduct, handling of financial distress and due diligence of recovery agencies. Banks must verify the antecedents of recovery agents, ensure that agents are IIBF-certified, disclose updated details of engaged recovery agencies on their websites and notify borrowers/guarantors before or upon changes in the recovery agency. The amendment further strengthens borrower protection by requiring recording and preservation of recovery calls, restricting disclosure and misuse of borrower information, prohibiting harsh recovery practices, prescribing requirements for taking possession of securities, and regulating technology-based mechanisms used to restrict financed devices. Recovery agents and bank employees must maintain appropriate conduct and may generally contact or visit borrowers only between 8:00 a.m. and 7:00 p.m., while banks are required to establish grievance redressal mechanisms and provide compensation in specified circumstances

GUIDELINES RELATING TO USE OF RECOVERY AGENTS BY BANKS

The RBI issued guidelines governing the engagement of recovery agents by banks in April 2008, which have subsequently been consolidated under the Reserve Bank of India (Commercial Banks – Responsible Business Conduct) Directions, 2025, as updated on 1 July 2026. The RBI requires 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 required to communicate the details of recovery agents to borrowers and maintain an appropriate grievance redressal mechanism in relation to the recovery process. Banks are also required to ensure that recovery agents are appropriately trained to discharge their responsibilities with care and sensitivity.

REGULATIONS RELATING TO SALE OF ASSETS TO ASSET RECONSTRUCTION COMPANIES

The SARFAESI Act provides for the sale of financial assets by banks and financial institutions to asset reconstruction companies. The RBI has issued guidelines to banks by way of the same was consolidated under the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025 dated 28 November 2025 read with the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, on the process to be followed for the sale of financial assets to asset reconstruction companies.

These guidelines provide that a bank may sell financial assets to an asset reconstruction company provided the asset is an NPA. 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 "with 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. A bank may sell a standard asset only if the borrower has a consortium or multiple banking arrangement, and at least 75.00 per cent. by value of the total loans to the borrower are classified as non-performing and at least 75.00 per cent. by value of the banks and financial institutions in the consortium or multiple banking arrangement agree to the sale. The banks selling financial assets should 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.

Furthermore, 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. Whilst each bank is required to make its own assessment of the value offered in the sale before accepting or rejecting an offer for purchase of financial assets by an asset reconstruction company, in consortium or multiple banking arrangements where more than 75.00 per cent. by value of the banks or financial institutions accept the offer, the remaining banks or financial institutions are obliged to accept the offer. Consideration for the sale may be in the form of cash, bonds, debentures, security receipts or pass through certificates issued by the asset reconstruction company or trusts set up by it to acquire the financial assets. The bank is permitted to treat a pool of stressed loans acquired on a portfolio basis as a single asset in their books provided that the pool consists of homogeneous personal loans. Homogeneity should be assessed on the basis of common risk drivers, including similar risk factors and risk profiles. In all other cases, the stressed loans acquired shall be treated as separate assets for the purpose of prudential requirements such as asset classification, capital computation, income recognition etc.

The RBI has issued guidelines for the securitisation of standard assets dated 24 September 2021, updated on 5 December 2022 and as subsequently updated from time to time, most recently by way of the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025. The guidelines provide that for a transaction to be treated as a securitisation, a two-stage process must be followed. In the first stage, there should be pooling and transferring of assets to a bankruptcy remote special purpose vehicle ("**SPV**") and in the second stage, repackaging and selling of the security interests representing claims on incoming cash flows from the pool of assets to the third party investors should be effected. Furthermore, for enabling the transferred assets to be removed from the balance sheet of the seller in a securitisation structure, the isolation of assets or "true sale" from the seller or originator to the SPV is an essential prerequisite. Also, an arm's length relationship shall be maintained between the originator and seller and the SPV. Certain regulatory standards for capital adequacy, valuation, profit and loss on sale of assets, income recognition and provisioning for originators and service providers like credit enhancers, liquidity support providers, underwriters as well as investors and also the accounting treatment for securitisation transactions and disclosure standards have been prescribed. Quarterly reporting to the audit sub-committee of the board of directors by originating banks of the securitisation transactions has also been prescribed. Apart from banks, these guidelines are also applicable to financial institutions and non-banking finance companies.

The Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Amendment Directions, 2026, dated 27 April 2026, amend the existing Transfer and Distribution of Credit Risk Directions, 2025 and will come into force with effect from 1 April 2027. The amendment primarily introduces specific provisions relating to the accounting and prudential treatment of loans acquired by banks, including the treatment of stressed loans acquired by banks as Purchased or Originated Credit-Impaired ("POCI") financial assets. It further provides that, where a stressed loan is transferred to an Asset Reconstruction Company

("ARC") at a price below its net book value, the resulting shortfall is required to be debited to the bank's profit and loss account in the year of transfer. The amendment also aligns the treatment of acquired loans with the Reserve Bank of India (Commercial Banks – Asset Classification, Provisioning and Income Recognition) Directions, 2026, including requirements relating to recognition, measurement, provisioning and disclosures. Thus, the amendment primarily introduces a revised prudential and accounting framework for loans acquired or transferred by banks, rather than materially altering the existing mechanism for sale of financial assets to ARCs.

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. It also provides for establishment of ARCs regulated by the RBI to acquire assets from banks and financial institutions.

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.

On 25 January 2023, the RBI released a discussion paper titled 'Securitisation of Stressed Assets Framework'. The paper proposes to enable securitisation of NPAs through a special purpose entity, similar to the process of securitisation of standard assets. While currently, there is no corresponding mechanism for securitisation of NPAs through this route, the SARFAESI Act provides for the sale of NPAs through ARCs. Pursuant to this, a

draft framework for securitisation of stressed assets by way of this new route has been released by the RBI, on 09 April 2025, for comments ('Draft Framework'). The Draft Framework is proposed to supplement the specific areas covered under the SARFAESI Act by strengthening the mechanism for pooling and resolving stressed assets.

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.

Master Direction – Reserve Bank of India (Asset Reconstruction Companies ("ARCs")) Directions, 2024 ("Master Direction") dated 24 April 2024 as consolidated by the: (i) Reserve Bank of India (Asset Reconstruction Companies – Know Your Customer) Directions, 2025; (ii) Reserve Bank of India (Asset

Reconstruction Companies – Know Your Customer) Directions, 2025; (iii) Reserve Bank of India (Asset Reconstruction Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025; and (iv) Reserve Bank of India (Asset Reconstruction Companies – Treatment of Wilful Defaulters and Large Defaulters) Directions, 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**");
- 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 INR 300 crore and thereafter, on an ongoing basis;
- ARCs existing as on 11 October 2022, have been provided the following glide path to achieve the minimum required NOF of INR 300 crore: (i) Minimum required NOF on 11 October 2022: INR 100 crore; (ii) by 31 March 2024: INR 200 crore; and (iii) by 31 March 2026: INR 300 crore; 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 Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2020 dated 4 September 2020 and further consolidated by way of the Master Directions – Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 dated 28 November 2025, set out the broad policy in relation to priority sector lending.

The RBI also requires foreign banks to make loans to exporters at concessional rates of interest. This enables exporters to have access to an internationally competitive financing option. Pursuant to existing guidelines, 32.0 per cent. of the Adjusted Net Bank Credit ("**ANBC**") of a foreign bank whose number of branches is less than 20 is required to be in the form of export credit and not less than 8 per cent can be in any other priority sector. While for domestic banks, incremental export credit over the corresponding date of the preceding year, is up to 2 per cent. of ANBC or Credit Equivalent Amount of Off-Balance Sheet Exposure, whichever is higher, subject to a sanctioned limit of up to Rs. 500 million per borrower.

Lending to MSME Sector

Pursuant to the circular dated 9 February 2026, the RBI has updated the Master Direction (Lending to Micro, Small & Medium Enterprises Sector), dated 24 July 2017. Through the directions, new criteria for classification of micro, small and medium enterprises were stated. According to the directions, (i) a micro enterprise is where the investment in plant and machinery or equipment does not exceed ₹ 2.5 crore and turnover does not exceed ₹ 10 crore; (ii) a small enterprise is where the investment in plant and machinery or equipment does not exceed ₹ 25 crore and turnover does not exceed ₹ 100 crore; and (iii) a medium enterprise is where the investment in plant and machinery or equipment does not exceed ₹ 125 crore and turnover does not exceed ₹ 500 crore.

On 11 June 2024, the RBI released a notification which amended the Master Direction (Lending to MSME Sector), dated 24 July 2017 specifying that the "timeline for credit decisions for loans up to ₹ 25 lakh to units in the MSE borrowers shall not be more than 14 working days. For loans above the aforementioned limit, timelines shall be as per the Board approved sanction time norms. All credit related information pertaining to MSMEs including timelines for credit decisions, indicative document checklist etc., shall be displayed under a separate tab prominently on the bank's website. The notification also sets out that banks are required to implement a structured mechanism to monitor credit-related issues in the Micro, Small and Medium Enterprises sector. This includes the establishment of a Credit Proposal Tracking System ("**CPTS**") or an equivalent tracking mechanism for central registration and e-tracking of all MSME loan applications, which will automatically generate an acknowledgement of the application with a unique serial number. Banks are also required to provide MSME borrowers with an indicative checklist of documents needed for loan application processing. The loan application disposal process should be monitored by banks on a quarterly basis, and any delays beyond sanction time norms should be displayed on their websites. If a loan application is rejected, banks must provide the main reason(s) for rejection to the MSME borrowers in writing. Lastly, banks should implement a system-driven comprehensive performance management information system ("**MIS**") at branches and supervisory levels, and the performance and credit flow to the sector should be critically evaluated on a regular basis and reviewed by the Board of the banks at periodic intervals.

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 ("**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 40.0 per cent. of its net worth, as on 31 March of the previous year. Within this overall ceiling, the bank's direct investment in shares, convertible bonds and debentures, units of equity-oriented mutual funds and all exposures to Alternate Investment Funds (AIFs) must not exceed 20.0 per cent. Of its net worth.

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.

Credit exposure is the aggregate of:

(i) all types of funded and non-funded credit limits; and

(ii) facilities extended by way of equipment leasing, hire purchase finance and factoring services.

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

Solo Basis – Pursuant to the RBI guidelines, the aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40.00 per cent. of its net worth as at 31 March of the previous year. Within this overall ceiling, the Bank's direct investment in shares, convertible bonds/debentures, units of equity-oriented mutual funds and all exposures to AIFs, both registered and unregistered, should not exceed 20.00 per cent. of its net worth.

Consolidated Basis – Pursuant to the RBI guidelines, the aggregate exposure of a consolidated bank to capital markets (both fund based and non-fund based) should not exceed 40.00 per cent. of its consolidated net worth as at 31 March of the previous year. Within this overall ceiling, the aggregate direct exposure by way of the consolidated bank's investment in shares, convertible bonds/debentures, units of equity-oriented mutual funds and all exposures to AIFs, both registered and unregistered, should not exceed 20.00 per cent. of its consolidated net worth. A "consolidated bank" is defined as a group of entities, which includes a licensed bank, which may or may not have subsidiaries.

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.

As indicated in the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, the acquisition of shares due to conversion of debt to equity during a restructuring process, as permitted in the Master Direction ibid, will be exempted from regulatory ceilings/restrictions on Capital Market Exposures, investment in Para-Banking activities and intra-group exposure. However, these 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, 1949.

Investment exposure comprises the following elements:

(i) investments in shares and debentures of companies;

(ii) investments in public sector undertaking bonds;

(iii) investments in commercial paper; and

(iv) investments in debentures, bonds, security receipts and pass through certificates issued by a securitisation or reconstruction company as compensation from the sale of financial assets will constitute exposure on the securitisation company/reconstruction company. In view of the extraordinary nature of the event, banks of financial institutions will be allowed, in the initial years, to exceed the prudential exposure ceiling on a case-to-case basis.

To ensure that exposures are evenly spread, the RBI requires banks to fix internal limits of exposure to specific sectors. These limits are subject to periodical review by the banks.

However, in terms of the Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025, the following items are, *inter alia*, should be excluded from the aggregate exposure ceiling of 40 percent of net worth and direct investment exposure ceiling: (i) Tier I and Tier II debt instruments issued by other banks; (ii) investment in Certificate of Deposits (CDs) of other banks; (iii) investment by a bank in preference shares; (iv) investment by a bank in non-convertible debentures and non-convertible bonds; and (v) investment by a bank in units of Mutual Funds under schemes where the corpus is invested exclusively in debt instruments.

GUIDELINES ON MANAGEMENT OF INTRA-GROUP TRANSACTIONS AND EXPOSURES

Guidelines on management of intra-group transactions and exposures Prudential limits on intra-group transactions and exposures of banks are set out in the CRM Directions, which prescribe quantitative limits for intra-group financial transactions and prudential measures for non-financial transactions. A bank's exposure to a single group entity must not exceed 5.0% of its paid-up capital and reserves in the case of non-financial companies and unregulated financial services companies, and 10.0% in the case of regulated financial services entities, while aggregate exposure to all non-financial companies and unregulated financial services companies taken together must not exceed 10.0%, and to all group entities taken together must not exceed 20.0%, of the bank's paid-up capital and reserves. Certain exposures are exempt from these limits, including a bank's equity and other regulatory capital investments in group entities (which are subject to capital deduction requirements) and inter-bank exposures among banks in the group operating in India. Any exposure in excess of the permissible limits is required to be deducted from the bank's Common Equity Tier 1 capital. Under the CRM Directions, the RBI has prescribed quantitative limits on financial intra-group transactions and exposures and prudential measures for the non-financial intra-group transactions and exposures.

CONSOLIDATED SUPERVISION GUIDELINES

The RBI is empowered under the Banking Regulation Act to inspect a bank. The RBI monitors prudential parameters at quarterly intervals. To enable off-site monitoring and surveillance by the RBI, banks are required to report to the RBI on various aspects. The RBI also conducts periodical on-site inspections on 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 also conducts on-site supervision of selected branches with respect to general operations and foreign exchange related transactions.

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 ("**Investment Portfolio Directions**") sets out guidelines on classification and valuation of banks' investment portfolio.

On 18 May 2026, the RBI issued the Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Second Amendment Directions, 2026, amending the Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025. The amendment discontinues the requirement to maintain an Investment Fluctuation Reserve ("**IFR**") with effect from 18 May 2026. The balance in the IFR as at 17 May 2026 is required to be transferred "below the line" to the Statutory Reserve, General Reserve or Balance of Profit & Loss Account, while for foreign banks operating in India in branch mode, the balance is required to be transferred to the specified reserves or remittable surplus retained in Indian books. Further, paragraphs 106 to 108 of the Directions relating to IFR have been deleted. The amendment came into effect from the date of its issue.

The valuation, classification and other norms applicable to investment in non- (Statutory Liquidity Ratio) SLR instruments prescribed by RBI from time to time shall be applicable to lenders' 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 lender shall reckon the NAV obtained from ARC from time to time, for valuation of such investments.

Investment in Alternative Investment Funds (AIFs) shall be basis of the quoted equity shares, bonds, units of AIFs in the bank's portfolio shall be valued *mutatis mutandis* as per instructions given in the Investment Portfolio Directions for quoted securities.

Investments in security receipts or pass-through certificates issued by ARCs or trusts set up by ARCs, shall be in compliance with the Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025, and must be valued at the lower of: (a) the redemption value of the security receipts or pass-through certificates; and (b) the net book value of the financial asset. However, if the instrument issued by the securitisation company or ARCs is limited to the actual realisation of the financial asset assigned to the instrument, the net asset value or the NAV, must be obtained from the securitisation company or ARCs for valuation of the investments.

Restrictions on Investments in a Single Company

In terms of Section 19(2) of the Banking Regulation Act, no bank may hold shares in any company 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. This limit also includes holdings in a capacity of a pledgee, mortgagee, or

absolute owners. However, a bank may hold shares in a subsidiary company in accordance with the provisions of the Banking Regulation Act.

In December 2011, the RBI issued the following guidelines for banks' investments in subsidiaries and other companies, which were further consolidated in the Master Circular on Para-banking Activities dated 1 July 2015 and further incorporated in the Investment Portfolio Directions. Some of the important features of the directions are as follows:

- Banks are required to obtain prior approval from the RBI for the setting up of subsidiary companies and for any equity investment in financial services companies. Equity investments by a bank in a subsidiary company, or a financial services company (including financial institutions, stock and other exchanges, depositories, etc.), which is not a subsidiary, should not exceed 10.00 per cent. of a bank's paid-up share capital and reserves and the total investments made in all subsidiaries and all non-subsidiary financial services companies should not exceed 20.00 per cent. of a bank's paid-up share capital and reserves. However, the cap of 20.00 per cent. does not apply, nor is prior approval of the RBI required, if investments in financial services companies are held under the HFT category, and are not held beyond 90 days.

- Equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10.00 per cent. of the investee company's paid-up share capital, or 10.00 per cent. of the bank's paid-up share capital and reserves, whichever is less. Equity investments held under the HFT category would also be taken into account for this purpose.

- Equity investments in any non-financial services company held by: (i) a bank; (ii) entities which are the bank's subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and (iii) mutual funds managed by asset management companies controlled by the bank should in the aggregate not exceed 20.00 per cent. of the investee company's paid-up share capital.

- Investment in units of mutual fund schemes, AIFs, etc., having an exposure to unlisted securities of 10 per cent or more of the corpus of the fund, shall be treated as unlisted for the purpose of compliance with the ceiling of 10 per cent.

- Equity investments (excluding the HFT category and which are not held beyond 90 days) of a bank in subsidiaries and other entities that are engaged in financial services together with equity investments in entities engaged in non-financial services activities should not exceed 20.00 per cent. of the bank's paid-up share capital and reserves. The cap of 20.00 per cent. does not apply to investments classified in the HFT category and which are not held beyond 90 days.

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.

The RBI (Commercial Banks – Credit Facilities) Amendment Directions, 2026 require banks to appoint 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. If for any reason this limit is breached, the Reserve Bank of India has stipulated that the board of directors of the bank should be informed on a half yearly basis of such occurrence and ratify such action. These directions come into effect on 1 April 2026.

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.

INTRODUCTION OF CREDIT DEFAULT SWAPS FOR CORPORATE BONDS

On 10 February 2022, the RBI introduced a revised regulatory regime for the credit default swaps market in India through the Master Direction – RBI (Credit Derivatives) Directions, 2022 (the "CDS Directions"). The CDS Directions have since been superseded by the Master Direction – RBI (Credit Derivatives) Directions, 2026, issued by the RBI on 25 June 2026, which provides the updated regulatory framework for credit derivatives in India, including derivatives on credit indices and total return swaps on corporate bonds.

The RBI press release dated 25 June 2026 announces the issuance of the Master Direction – Reserve Bank of India (Credit Derivatives) Directions, 2026. The Master Direction was issued pursuant to the Union Budget 2026–27 announcement and the RBI's Statement on Developmental and Regulatory Policies dated 6 February 2026, with the objective of enabling the introduction of derivatives on credit indices and total return swaps on corporate bonds. RBI had released draft directions on 6 February 2026 for stakeholder comments and, after considering the feedback received, incorporated suitable modifications into the final framework. The Master Direction was consequently issued on 25 June 2026, providing the regulatory framework for the introduction and operation of these credit derivative products in India.

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, 2013. 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 RBI has issued 'Reserve Bank of India – Interest rate on Deposits Directions, 2016 dated 3 March 2016 as consolidated by the Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Directions, 2025 dated 28 November 2025, and under these directions, Scheduled Commercial Banks are required to pay interest on deposits of money (other than current account deposits) accepted by them or renewed by them in their domestic, ordinary non-resident ("**NRO**"), non-resident (external) ("**NRE**") accounts and foreign currency (non-resident) accounts (banks) scheme deposit account), subject to certain conditions prescribed by these directions. Banks are required to put in place a comprehensive policy on interest rates on deposits duly approved by the board of directors or any committee thereof. Further, certain additional restrictions have been prescribed to determine interest rates for savings deposits and term deposits ("**TDs**"). Additionally, interest rates offered by banks on NRO and NRE deposits cannot be higher than those offered by them on comparable domestic rupee TDs. In accordance with the aforesaid direction, a bank shall have the freedom to offer NRE/NRO term deposits without premature withdrawal option. Provided that all NRE/NRO term deposits accepted from individuals (held singly or jointly) for amount of `1 crore and below shall have premature withdrawal facility. Further, a bank shall not mark any type of lien, direct or indirect, against NRE saving deposits.

DEPOSIT INSURANCE

Demand and time deposits of 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 Rs. 500,000 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 KYC, AML AND COMBATING FINANCING TERRORISM ("CFT")

The RBI has issued various guidelines relating to the identification of customers and has advised banks to put in place systems and procedures to prevent financial frauds, identify money laundering and suspicious activities

and monitor transactions. The RBI has also issued guidelines advising banks to exercise due diligence while opening accounts for new customers to prevent misuse of the banking system for perpetration of fraud.

India is a member of the Financial Action Task Force ("**FATF**") and is committed to implementing international standards Government relating to anti-money laundering ("**AML**"), countering the financing of terrorism ("**CFT**") and other related risks. The Prevention of Money-Laundering Act, 2002 ("**PMLA**") and the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 constitute the principal legal framework governing AML and CFT requirements in India.

All instructions and guidelines issued by the RBI on KYC norms, AML standards and obligations under the PMLA applicable to banks have been consolidated under the Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025, notified by the RBI on 28 November 2025 (the "**KYC Directions**"). The KYC Directions superseded the earlier Reserve Bank of India (Know Your Customer (KYC)) Directions, 2016, as amended from time to time.

The KYC Directions require banks to have a Board-approved KYC policy incorporating, inter alia, a Customer Acceptance Policy, risk management, Customer Identification Procedures ("**CIP**") and monitoring of transactions. Banks are required to undertake Customer Due Diligence ("**CDD**"), including identification and verification of customers and beneficial owners using reliable and independent sources, and to undertake ongoing due diligence and periodic updation of KYC information. The KYC Directions also prescribe enhanced and simplified due diligence measures, requirements relating to beneficial ownership, record management and reporting of specified transactions to the Financial Intelligence Unit – India ("**FIU-IND**").

The KYC Directions require banks to carry out periodic money laundering and terrorist financing risk assessments, adopt a risk-based approach for the mitigation and management of identified risks and maintain Board-approved policies, controls and procedures in this regard. Banks are also required to maintain systems for monitoring suspicious transactions and to comply with applicable requirements relating to sanctions imposed under United Nations Security Council resolutions.

The KYC Directions further provide for the use of various customer identification mechanisms, including Aadhaar-based identification, Digital KYC and Video-based Customer Identification Process ("**V-CIP**"), subject to the conditions prescribed therein. The Directions also provide for the Central KYC Records Registry ("**CKYCR**") and the use of a KYC Identifier for facilitating customer identification and updation of KYC records.

The KYC framework has been amended from time to time to align the regulatory requirements with developments in AML/CFT standards and applicable statutory requirements, including amendments relating to periodic updation of KYC, video-based customer identification, risk assessment, beneficial ownership, Politically Exposed Persons ("**PEPs**"), reporting requirements and alignment with the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005.

The KYC Directions define "Politically Exposed Persons" ("**PEPs**") as individuals who are or have been entrusted with prominent public functions by a foreign country, including Heads of State or Government, senior politicians, senior government, judicial or military officials, senior executives of state-owned corporations and important political party officials. Banks are required to apply the enhanced due diligence measures prescribed under the KYC Directions in relation to such customers.

Banks are required to maintain the confidentiality of information collected from customers for the purpose of KYC, AML and CFT and are prohibited from using such information for cross-selling or any other purpose without the express permission of the customer, subject to applicable law. The KYC Directions also prescribe requirements relating to cash transactions, wire transfers, correspondent banking relationships, non-face-to-face.

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. The RBI, from time to time, issued guidance to banks on "Bank Finance to NBFCs" in the form of master circulars, the latest of which was issued on 1 April 2025. These circulars stand withdrawn as of 28 November 2025, and the provisions in relation to bank finance to NBFCs have been consolidated and incorporated in the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 dated 28 November 2025 ("**Credit Facilities Directions**").

Finance to NBFCs registered with RBI

The ceiling on bank credit linked to Net Owned Fund (NOF) of NBFCs has been withdrawn in respect of all NBFCs which are statutorily registered with RBI and are engaged in principal business of asset financing, loan, factoring and investment activities. Accordingly, banks may extend need based working capital facilities as well as term loans to all NBFCs registered with RBI and engaged in infrastructure financing, equipment leasing, hire-purchase, loan, factoring and investment activities subject to the provisions pertaining to bank finance to NBFCs contained in the Credit Facilities Directions. Banks may also extend finance to NBFCs against secondhand assets financed by them.

Banks are also required to formulate a suitable loan policy with the approval of their Boards of Directors within the prudential guidelines and exposure norms prescribed by the RBI to extend various kinds of credit facilities to NBFCs subject to the condition that certain activities specified therein are not financed by them.

Finance to NBFCs not requiring registration with the RBI

A few categories of NBFCs are exempted from the requirement of being registered with the RBI. For such NBFCs, banks can take credit decisions based on usual factors like the purpose of credit, nature and quality of underlying assets, repayment capacity of borrowers as also risk perception, etc. Further, while financing NBFCs, which do not require registration with RBI, banks shall also refer to the guidelines/notifications issued in this regard from time to time by the Ministry of Corporate Affairs, Government of India.

Other provisions

The Credit Facilities Directions also provide, in relation to bank finance to NBFCs, provisions pertaining to bank finance to factoring companies, along with provisions on restrictions on guarantees for placement of funds with NBFCs. RBI has mandated that banks should not grant bridge loans of any nature, or interim finance against capital/debenture issues and/or in the form of loans of a bridging nature pending raising of long-term funds from the market by way of capital, deposits, etc. to all categories of NBFCs. The guidelines also prescribe prudential ceilings for exposure of banks to NBFCs and lay down restrictions regarding investments made by banks in securities/instruments issued by NBFCs.

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 3.75 per cent., 3.5 per cent., 3.25 per cent. and 3.0 per cent. of its NDTL, as on the last day of the second preceding fortnight, effective from the reporting fortnight beginning 6 September, 4 October, 1 November and 29 November 2025, respectively. Further, every scheduled bank is required to maintain a minimum CRR of not less than 90 per cent. 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 per cent. 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 per cent. 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.

The CRR & SLR Directions were amended by notification dated 11 December 2025, to streamline them with the provisions of the 2025 Amendment. Banks are now required to submit a single Form A return, along with the Form VIII returns for SLR on the CIMS portal with new return codes. Banks are required to submit online, fortnightly, Form A return from 15 December 2025, and monthly Form VIII return from December 2025 on the CIMS portal. The CRR & SLR Directions also clarify that scheduled banks are not required to report SDF balances held by them with RBI, in Form A return.

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 AD Banks, including existing 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 AD 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.

Subsequently, on 5 January 2024, the RBI issued revised Directions on hedging of foreign exchange risk, which came into force on 5 April 2024, replacing the existing Part A (Section I) of the Master Direction in its entirety. These revised Directions introduced a formal user-classification framework requiring Authorised Dealers to classify each user as "retail" or "non-retail" based on prescribed criteria (including net worth and turnover thresholds), with the scope of permitted foreign exchange and interest rate derivative products, and access to hedging without mandatory proof of underlying exposure up to specified thresholds, calibrated to this classification. This consolidated and streamlined the pre-existing frameworks under the Currency Futures (Reserve Bank) Directions, 2008 and the Exchange Traded Currency Options (Reserve Bank) Directions, 2010, both of which now stand subsumed into the Master Direction.

On 3 May 2024, the RBI further amended the Master Direction to expand the definition of "Authorised Persons" to include Standalone Primary Dealers authorised as Authorised Dealer Category-III, in addition to Authorised Dealer Category-I banks, and Recognised Stock Exchanges and Clearing Corporations under Section 10(1) of FEMA, 1999. The amendments extended overseas foreign currency borrowing eligibility to Standalone Primary Dealers for operational purposes, within limits prescribed under the Standalone Primary Dealers (Reserve Bank) Directions, 2016, and updated the Net Overnight Open Position Limit and Aggregate Gap Limit framework and related reporting requirements to the RBI.

Most recently, on 22 September 2025, the RBI amended the Master Direction to extend eligibility to transact in non-deliverable derivative contracts (NDDCs) involving the Rupee to Standalone Primary Dealers authorised as Authorised Dealer Category-III — a facility previously available only to Authorised Dealer Category-I banks operating an IFSC Banking Unit — permitting such Standalone Primary Dealers to transact in NDDCs with users, IFSC Banking Unit-operating Authorised Dealer Category-I banks, other Standalone Primary Dealers, and banks overseas.

As of the Master Direction's current consolidated version (updated as on 22 September 2025), banks holding an authorised dealer category-I licence and operating an IFSC Banking Unit remain eligible to offer non-deliverable foreign exchange derivative contracts involving INR to resident non-retail users from their branches in India, as originally provided for in the 6 June 2023 amendment, with the additional counterparties and user-classification refinements described above now forming part of the same framework.

Net Open Position Limits for Authorised Dealers

With a view to ensure orderly market conditions and curbing excessive volatility and speculative positions, the RBI, through Circular No. 24 dated 27 March 2026, directed Authorised Dealers to maintain their Net Open Position in INR (NOP-INR) within a limit of USD 100 million in the onshore deliverable market at the end of each business day. This measure, issued under the FEMA, aims to strengthen exchange rate risk management and ensure market stability. The directive modifies existing guidelines under the Master Direction on Risk Management and Inter-Bank Dealings, allowing RBI to prescribe limits based on market conditions. Authorised Dealers must comply with the revised cap by 10 April 2026.

Subsequently, on 23 June 2026, the Reserve Bank further permitted Authorised Dealer Category-I banks to exclude positions arising from hedged transactions relating to FCNR (B) deposits, ECBs, and OFCBs raised under the aforesaid facilities, while ensuring compliance with the directions on NOP-INR position of Authorised Dealers issued on 27 March 2026, and for computing net overnight open position.

Foreign Exchange Management (Authorised Persons) Regulations, 2026

The RBI has issued revised regulations governing authorised persons under the FEMA, with effect from 6 May 2026, consolidating, and updating the existing framework for entities authorised to deal in foreign exchange. The regulations lay down the eligibility criteria, categories of authorisation, and the scope of permissible activities for various classes of authorised persons, including authorised dealers, money changers, and payment aggregators handling cross-border transactions. These regulations rationalise the authorisation and renewal framework for authorised persons and extend the principal-agent model for delivery of foreign exchange facility while maintaining appropriate checks and balances.

US Dollar-Rupee Forex Swap Facility for FCNR(B) Deposits

The RBI, through its circular dated 8 June 2026, introduced a US Dollar-Rupee Forex Swap Facility for fresh Foreign Currency Non-Resident (Bank) [FCNR(B)] deposits mobilized by Authorised Dealer Category-I banks. The facility applies to deposits raised between the date of the circular and 30 September 2026, with tenors ranging from three to five years, and will remain available until 16 October 2026. Banks may mobilize deposits in any freely convertible currency, though swaps with RBI will be conducted only in US Dollars. The swap tenor must match the underlying deposit tenor, and transactions will be undertaken at par using the FBIL Reference Rate. Banks are required to maintain separate records, furnish declarations regarding compliance, and may access the facility once a week. While deposits are subject to a one-year lock-in period, swaps with RBI cannot be cancelled. The measure aims to facilitate FCNR(B) deposit mobilization and provide forex liquidity management support

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 AD 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.

The Bank's London Branch is permitted to borrow in foreign currency in the normal course of their banking business from outside India pursuant to Regulation 4 (A) (ii) of the Borrowing and Lending Regulations, subject to the directions and guidelines issued by the RBI and the regulatory authority of the country where the branch is located.

The Bank plans for the proceeds of any Notes issued under the Programme to be used as follows:

- meet the funding requirements of the foreign offices;
- develop and expand business in the foreign offices;
- strengthen the capital base of the foreign offices, with respect to the issuance of the Additional Tier 1 Notes;
- increase the Bank's capital in accordance with relevant regulatory guidelines; and
- meet its general corporate purposes.

Foreign Exchange (Guarantees) Regulations, 2026, dated 10 January 2026

Through rationalisation of the FEMA guarantees framework, the universe of guarantees enabled under automatic route has been expanded. While the previous framework did not have any enabling provision for guarantees issued by a non-resident entity, primary conditions for a guarantee transaction between a principal debtor and a surety, under the rationalised regime, are that the underlying transaction should not be prohibited under FEMA, 1999, and the surety and the debtor, wherever their residential statuses are different, are eligible lender and borrower under the extant borrowing/lending framework. Further, a comprehensive reporting on a quarterly basis has been introduced for all guarantees – issued, modified and invoked.

External Commercial Borrowings

ECBs are commercial loans raised by eligible resident Indian borrowers from recognised non-resident entities. ECBs are governed by the Borrowing and Lending Regulations issued by the RBI.

The Reserve Bank of India has issued the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026 on 16 February 2026. It substantially revises the framework governing External Commercial Borrowings. The revised regime consolidates eligibility, end-use, maturity, cost, security, refinancing, conversion and reporting requirements into a more structured framework, while introducing substantive changes to borrowing limits, strategic use of proceeds, and compliance obligations.

As per the latest updated ECB framework, including the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, dated 9 February 2026**,** any person resident in India (other than an individual) that is incorporated, established or registered under a central or state legislation in India can be an eligible borrower to raise ECBs. Further, the following will be considered as 'recognised lenders' for the purpose of ECBs: (a) a person resident outside India; (b) a branch outside India of an entity whose lending business is regulated by the RBI; and (c) a financial institution or a branch of a financial institution set up in IFSC.

The limit for eligible borrowers (other than eligible borrowers that are regulated by financial sector regulators) to raise ECBs is up to the higher of: (a) outstanding ECB up to USD1 billion; or (b) total outstanding borrowing (external and domestic) up to 300 per cent. (three hundred per cent) of the net worth as per the last audited standalone balance sheet of the borrower. However, outstanding borrowings referred here shall not include non-fund based credit and funds raised through issuance of securities which are mandatorily convertible to equity. Additionally, the proposed ECB (other than ECB for refinancing) shall be taken into consideration while checking for compliance with the borrowing limit.

Under the Borrowing and Lending Regulations, an ECB i.e., loans or credit facilities by a foreign lender to an Indian borrower may be availed in any form of a commercial borrowing arrangement that involves payment of agreed interest, if any, by whatever name called, and repayment of principal. However, the following funds raised by eligible borrowers will not be considered as ECBs: The following funds raised by an eligible borrower shall not be treated as ECB: (a) trade credit with original maturity up to three years; (b) export advances; (c) investments received in terms of the Foreign Exchange Management (Debt Instruments) Regulations, 2019; (d) investments received through convertible notes or from foreign venture capital investors through debt instruments issued in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

ECBs are required to be in compliance with the restrictions imposed under the Borrowing and Lending Regulations in relation to, *inter alia*, the minimum average maturity period. Under the Borrowing and Lending Regulations, funds borrowed under the regulations cannot be used for certain restricted end-uses. The negative list, for which the ECB proceeds cannot be utilised, include the following:

(a) chit funds;

(b) Nidhi Company;

(c) real estate business and construction of farmhouses;

(d) agricultural and animal husbandry, except floriculture, horticulture and cultivation of vegetables and mushrooms under controlled conditions, development and production of seeds and planting material, animal husbandry (including breeding of dogs), pisciculture, aquaculture and apiculture and services related to agro and allied sectors;

(e) plantation except tea, coffee, rubber, cardamom, palm oil tree, olive oil tree plantation;

(f) trading in transferable development rights (TDR);

(g) transacting in listed/unlisted securities, except for transactions undertaken by an Indian entity for corporate actions such as merger, demerger, amalgamation, arrangement, or acquisition of control in accordance with the relevant legislations;

(h) repayment of a domestic INR loan (i) which was availed for an end-use restricted under the Borrowing and Lending Regulations or (ii) which is classified as a non-performing asset (NPA) as per the applicable prudential norms;

(i) on-lending for any of the purposes for which funds cannot be borrowed and utilised in the Borrowing and Lending Regulations.

Filings and Reporting Requirements in relation to Issuance of Notes

An ECB borrower is required to obtain a loan registration number ("**LRN**") from the RBI before an issuance of Notes is effected. To obtain the LRN, ECB borrowers are required to submit a completed Form ECB duly certified to the designated AD Bank of the ECB borrower. Additionally, an ECB borrower will file a 'Revised Form ECB 1' for reporting any change in previously reported ECB parameters or information reported in 'Form ECB 1', within 7 calendar days from the end of the month in which such change was given effect. An ECB

borrower is also required to submit a 'Form ECB 2' for reporting receipt of ECB proceeds and debt servicing, within 7 calendar days from the end of the month in which the proceeds were received or debt servicing was undertaken. The designated AD Bank will submit the return received from the ECB borrower along with due certification to the RBI.

Any borrower with an active LRN shall be treated as an untraceable borrower (a) in case such borrower fails to submit any of the specified return(s) for four consecutive quarters or more after the quarter in which a drawdown or debt servicing was scheduled to be made as per the last reported 'Form ECB 1'; and (b) the designated AD Bank, after completion of such period of four quarters, is satisfied that: (i) neither the borrower nor its auditor(s)/director(s)/promoter(s) were reachable or responsive despite multiple attempts of communication undertaken and documented by the bank; and (ii) the borrower was not found to be operative at the registered office address as per the records available with the bank.

Procedure in relation to any change to the Terms and Conditions of the Notes

Changes to the parameters, terms and conditions governing the ECB may be made, subject to the lender's consent and compliance with the provisions of the Borrowing and Lending Regulations. In case of extension of the tenor of the borrowing, the prudential regulations, including those on restructuring, shall also be applicable if the borrower has availed credit facilities from an entity (including its foreign branch or subsidiary) regulated by the RBI. Change of the designated AD Bank will be subject to the obtaining a 'no objection certificate' from the existing designated AD Bank.

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 Insolvency and Bankruptcy Code, 2016 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 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) 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 per cent. 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 per cent. 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 per cent. 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 (as amended) provides that commercial banks are expressly prohibited from distributing dividends or remitting profits out of net unrealised gains recognized in the Profit and Loss Account arising on the fair valuation of Level 3 financial instruments (including Level 3 derivative assets and liabilities). Furthermore, such net unrealised gains recognized in the Profit and Loss Account must be deducted from Common Equity Tier 1 (CET 1) capital. This restriction is concurrently operationalized under the Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividend and Remittance of Profits) Directions, 2026, which mandate that dividend payouts and profit remittances must exclude net unrealised gains arising from the fair valuation of Level 3 instruments to ensure distributions are made strictly out of realized, distributable profits.

(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

Banks were earlier permitted to issue only ordinary shares. In January 2013, the Banking Regulation Act was amended to, *inter alia*, permit banks to also issue preference shares. The amended Banking Regulation Act also permits the RBI to increase the cap on the voting rights of a single shareholder of a private bank from the existing cap of 10.0 per cent. to 26.0 per cent. in a phased manner. The RBI issued the Ownership in Private Sector Banks, Directions, 2016, which stated that the voting rights in private sector banks shall be limited to the level notified by the RBI from time to time.

On 16 January 2023, the RBI issued the Master Direction titled 'Acquisition and Holding of Shares or Voting Rights in Banking Companies, 2023'. The Master Direction was to be read in conjunction with the Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies issued by the RBI. In accordance with the master directions, any person who intends to make an acquisition that is likely to result in the person's aggregate holding in a banking company reaching 5 percent or more of the paid-up capital or voting rights, is required to seek the prior approval of the RBI before such acquisition. Further, if a person has been permitted by the RBI to have a shareholding that ranges between 10 percent to 40 percent of the paid-up equity share capital of a banking company, then such acquired shares will mandatorily remain locked-in for the first 5 years from the date of the acquisition.

The relevant provisions have now been consolidated in the Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025 dated 28 November 2025 ("**Acquisition Directions**"). As per the Acquisition Directions, any person who intends to make an acquisition which is likely to result in major shareholding in a banking company is required to seek previous approval of the RBI. The Guidelines on Acquisition and Holding of Shares or Voting Rights in Banking Companies form part of the Acquisition Directions.

As per the Acquisition Directions, no shareholder in a banking company can exercise voting rights on poll in excess of 26 per cent. of the total voting rights of all the shareholders of the banking company. The Reserve

Bank of India issued Amendment Directions on 27 April 2026 (with the updated operational and dividend-linked provisions taking effect from 1 April 2027), discontinuing the mandatory creation and appropriation of net profits toward the Investment Fluctuation Reserve (IFR) while permitting existing balances to be integrated directly into Common Equity Tier 1 (CET 1) capital to simplify capital adequacy calculations. Alongside this capital restructuring, the amendment requires commercial banks to deduct any net unrealised gains recognized in the Profit and Loss Account from the fair valuation of Level 3 financial instruments (including Level 3 derivatives) directly from Tier 1 capital, concurrently enforcing a strict regulatory bar against utilizing such unobservable, unrealised gains for dividend distribution or profit remittance.

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.

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.

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.

These directions were amended with effect from 5 December 2025, stipulating certain provisions regulating banks' investment in any group entity or in other entities, including overseas investments. Equity investment by a bank in any entity, including its group entity, individually, shall not exceed 10.00 per cent of the bank's paid-up share capital and reserves as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower. The aggregate equity investments made in all entities, including group entities and overseas investments, shall not exceed 20.00 per cent of the bank's paid-up share capital and reserves as per the last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower.

The RBI (Commercial Banks – Classification, Valuation, and Operation of Investment Portfolio) Directions, 2025, as amended by the Amendment Directions, 2026 (effective 1 April 2027), provides that dividends cannot be paid out of net unrealised gains recognised in the Profit and Loss Account arising on the fair valuation of Level 3 investments (including Level 3 derivatives) on a bank's Balance Sheet. In addition to prohibiting dividend distribution and profit remittances, the amended framework explicitly requires banks to deduct such net unrealised Level 3 gains from Common Equity Tier 1 (CET 1) capital. These restrictions have been synchronized with the RBI (Commercial Banks – Prudential Norms on Declaration of Dividend and Remittance of Profits) Directions, 2026, ensuring that unrealised valuation gains based on unobservable inputs are excluded from distributable profits.

REGULATION OF FINANCIAL SERVICES PROVIDED BY BANKS

Aggregate equity investments in all entities, both domestic and overseas, must not exceed 20% of the bank's paid-up share capital and reserves, subject to higher thresholds (up to 337 30%) only with prior RBI approval and a defined divestiture plan. Single ARC sponsorship is now permitted, with the group's shareholding in any ARC capped at 20%. A bank may invest in units of a Real Estate Investment Trust / Infrastructure Investment Trust up to 10% of the unit capital of each such trust, subject to an overall ceiling of 20% of bank's net worth permitted for direct investments in shares, convertible bonds / debentures, units of equity-oriented mutual funds and exposures to Alternative Investment Funds (AIFs). Investment by a bank in Category I or II AIFs is capped at 10% of the fund's corpus, and all regulated entities collectively may not exceed 20%; investment in Category

III AIFs by banks is now prohibited except via subsidiaries as permitted by SEBI. Investment in REITs/InvITs is subject to the existing 10% per trust and 20% aggregate cap. The Financial Services Directions, lay restrictions on holding of stake by banks in making investment in a subsidiary or in a financial services company that is not a subsidiary.

DIGITAL PERSONAL DATA PROTECTION ACT, 2023 AND DIGITAL PERSONAL DATA PROTECTION RULES, 2025

In addition, the Digital Personal Data Protection Act, 2023, India's first comprehensive statutory framework for the protection of personal data, has been enacted, and the Digital Personal Data Protection Rules, 2025 were notified in November 2025, with the substantive obligations under the framework taking effect in a phased manner. The Act provides for and imposes restrictions and obligations on data fiduciaries, resulting from dealing with digital personal data regardless of whether data was collected digitally or offline, and further, provides for levy of monetary penalties for breach of obligations prescribed under the DPDP Act.

Once fully in force, the framework will impose obligations on the Bank as a data fiduciary in respect of the personal data of its customers, including in relation to the grounds for processing personal data, notice and consent requirements, data security safeguards, personal data breach notification and the rights of individuals, with contraventions attracting monetary penalties imposed by the Data Protection Board of India.

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 would 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 Mumbai.

The Special Economic Zone Act, 2005 permitted offshore banking units to additionally undertake the following activities: lend outside India and take part in international syndications/consortiums at par with foreign offices; invest in foreign currency denominated debt of Indian units (bonds); and extend facilities to subsidiaries/units of Indian entities located outside India. Further to this, banks in India have been allowed to open an IBU 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 for the IBU. The Bank has started operations at its GIFT City IBU since June 2017. Government of India established the International Financial Services Centre Authority ("**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, SEBI, IRDAI and PFRDA i.e. a unified authority for the development and regulation of financial products, financial services and financial institutions in the IFSC in India.

IBU (IFSC Banking Units) are governed under the International Financial Services Centres Authority (Banking) Regulations, 2020 dated 18 November 2020 (the "Regulations") issued by the IFSCA under the Government of India's Ministry of Finance.

The IFSCA on 29 June 2022, published the International Financial Services Centres Authority (Banking) (Amendment) Regulations, 2022 to further amend certain key definitions of the International Financial Services Centres Authority (Banking) Regulations, 2020.

The IFSC Authority and the RBI have entered into a memorandum of understanding dated 16 November 2022 for collaboration in the field of regulation and supervision of REs in their respective jurisdictions. This shall facilitate technical cooperation and exchange of information.

On 6 July 2023, the IFSCA issued the International Financial Services Centres Authority (Banking) (Amendment) Regulations, 2023 to amend definitions of IFSC Banking Company, IFSC Banking Unit, Specified foreign currency and Subsidiary company. The IFSCA also inserted a schedule for laying down the categories of specified foreign currencies available under the regulation. The IFSCA has made significant changes to the parent regulations and introduced *inter alia* new types of banking units that can operate in an IFSC, licensing norms and capital provisioning norms to be followed by banking units in an IFSC.

On 4 July 2024, the IFSCA issued the International Financial Services Centres Authority (Banking) (Amendment) Regulations, 2024 expanded the scope of specified foreign currency to include Swedish Krone, Norwegian Krone, New Zealand Dollar and Danish Krone.

Chapter IV of the Banking Regulation Act 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 Authority, as principal or agent. IBUs shall conduct the business in freely convertible foreign currencies other than INR.

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, viz. NSE as well as BSE.

FOREIGN OWNERSHIP RESTRICTION

As a public sector bank in which the Government holds a majority stake, aggregate foreign investment in Bank from all sources — including Foreign Direct Investment (FDI) and Foreign Portfolio Investors ("FPIs") under the Portfolio Investment Scheme — cannot exceed 20.0 per cent. of the Bank's paid-up equity share capital. This is the limit applicable to public sector banks, including State Bank of India, as distinct from the 74% cap applicable to private sector banks.

Within this 20% ceiling, individual FPI holdings are separately restricted to below 10.0 per cent of paid-up capital, and the aggregate FII/FPI sub-ceiling is ordinarily 24.0 per cent — though for public sector banks the overall 20% statutory cap governs regardless. In accordance with RBI policy, any allotment or transfer of shares that would take the aggregate shareholding of an individual or a group to 5.0 per cent. or more of the Bank's paid-up capital requires the prior acknowledgement of the RBI before the Bank can effect the allotment or transfer, under the RBI (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions,

2025, which repealed the prior acquisition-and-holding framework and now require this approval to be sought through the RBI's PRAVAAH platform, with stricter fit-and-proper evaluation for holdings above 10%.

As of 31 March 2026, foreign investment in the Bank, constituted 6.39 per cent. percent of the paid-up capital of the Bank.

Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026

The amendment, with effect from 2 May 2026, was issued to strengthen regulations governing foreign investment into India. The amendment clarifies that entities or individuals from countries sharing land borders with India, or where beneficial ownership lies with such countries, can invest only through the Government approval route. It also extends this requirement to any subsequent transfer of ownership that results in such beneficial ownership. Special provisions apply to investors from Pakistan, restricting investment to permitted sectors under the Government route. The rules further define "beneficial ownership" with reference to the Prevention of Money Laundering Act and introduce detailed criteria for determining control.

Foreign Exchange Management (Non-debt Instruments) (Third Amendment) Rules, 2026

The rules, with effect from 12 June 2026, expanded the scope of investment provisions previously applicable only to Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) to cover all individual person's resident outside India. The amendments permit such individuals to purchase, sell, and transfer equity instruments of listed Indian companies on a repatriation basis, subject to prescribed limits and conditions. Prior Government approval is mandated where investments or transfers result in ownership or control passing to entities or citizens of countries sharing a land border with India, or where beneficial ownership lies with such persons. The rules also prescribe divestment requirements where individual holdings exceed the prescribed threshold of less than 10%, failing which the investment may be reclassified as FDI.

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.

Insolvency and Bankruptcy Code

The Insolvency and Bankruptcy Code, 2016 (the "**Code**") 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 Code seeks to repeal the Presidency Towns Insolvency Act, 1909 and Provincial Insolvency Act, 1920. The Code 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 Code 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 Code 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 Code, the insolvency resolution process may be initiated by either the debtor or the creditors. Some of the new concepts introduced by this Code 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 Code 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.

The Code was substantially amended by the Insolvency and Bankruptcy Code (Amendment) Act, 2026, which received presidential assent on 6 April 2026 and came into force (in respect of the majority of its provisions) from 26 May 2026. Among other changes, the 2026 amendment inserts a new Chapter IV-A providing for a creditor-initiated insolvency resolution process, permits the committee of creditors to replace the liquidator during liquidation by a 66.00 per cent. voting threshold, prescribes a 180-day timeline (extendable by 90 days) for completion of liquidation, and reduces the creditor-approval threshold for pre-packaged insolvency resolution from 66.00 per cent. to 51.00 per cent. for eligible corporate debtors. The 66.00 per cent. approval threshold for a resolution plan under the ordinary corporate insolvency resolution process, described above, remains unchanged.

The following are the salient amendments that came into force on 26 May 2026:

a. The NCLT is to admit the insolvency petition if default has occurred and the application is complete; the reasons for delay in admission/rejection are to be recorded.

b. Withdrawal of insolvency petition is not allowed before the constitution of the CoC or after invitation for resolution plan. Withdrawal is only permitted with the approval of ninety per cent. voting share of the CoC.

c. The CoC shall also supervise the conduct of the liquidation process by the liquidator.

d. The interim resolution professional, while collating the claims of creditors, shall verify them, and, if required, determine the value of such verified claims, upon receiving them.

e. Provisions regarding avoidance transactions have been extended to fraudulent or wrongful trading.

f. Sale of core assets of the corporate debtor under CIRP includes sale of one or more assets of the corporate debtor through one or more resolution processes, enabling greater asset value maximization.

g. The payout to dissenting financial creditors shall not be less than the lower of: (a) liquidation value, or (b) amount payable under the resolution plan as if it were distributed as per waterfall.

h. NCLT before the passing of the liquidation order may consider an application made by the CoC members (with a minimum of 66% voting share) to restore the CIRP only once (if resolution plan is not received or not approved) and order it to be completed within 120 days.

Amendment to Information Utilities Regulations:

The amendment, which came into effect on 3 June 2026, clarifies that where a record of default (RoD) with an Information Utility (IU) is submitted by a financial institution, it would be sufficient for the adjudicating authority to establish the existence of default. Accordingly, the terminology used in the IU Regulations has been aligned with the IBC, by replacing references to "financial creditor, which is a bank included in the second schedule of the RBI Act with the broader term "financial institution" as defined under section 3(14) the IBC. Further, the regulations have been amended to provide for issuance of a RoD in cases where: (i) the debtor confirms the information of default; or (ii) the debtor does not respond even after the prescribed reminders. The regulations have been amended to introduce a distinct informational output, namely "Information of Dispute" (IoD), as a standardised output to capture cases where the debtor disputes the information of default.

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 6 January 2025. The aforementioned directions ensure standardization and transparency in credit reporting, safeguarding borrower information while fostering accountability and robust data management practices. The RBI has since issued the Reserve Bank of India (Commercial Banks – Credit Information Reporting) Amendment Directions, 2025, effective from 1 July 2026, which require credit institutions to submit credit information to credit information companies on four reference dates each month (the 9th, 16th, 23rd and last day), in place of the earlier fortnightly reporting cycle.

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, 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 Banks'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.

The Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 dated 28 November 2025, 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).

The fundamental principles underlying the Stressed Assets Directions are as follows: (i) early recognition and reporting of default in respect of large borrowers by banks, Financial Institutions and NBFCs; (ii) complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) withdrawal of asset classification dispensations on restructuring and future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; (v) for the purpose of restructuring, the definition of 'financial difficulty' to be aligned with the guidelines issued by the Basel Committee on Banking Supervision; and (vi) signing of ICA by all lenders to be mandatory, which will provide for a majority decision making criteria.

The Stressed Assets Directions were amended by a notification dated 27 April 2026, to align with the newly issued Reserve Bank of India (Commercial Banks - Asset Classification, Provisioning and Income Recognition) Directions, 2026, pursuant to the shift to the ECL framework, which shall come into force from 1 April 2027. Further, they expand the criteria for identifying a borrower's financial difficulty by adding four new indicators: significant downgrades in internal or external credit ratings, significant changes in collateral value, delays in fee or charge payments as per the bank's policy and expected breaches or changes in loan documentation. Further, it was decided that the provisions on 'Trade Relief Measures' would be deleted.

They were amended with effect from 1 July 2026, rationalising the extant prudential norms for implementation of resolution plans in respect of exposures affected by natural calamities, inter alia harmonising the regulatory instructions, as applicable to the Issuer.

Guidelines for investments in AIFs under the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025 The RBI had issued the AIF Directions in 2025 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, as consolidated in the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025, as amended from time to time, include, *inter alia*, the following:

Limits on Investments and Provisioning

(i) No regulated entity shall individually contribute more than 10 per cent. (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 per cent. (twenty per cent) of the corpus of that scheme.

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 per cent. 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.

The Credit Facilities Directions were amended with effect from 1 April 2026, revising the provisions relating to gold metal loans. Further, they were amended with effect from 1 July 2026, revising and superseding a previous amendment dated 13 February 2026, and provided an enabling framework for banks to finance acquisitions by Indian corporates, and to refinance existing acquisition debt of an acquiring company, subject to limits on debt-to-equity ratio and total funding, requirements on control acquisitions, eligibility and financial criteria.

The Credit Facilities Directions were amended with effect from 1 April 2027, to bring the asset classification, risk weight and provisioning requirements in line with the Reserve Bank of India (Commercial Banks - Asset Classification, Provisioning and Income Recognition) Directions, 2026, based on the proposed transition to the ECL framework by the RBI.

Subsequent amendments were notified on 10 June 2026, providing a framework for bank lending to Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs), with effect from 1 October 2026.

Banks will expressly be permitted to lend to SEBI-regulated and listed REITs and InvITs, subject to stringent conditions relating to governance, underwriting standards, end-use monitoring, leverage limits, and security coverage. The Directions require banks to adopt Board-approved lending policies, ensure adequate debt servicing capacity, prohibit financing of stressed underlying entities, and restrict refinancing to completed and revenue-generating projects. Importantly, overall bank exposure to a borrowing REIT or InvIT, together with its SPVs and holding companies, cannot exceed 49% of the value of the trust's assets. They were also amended by notification dated 23 June 2026.

The Reserve Bank of India issued the Reserve Bank of India (Commercial Banks – Credit Facilities) Fifth Amendment Directions, 2026, dated 15 July 2026, amending the Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025. The RBI added two explanations to the Directions. An explanation has been inserted in paragraph 78 stating that where a project can be operationalised as multiple independent viable units, a bank may, at its discretion, finance such independent units as separate projects with their own financial closure, provided each unit is appraised ex-ante for standalone viability. Another explanation has been inserted in paragraph 80 providing that, for electricity generation projects involving both generation and transmission (evacuation infrastructure), the right of way requirement for transmission may be determined as per sub-paragraph (3)

RESTRICTIONS ON LOANS AND ADVANCES TO RELATED PARTIES

The RBI had, on 23 July 2021, issued a circular on 'Loans and Advances – Regulatory Restrictions', which imposed restrictions on loans and advances to directors as well as those related to the Chairman/Managing Director or interested parties, was laid down after review of the erstwhile provisions 300 contained in the Master Circular on Loans and Advances - Statutory and Other Restrictions dated 1 July 2015.

The remaining provisions from the 2015 circular continued to be effective under the aforesaid circulars were withdrawn and the provisions were consolidated as part of the Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025 ("Credit Risk Directions"), with effect from 28 November 2025.

Under the Credit Risk Directions, banks are 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, 2013, 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 Credit Risk Directions were subsequently amended with effect from 1 April 2026. The prohibition on lending was extended to grant of loans and advances to spouse and minor / dependent children of the directors of banks. Banks are also prohibited from having credit exposure to their promoters and relatives and further extends to shareholders holding 10.00 per cent or more of the paid-up equity capital of the bank, as well as any entity over which promoters, their relatives, or major shareholders exercise significant influence or control, except where a financial institution, an SCB, FPI, or a mutual fund holds ten per cent or more of the equity share capital of the bank as non-strategic investment and without any control of the bank.

The Credit Risk Directions were further amended with effect from 1 July 2026, introducing credit assessments as a factor for calculating possible impact of calamities on borrowers.

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 non-performing asset ("**NPA**"). These assets are to be sold on a 'non-recourse' basis only.

REGULATIONS GOVERNING BANKING UNITS IN INTERNATIONAL FINANCIAL SERVICES CENTRES IN INDIA

In April 2015, the RBI issued guidelines relating to Indian banks setting up banking units in International Financial Services Centres in India. According to the guidelines, public and private sector banks dealing in foreign exchange would be permitted to set up one banking unit in each International Financial Services Center ("**IFSC**") in India. Banks will have to take prior approval of the RBI for opening a banking unit, and this will be treated on par with a foreign branch of an Indian bank. The minimum capital requirement for these banking units would be U.S.$20 million. Funds raised by the banking units, including borrowings in foreign currency, would have to be from persons not resident in India and not overseas branches of Indian banks. Deployment of funds can be with residents in India as well as non-resident in India. Liabilities of these units would be exempted from CRR and the SLR.

The SEBI (IFSC) Guidelines were promulgated to regulate financial services relating to securities in an IFSC created under Section 18(1) of the Special Economic Zones Act, 2005. The guidelines apply to any entity that intends to operate in an IFSC to render financial services relating to securities market and prescribe the eligibility and shareholding limit for stock exchanges, clearing corporations and depositories. The guidelines also prescribe conditions to be complied with for issuing capital in an IFSC.

In order to further streamline the operations of the IFSC, vide its circulars dated 9 July 2020, 7 August 2020 and 21 August 2020, the SEBI notified amendments to the SEBI (IFSC) Guidelines, 2015. By way of the RBI circular dated 9 July 2020, SEBI amended the '*Eligibility and shareholding limit for stock exchange desirous of operating in IFSC*'. Recently the Government has also come out with International Financial Services Centre Authority (Issuance and Listing Securities) Regulations, 2021 which permits debt securities to be issued by an issuer incorporated in IFSC.

Further, vide the circular dated 7 August 2020, SEBI amended the 'Eligibility and shareholding limit for clearing corporations desirous of operating in IFSC'. As per this amendment, a banking company, or a public financial institution of Indian jurisdiction, *inter alia* may acquire or hold, either directly or indirectly, either individually or together with persons acting in concert, up to fifteen percent of the paid-up equity share capital of such clearing corporation. The provisions of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 should also be complied with.

The International Financial Services Centre Authority on 29 June 2022, published the International Financial Services Centres Authority (Banking) (Amendment) Regulations, 2022 to further amend certain key definitions of the International Financial Services Centres Authority (Banking) Regulations, 2020.

IFSCA has expanded the scope of "specified foreign currencies" to include Swedish Krona (SEK), Norwegian Krone (NOK), New Zealand Dollar (NZD), and Danish Krone (DKK) for transactions within GIFT IFSC. This amendment to the IFSCA (Banking) Regulations, 2020, aims to facilitate a wider range of foreign currency options for financial services.

The IFSC Authority and the RBI have entered into a memorandum of understanding dated 16 November 2022 for collaboration in the field of regulation and supervision of REs in their respective jurisdictions. This shall facilitate technical cooperation and exchange of information.

On 6 July 2023, the IFSCA issued the International Financial Services Centres Authority (Banking) (Amendment) Regulations, 2023, to amend definitions of IFSC Banking Company, IFSC Banking Unit, Specified foreign currency and Subsidiary company. The IFSCA also inserted a schedule for laying down the categories of specified foreign currencies available under the regulation. The IFSCA has made significant changes to the parent regulations and introduced *inter alia* new types of banking units that can operate in an IFSC, licensing norms and capital provisioning norms to be followed by banking units in an IFSC.

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 IPO, rights issue, listing of debt securities, CD 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.

The Notes listed on India INX are in compliance with the IFSCA Regulations, from time to time, on a continuing basis.

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.

The RBI on 27 April 2026 issued final guidelines for asset classification, provisioning and income recognition. These guidelines effective from 1 April 2027, replace the extant framework based on incurred loss with an Expected Credit Loss (ECL) approach, subject to a prudential floor, while retaining the existing asset classification norms. Under the new rules, credit losses are now recognised from initial recognition of a financial asset, without waiting for a credit event to occur.

The objective is to ensure that provisions better reflect the underlying credit risk over the life of an exposure, rather than reacting only after deterioration has occurred. The estimation of expected future credit losses may incorporate historical experience, current conditions, and forward looking information. Successful adoption of ECL requires enhancements to systems, processes, data, and sound governance.

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", updated on 31 December 2015. The Government India has also published a draft Income-tax Rules, 2026 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 with effect from. 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.

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 same had been extended to medium enterprises from 1 April 2020. 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. The aforementioned circulars/ directions stand withdrawn, and their provisions were consolidated in the Reserve Bank of India (Commercial Banks - Interest Rates on Advances) Directions, 2025, with effect from 28 November 2025, as amended from time to time. A bank must now adopt a uniform external benchmark within a loan category; in other words, the adoption of multiple benchmarks by the same bank is not allowed within a loan category.

Recent Regulatory Developments

Statement on Developmental and Regulatory Policies dated 6 August 2025 by the RBI

The following statements set out the developmental and regulatory policy measures relating to regulation and financial market.

Regulation

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.

Financial markets

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 1 October 2025 by the RBI

The following statements set out the developmental and regulatory policy measures relating to regulations, foreign exchange management, consumer protection and financial markets.

Regulations

Expected Credit Loss (ECL) framework for provisioning

With a view to strengthen the resilience of the banking sector, it is proposed to issue the draft Reserve Bank (Asset Classification, Provisioning and Income Recognition) Directions, 2025 for Scheduled Commercial Banks (excluding Small Finance Banks, Payments Banks and Regional Rural Banks) and All India Financial Institutions. The draft directions *inter alia*, propose to replace the extant framework based on incurred loss with an Expected Credit Loss (ECL) approach, subject to a prudential floor, while retaining the existing asset classification norms. The guidelines are expected to enhance credit risk management practices, promote better comparability of reported financials across institutions. The framework is designed to be implemented in a non-disruptive manner with a suitable glide-path.

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 ₹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 exchange management

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 AD 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 AD 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.

Review of External Commercial Borrowing Framework

With an objective to rationalise and simplify the regulations governing External Commercial Borrowings (ECB), the RBI has undertaken a review of the existing provisions under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018.

Based on the review, a revised framework that provides for expansion of eligible borrower and recognized lender base, rationalization of borrowing limits, rationalization of restrictions on average maturity period, removal of restrictions on the cost of borrowing for ECBs, review of end-use restrictions and simplification of reporting requirements, is proposed to be introduced.

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 AD banks and reduction of compliance burden, thereby further enhancing the ease of doing business in India.

Consumer protection

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 `50 crore 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.

Financial markets

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 AD 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.

(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 ₹10 lakh to ₹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 ₹10 lakh to ₹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.

Statement on Developmental and Regulatory Policies dated 8 April 2026 by the RBI

The following statements set out the developmental and regulatory policy measures relating to regulations, supervision, payment system and financial markets.

Regulations

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) were permitted to include quarterly net profits in the calculation of CRAR provided that the incremental provisions made for Non-Performing Assets (NPAs) at the end of any of the four quarters of the previous financial year, had not deviated more than 25 per cent of the average of the four quarters. On a review, it was proposed to dispense with this condition.

Review of Guidelines on Investment Fluctuation Reserve (IFR)

Banks currently maintain Investment Fluctuation Reserve (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 was proposed to dispense with the IFR requirement for such commercial banks. The existing guidelines for other bank categories were also being revised to address the operational challenges encountered by such banks in complying with the regulatory thresholds on IFR and harmonised instructions across bank categories, thereby enhancing regulatory clarity and consistency.

Supervisions

Consolidation of Supervisory Instructions

The Reserve Bank had 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, Reserve Bank 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 (MDs), specific to each category of regulated entity. A similar exercise had been carried out for the supervisory instructions.

Payment Systems

Simplifying the onboarding process of MSMEs in Trade Receivables Discounting System (TReDS)

With a view to facilitating timely access to working capital for MSMEs, guidelines for Trade Receivables Discounting System (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 was proposed to dispense with the requirement of due diligence of MSMEs while onboarding on TReDS platforms. A comprehensive review of other extant instructions had also been undertaken.

Financial Markets

Development of Term Money Market

An active-term money market, apart from providing an alternative funding avenue to the market participants, also helped 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 had been decided to (a) expand the participant base in the term money market segment to include non-bank participants viz., AIFIs, NBFCs, including housing finance companies, companies, etc.; and (b) enhance the borrowing limit in the term money market for standalone primary dealers.

Guidelines on Liquidity Risk Management and Basel III Framework on Liquidity Standards

To address the deficiencies witnessed in liquidity risk management in the recent crisis and to strengthen liquidity risk management in banks, the Basel Committee on Banking Supervision ("BCBS") published "Principles for Sound Liquidity Risk Management and Supervision" in September 2008. This was followed by the publication of "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" in December 2010, i.e. the Basel III rules text on liquidity prescribing two minimum global regulatory standards, namely the LCR and the net stable funding ratio for liquidity risk and a set of five monitoring tools.

In accordance with this, the RBI, being a member of the BCBS, released draft guidelines "Liquidity Risk Management and Basel III Framework on Liquidity Standards" in February 2012. The final guidelines on Basel III capital regulations were issued on 2 May 2012. The Basel III guidelines became effective 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 further consolidated by way of the Capital Adequacy Directions.

Statement on Developmental and Regulatory Policies dated 5 August 2026 by the RBI

The Statement on Developmental and Regulatory Policies issued by RBI (pursuant to press release dated 5 August 2026) sets out various measures relating to regulations.

Draft guidelines for licensing of Urban Co-operative Banks (UCBs)

A discussion paper on Licensing of UCBs was published for stakeholder feedback on 13 January 2026 following a two decade pause on issuance of fresh licenses. On an analysis of the feedback, it had been decided to resume licensing of UCBs on 'on tap' basis.

Review of Guidelines on Concentration Risk Management - Rural Co-operative Banks

Prudential norms on Concentration Risk Management of Rural Co-operative Banks (RCBs) were governed by the Credit Monitoring Arrangement (CMA) instructions issued in 2008. As the banking sector in general, and co-operative banking sector in particular, had undergone significant expansion and changes since then, it had been decided to review these instructions, keeping in view the objectives of developing a vibrant co-operative sector while addressing the prudential concerns arising from concentrated lending.

Review of Guidelines on Interest Rates on Advances

The RBI proposed to rationalise the regulatory framework on interest rates for all Regulated Entities (REs) on a principle-based basis. The proposed rationalisation aimed to: (i) harmonise the guidelines across REs while maintaining proportionality; (ii) address certain operational aspects of the current framework on MCLR and EBLR; and (iii) standardise certain divergent market practices concerning interest charging, including day count

convention and benchmark reset dates. These measures sought to ensure uniformity, enhance transparency in loan pricing, strengthen monetary transmission and bolster consumer protection.

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), had advised the insured banks on implementation of Risk Based Premium (RBP) framework. The framework aimed to incentivise sound risk management by banks and reduce premium to be paid by better rated banks.

DICGC had been operating the deposit insurance since 1962 on a flat rate premium system presently 12 paise per `100 of assessable deposits (AD). Flat rate premium system was simple to understand and administer but does not differentiate banks which manage the risks better. DICGC Act, 1961 Section 15(1) provided for differential premium rates for different categories of insured banks. The proposal to introduce RBP for deposit insurance had 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.

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 following is a summary of the principal Indian tax consequences for non-resident investors subscribing to the Notes issued by the Issuer through its Head Office, its GIFT City Branch or any other foreign branch. 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 with effect from 1 April 2026.

Payments through its Head Office, its GIFT City Branch or other foreign branch

There is currently no requirement to withhold Indian tax on interest payments made on the Notes by the Bank's offshore branches, 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 paragraphs "*Withholding Tax*" and "*Taxation of Interest*" which are 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.

Withholding of Taxes on Interest Paid by the Issuer through India

No withholding tax would be applicable on interest income by way of interest payable to a non-resident by a unit located in an International Financial Services Centre ("**IFSC**") in respect of monies borrowed by it on or

after 1 September 2019. If the proceeds of the Notes are used for the purposes of the business of the Issuer in India, Non-resident Investors will be liable to pay tax on the interest paid on the Notes. There may be a requirement to withhold tax at the rate of 20.00 per cent. (plus applicable surcharge, and health and education cess) on interest payments made on the Notes to non-residents where the Notes are issued after 30 June 2023 or at the rate of 35.00 per cent. (plus applicable surcharge and health and education cess) in case of Rupee Denominated Notes in accordance with the existing conditions contained in the Income-tax Act, 2025 ("**IT Act**"). This rate may be reduced and tax would be withheld at the applicable rate, i.e., at 9.00 per cent. (plus applicable surcharge and health and education cess), subject to satisfaction of conditions specified in Section 393(2) (Table Sl. No. 4) of the IT Act. 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.

Tax may also be withheld at higher rates under Section 397 of the IT Act (described below).

Under Section 397 of the IT Act, non-resident holders of Notes, issued in accordance with Section 393(2) (Table Sl. No. 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 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) 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 Noteholder 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 interest

Generally, any income by way of interest payable to a non-resident by a unit located in an IFSC in respect of monies borrowed by it on or after 1 September 2019, would be exempt from Indian income tax under Section 11 read with Schedule VI (Table Sl. No. 12) of the IT Act. If this exemption is not available, then a Non-resident Investor may be liable to pay income tax at a rate of 20.00 per cent. (plus applicable surcharge, and health and education cess) under Section 207 of the IT Act on interest paid on the Notes through India subject to and in accordance with the existing conditions contained in the IT Act. This tax may stand reduced to 9.00 per cent. (plus applicable surcharge and health and education cess) under Section 393(2) (Table Sl. No. 4) read with Section 207 of the IT Act if the interest is paid pursuant money borrowed by the Issuer from a source outside India by way of issuance of long-term bonds or rupee denominated bonds on or after 1 July 2023, which is listed only on the recognised stock exchange located in any IFSC subject to satisfaction of conditions mentioned

therein. However, an applicable tax treaty, read with MLI (if and to the extent applicable), may further reduce such tax liability subject to fulfilment of the conditions prescribed therein. The Noteholder may be required to provide certain documents or other information as prescribed by law to apply the tax rate in accordance with the applicable tax treaty, read with MLI (if and to the extent applicable). A Non-resident Investor would be obligated 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 through India and its ultimate Indian tax liability for such interest, subject to and in accordance with the provisions of the IT Act.

Taxation of Gains Arising on Disposal of Notes Denominated in any Currency other than Indian Rupees

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. (plus applicable surcharge, and health and education cess) of the capital gains. In the case of Notes which are listed on a recognized stock exchange located in IFSC, 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. (plus applicable surcharge, and health and education cess) of the capital gains, 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 located in IFSC, 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 unlisted USD Denominated 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 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 for a consideration payable in foreign exchange, capital gains derived from such transfer by the Non-resident are exempt from tax in India.

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 Capital Gains on disposal of Rupee Denominated Notes

Capital gains if any arising pursuant to any transfer, made outside India by a non-resident to another non-resident, of a capital asset being Rupee Denominated Notes of the Issuer being an Indian company issued outside India are not subject to tax in India. Any gains arising to a Non-resident Investor from transfer of Notes held as a capital asset will generally be chargeable to income tax in India if the Notes are transferred to an Indian resident.

If the Rupee denominated Notes are transferred to an Indian resident upon disposition of a Note:

(a) a Non-resident Investor, who has held the Notes as capital asset for a period of more than 24 months immediately preceding the date of their disposition, would be liable to pay long-term capital gains tax at the rate of 12.50 per cent. (plus applicable surcharge and health and education cess) of the capital gains in accordance with the provisions of the IT Act. In the case of Notes which are listed on a recognized stock exchange located in IFSC, 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 as capital asset for 24 months or less would be liable to pay capital gains tax at rates ranging up to 35.00 per cent. (plus applicable surcharge and health and education cess) of the capital gains, depending on the legal status of the Non-resident Investor, and his taxable income in India; and any taxation 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 fulfillment of the conditions prescribed under the relevant Tax Treaty, read with MLI (if and to the extent applicable), as well as the IT Act. In the case of Notes which are listed on a recognized stock exchange located in IFSC, such Notes would be considered as a short-term capital asset when held for 12 months or less;

(c) in respect of a Non-resident Investor holding Rupee denominated Notes, the IT Act provides that any gains arising on account of appreciation of the Rupee against a foreign currency at the time of redemption of Rupee denominated Notes held by a Non-resident Investor, shall be ignored for the computation of full value of consideration. Accordingly, gains accruing to the Non-resident Investor due to appreciation of the Rupee against a foreign currency at the time of redemption of the Rupee denominated Notes held by such Non-resident Investor, shall not be taxable;

(d) if unlisted Rupee Denominated 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 capital gains tax at rates ranging up to 35.00 per cent. (plus applicable surcharge and health and education cess); and

(e) 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, read with MLI (if and to the extent applicable), applies, 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.

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 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

As a measure to prevent laundering of unaccounted 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) 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 Rupee denominated 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.

United Kingdom Taxation

The following is a summary of the Issuer's understanding of current United Kingdom tax law as applied in England and Wales and published HM Revenue and Customs' practice, in each case relating only to the UK withholding tax treatment of payments of interest (as that term is understood for UK tax purposes) in respect of Notes. It does not deal with any other UK taxation implications of acquiring, holding or disposing of Notes. The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the UK or who may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Notes that do not have a United Kingdom source may be made without deduction or withholding on account of United Kingdom income tax.

If payments of interest on the Notes do have a United Kingdom source, such payments may be made without deduction or withholding on account of United Kingdom income tax in any of the following circumstances.

Payments of interest on the Notes may be made without deduction or withholding for or on account of UK income tax provided that the Issuer is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "**Act**") and the interest on the Notes is and continues to be paid in the ordinary course of its business within the meaning of section 878 of the Act.

Payments of interest on the Notes may also be made without deduction of or withholding on account of UK income tax provided that the Notes carry a right to interest and are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. Provided that the Notes carry a right to interest and are and remain so listed on a "recognised stock exchange", interest on the Notes will be payable without withholding or deduction on account of UK tax whether or not the Issuer is a bank and whether or not the interest is paid in the ordinary course of its business. Please note, however, that the INX is not a recognised stock exchange for these purposes. Therefore, payments of interest on Notes that are listed on the INX will not be able to benefit from the exemption described in this paragraph, and would need to satisfy the exemption set out in the paragraph immediately above or immediately below in order to be paid free of any deduction or withholding on account of UK income tax.

Interest on the Notes may also be paid without withholding or deduction on account of UK income tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, where the relevant payments of interest are treated as having a UK source, an amount must generally be withheld from payments of interest on the Notes on account of UK income tax at the basic rate (currently 20.00 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the Code, commonly known as FATCA, withholding may be required on certain payments made by "foreign financial institutions" ("**foreign passthru payments**"), to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be 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. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes.

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 for (A) Notes that give rise solely to foreign passthru payments, 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, and (B) Notes that give rise to a dividend equivalent pursuant to Section 871(m) of the Code and the U.S. Treasury regulations promulgated thereunder, is six months after the date on which obligations of its type are first treated as giving rise to dividend equivalents. 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 16 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 or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S, each Dealer represents and agrees 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 or pursuant to another exemption from the registration requirements of 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 or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Subject to paragraph 1.5 below, each Dealer represents and agrees that it has not offered, sold and delivered any Notes, and will not offer, sell and deliver any Notes (i) as part of its distribution at any time or (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, within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Regulation S of 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 agrees 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**") or the securities laws of any state or other jurisdiction of the United States, 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 relevant 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 further represents and agrees 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) In respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement:

(i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(ii) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) if it is a United States person, each Dealer represents that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section l.163-5(c)(2)(i)(D)(6) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010);

(iv) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the

representations and agreements contained in subclauses 1.3(a), 1.3(b), 1.3(c) on such affiliate's behalf; and

(v) each Dealer agrees that it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)) that purchases any Notes in bearer form from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subclauses 1.3(a), 1.3(b), 1.3(c) and1.3(d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder

(d) In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes.

Terms used in paragraphs (c) and (d) have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) (or any substantially identical successor United States Treasury regulation section, including without limitation, substantially identical successor regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)

(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 the 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 represents and agrees that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the 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 the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer represents and agrees 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 the 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 the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom, except that it may make an offer:

(a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) 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

(c) at any time in any other circumstances falling within 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 the 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, (a) 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 (b) 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 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 will be required to represent and agree that any Notes will be offered in the Netherlands only to Qualified Investors (*gekwalificeerde beleggers*, as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*)).

Zero Coupon Notes in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of the Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of May 21, 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Note; (b) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals who do not act in the conduct of a business or profession; (c) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into the Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series or Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter. In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Notes have to be complied with. As used herein, "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

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 securities laws) with any Registrar of Companies, SEBI, the RBI, the IFSCA or any Indian stock exchanges 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 from time to time, 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, as amended from time to time, or the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended from time to time;

(ii) regulations and guidelines issued by the RBI, IFSCA or SEBI as may be applicable from time to time;

(iii) the Offering Circular will be made available to the India INX 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 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.

Each Dealer has represented and agreed that:

(a) the Offering Circular or any other material relating to any Notes has only been circulated or distributed to prospective or actual investors meeting the criteria laid down under the ECB Regulations (including that of a 'Recognised ECB Lender', i.e., (i) being a person resident outside India; (ii) being a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) being a financial institution (as defined in the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time), or a branch of a financial institution set up in an IFSC) ("**ECB Investor Requirements**"); and

(b) that the Notes issued by the Issuer from its Head Office, will not be offered, sold or transferred and have not been offered, sold or transferred as part of the primary issuance to any person who does not meet the ECB Investor Requirements. Other requirements as specified by the RBI from time to time may apply.

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 or any other statutory, regulatory or adjudicatory authority in India or by any Indian stock exchanges. 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. The ECB Investor Requirements apply in respect of the transfer of any Notes issued by the Issuer from its Head Office, including the transfer of any of such Notes.

Disclosure of information relating to holders of Notes

The holders and beneficial owners of Notes shall be deemed to confirm that for so long as they hold any Notes issued by the Issuer from its Head Office, they will meet the ECB Investor Requirements and comply with the ECB Regulations. Further, all Noteholders represent and agree that the Notes issued by the Issuer through its Head Office, will not be offered or sold on the secondary market to any person who does not meet the ECB Investor Requirements or who do not comply with ECB Regulations. In relation to any issuance of Notes, the holder and beneficial owners represent and agree that they will provide all information and details about themselves to the Issuer, to enable the Issuer to provide such information to the RBI or any other statutory, regulatory or adjudicatory authority in India as and when such information is required.

The holders and beneficial owners of 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 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.

In accordance with applicable provisions of ECB Regulations only (i) a person resident outside India; (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined in the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015, as amended from time to time), or a branch of a financial institution set up in an IFSC, are eligible to subscribe for the Notes issued by the Issuer from the Head Office, and should be in compliance with other requirements as may be specified by the RBI from time to time in relation to external commercial borrowings by Indian entities who are not otherwise prohibited under any applicable laws or regulations from acquiring, owning or selling the Notes issued by the Issuer from the Head Office.

Additional Selling Restrictions as per Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025, as amended from time to time

The Issuer nor a related party over which the Issuer exercises control or significant influence (as defined under relevant Indian Accounting Standards) shall be permitted to purchase the Notes. Additionally, the Issuer should not directly or indirectly fund the purchase of the Notes. Further, the Issuer shall also not grant advances against the security of the Notes issued by the Issuer itself.

Singapore

Each Dealer has represented, and agreed, and each further Dealer appointed under the Programme will be required to represent, and agree that 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 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 (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**")) other than (i) to "professional investors" as defined in the SFO; or (ii) 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 or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or has 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 thereunder.

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 United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates 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.

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 and update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 29 July 2026.

   Issuance of Notes by the Issuer acting through its Head Office is permitted under the ECB Regulations, provided that such Notes are issued in accordance with the ECB Regulations. Further, for the issuance of Notes by the Issuer from its Head Office, a loan registration number will be required to be obtained pursuant to the ECB Regulations. No other approval from the RBI and/or the Ministry of Finance will be required, provided that such Notes are issued in accordance with the ECB Regulations.

   Currently, the issuance of Notes by the Issuer acting through its GIFT City Branch or any other foreign 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 the RBI and/or the Ministry of Finance provided that such Notes are within the limits prescribed by the RBI and subject to directions, regulations and guidelines issued by the RBI and the Government from time to time, including the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended from time to time, and the regulatory authority of the country where the branch is located. The Issuer is, however, required to: (i) comply with reporting requirements specified under the Master Direction – Reporting under Foreign Exchange Management Act, 1999 dated 1 January 2016 (as may be updated, amended or modified from time to time), and (ii) make any other filing or regulatory reporting to the RBI as may be required under the relevant RBI directions/circulars/notifications.

   The Issuer is, however, required to (i) comply with reporting requirements specified under the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 as may be amended, updated, modified or superseded from time to time; (ii) make the relevant filings/ reportings, including in the designated returns under the aforesaid directions, and any other filings/ reportings, required pursuant to any direction, regulation, notification, circular or guideline (including, where applicable, the ECB Regulations), including with the Government, and any regulatory authorities including but not limited to the IFSCA, the SEBI and the RBI, and (iii) report as part of the overseas liabilities and Department of Banking Supervision - Overseas (DSBO) returns with respect to the operation of the GIFT City Branch, as amended from time to time.

   Approval, if any required, for the issuance of the Notes by the Issuer's Head Office will be obtained from the RBI prior to issuance of the Notes. With regard to the Issuer's GIFT-City Branch, relevant provisions of the IFSCA (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.

2. Any payments (other than the principal and interest) under the Notes by the Issuer from its Head Office in India will require prior approval under applicable regulations and guidelines of the RBI.

Listing

3. Application will be made to the GSM of the India INX for the trading on the India INX of the Notes that may be issued pursuant to the Programme. The listing of the Notes will be in compliance with the International Financial Services Centres Authority (Listing) Regulations, 2024, as amended from time to time.

Legal Entity Identifier

4. The Issuer's Legal Entity Identifier is 335800LE3GBR6I412V82.

Clearing systems

5. 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

6. 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

7. 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

8. Prem Gupta & Co., the auditors of the Bank, have audited and reviewed the Issuer's standalone financial statements as at and 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.

Documents Available

9. 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

10. 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

11. 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 Indian "Companies Act, 2013" prescribes the balance sheet as well as statement of profit and loss format. There is a prescribed format for the balance sheet and profit & 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

		IFRS	INDIAN GAAP
		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 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.	various disclosures from time to time. Minority interests are presented separately from liabilities and equity in the consolidated balance sheet. Amounts attributable to minority interests are presented as a component of Reserves and Surplus.
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. However, the Bank provided such confirmation in first paragraph of schedule 17 of standalone financial statements and schedule 18 of

		IFRS	INDIAN GAAP
			consolidated financial statements.
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. The material impact of prior period items or change in accounting policy is disclosed in terms of accounting standard 5, however, if the impact is not quantifiable then this fact along with the reason is also disclosed.
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.	Any change in an accounting policy which has a material effect should be disclosed. The impact of, and the adjustments resulting from, such change, if material, should be shown in the financial statements of the period in which such change is made, to reflect the effect of such change. Where the effect of such change is not ascertainable, wholly or in part, the fact should be indicated. If a change is made in the accounting policies which has no material effect on the financial statements for the current period but which is reasonably expected to have a material effect in later periods, the fact of such

		IFRS	INDIAN GAAP
			change should be appropriately disclosed in the period in which the change is adopted. Disclosure in this regard is made in the notes to accounts.
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	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 and sale of Investment in Subsidiaries, Joint Ventures and associates to be appropriated from the profit and loss account to capital reserve after net of taxes and mandatory appropriation to Statutory Reserve.

		IFRS	INDIAN GAAP
		or highlighted separately within the primary statement of changes in shareholders' equity.	
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. However, percentage (%) of the shareholding of Government of India is disclosed vis-à-vis previous year under Schedule 18- Point No. 1.
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.
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, balance with RBI & other banks and money at call and short notice.
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	Classification is being done as per the guidelines issued by the Reserve bank of India. RBI's capital regulations require classification based on the substance of the instrument: Perpetual Non-Cumulative Preference Shares (PNCPS) are classified as 'Capital', while Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS) and Redeemable Cumulative Preference Shares (RCPS) — being debt-like, on account of

		IFRS	INDIAN GAAP
		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.	a redemption obligation and/or a cumulative dividend — are classified as 'Borrowings' and shown separately in the balance sheet.
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 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	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 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

		IFRS	INDIAN GAAP
		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.	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. The Consolidated financial results are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Investment in Associate's in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.
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	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. Consolidated Financial results are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of

IFRS	INDIAN GAAP
depending on facts and 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	Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.

		IFRS	INDIAN GAAP
		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 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 posttax results.	Similar to IFRS. However, the accounting for associate results using the equity

		IFRS	INDIAN GAAP
		IFRS require that similar accounting policies should be used for preparation of investor's financial statements.	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. Consolidated Financial results are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" and Accounting Standard 23 on "Accounting for Investment in Associate's in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.
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.	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

		IFRS	INDIAN GAAP
		Goodwill is not amortised but tested for impairment on annual basis.	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 method used for actuarial valuation should be the Projected Unit Credit Method. 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	Similar to IFRS except It deals with accounting for fixed assets retired from active use and held for sale. Property, Plant % Equipment are stated at historical cost less accumulated depreciation/amortization, wherever applicable, except

		IFRS	INDIAN GAAP
		useful life and depreciation is also required. Does not deal with the assets 'Held for Sale' because treatment of such assets is covered in IFRS 5.	those premises, which have been revalued in terms of the Bank's policy, *i.e.,* every three years.
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	**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. However, interest income on advances and investment is booked in line with RBI guidelines issued vide Income Recognition, Asset Classification and Provisioning) Directions, 2025 and RBI Classification, Valuation, and Operation of Investment Portfolio, Directions, 2025. Disclosure in regard of 'Revenue Recognition' is made under Significant accounting policies.
19	**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	Similar to IFRS except: (i) no concept of constructive obligation and (ii) discounting is not permitted other than decommissioning liability.

		IFRS	INDIAN GAAP
		the obligation, discounted using a pre-tax market discount rate if the effect is material.	
20	**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.
21	**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; • FVTPL (including HFT); and • SBJVAS. This above classification follows the RBI Master Direction – Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions) 2025. Further, Loans and advances are classified on the basis of the Income Recognition and Asset Classification norms of RBI.
22	**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	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

		IFRS	INDIAN GAAP
		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.	as HTM are measured at amortised cost and Investment in Subsidiaries, Joint Ventures and Associates are measured at acquisition cost subject to Day1 Gain/loss booking if acquisition cost is different from fair value.
23	**Financial liabilities – Classification**	Capital instruments are classified depending on the substance of the obligations of the issuer. There 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.	Classification is being done as per the guidelines issued by the Reserve bank of India. RBI's capital regulations require classification based on the substance of the instrument: Perpetual Non-Cumulative Preference Shares (PNCPS) are classified as 'Capital', while Perpetual Cumulative Preference Shares (PCPS), Redeemable Non-Cumulative Preference Shares (RNCPS) and Redeemable Cumulative Preference Shares (RCPS) — being debt-like, on account of a redemption obligation and/or a cumulative dividend — are classified as 'Borrowings' and shown separately in the balance sheet.

		IFRS	INDIAN GAAP
24	**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	Liabilities are recognised based on the legal obligation of the entity.

		IFRS	INDIAN GAAP
		hedge accounting requirements.	
25	**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.
26	**Discount on issue of debt**.....	Amortised as an adjustment to the yield.	Amortised on a straight line basis.
27	**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 unless a statute requires otherwise. 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.
28	**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	Deferred tax is determined in accordance with the provision of the Income Tax Act, 1961 and as per Accounting Standard 22. Deferred tax is determined based on timing differences,

		IFRS	INDIAN GAAP
		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.	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.
29	**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**").
30	**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.
31	**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	Similar to IFRS. RBI has also laid down guidelines for disclosure of related party transactions.

		IFRS	INDIAN GAAP
		influence actually exists in such relationship. Some exemptions are available for separate financial statements of subsidiaries.	
32	**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 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.
33	**Contingent Assets**.....	A contingent asset is disclosed in financial statements where an inflow of economic benefits is probable.	A contingent asset is not disclosed in Financial Statements.
34	**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

		IFRS	INDIAN GAAP
			that its impact on net profit or loss for the period can be ascertained.
35	**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.
36	**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. However, interest income on advances and investment is booked in line with RBI guidelines issued vide Income Recognition, Asset Classification and Provisioning) Directions, 2025 and RBI Classification, Valuation, and Operation of Investment Portfolio, Directions, 2025.

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PUNJAB NATIONAL BANK

HEAD OFFICE: NEW DELHI

FINANCIAL RESULTS (REVIEWED) FOR THE QUARTER ENDED JUNE 30, 2026

(Rs. in lacs)

S.No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter ended			Year ended	Quarter ended			Year ended
		30.06.2026	31.03.2026	30.06.2025	31.03.2026	30.06.2026	31.03.2026	30.06.2025	31.03.2026
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
1	**Interest Earned (a+b+c+d)**	**3289726**	**3215672**	**3196394**	**12822319**	**3358917**	**3279777**	**3257233**	**13077209**
	(a) Interest / discount on advances / bills	2306114	2248830	2166446	8876159	2328835	2269627	2184329	8954689
	(b) Income on Investments	807658	804477	843801	3312577	852714	846517	885236	3483620
	(c) Interest on Balances with RBI & other inter bank funds	133555	122693	102469	425777	134960	124070	103990	431085
	(d) Others	42399	39672	83678	207806	42408	39563	83678	207815
2	Other Income	433347	416198	526782	1879397	436458	408025	542651	1869121
A	**TOTAL INCOME (1+2)**	**3723073**	**3631870**	**3723176**	**14701716**	**3795375**	**3687802**	**3799884**	**14946330**
3	Interest Expended	2209890	2177642	2138585	8626342	2258330	2221878	2182833	8806940
4	**Operating Expenses (a+b)**	**761263**	**704193**	**876456**	**3146411**	**770769**	**713803**	**885198**	**3182896**
	(a) Employees Cost	453538	374716	516437	1874703	459777	381073	522669	1899228
	(b) Other operating expenses	307725	329477	360019	1271708	310992	332730	362529	1283668
B	**TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)**	**2971153**	**2881835**	**3015041**	**11772753**	**3029099**	**2935681**	**3068031**	**11989836**
C	**Operating Profit (A-B) (before Provisions & Contingencies)**	**751920**	**750035**	**708135**	**2928963**	**766276**	**752121**	**731853**	**2956494**
D	Provisions (other than tax) and contingencies	54119	42371	32310	253993	55470	37993	34511	248328
	of which provisions for Non Performing Assets	79202	90601	39613	200430	80359	88604	34437	188387
E	Exceptional items	0	0	0	0	0	0	0	0
F	**Profit / (Loss) from ordinary activities before tax (C-D-E)**	**697801**	**707664**	**675825**	**2674970**	**710806**	**714128**	**697342**	**2708166**
G	Tax Expenses	172472	185153	508325	984571	176891	191616	514120	998589
H	**Net Profit (+)/Loss(-) from ordinary activities after tax (F-G)**	**525329**	**522511**	**167500**	**1690399**	**533915**	**522512**	**183222**	**1709577**
I	Extraordinary items (net of tax expense)	0	0	0	0	0	0	0	0
J	**Net Profit / (Loss) for the period (H-I)**	**525329**	**522511**	**167500**	**1690399**	**533915**	**522512**	**183222**	**1709577**
K	Share in Profit / (Loss) of associates					49562	37735	33488	137093
L	Minority Interest					2005	1083	4722	7401
M	**Net Profit / (Loss) after minority interest (J+K-L)**	**525329**	**522511**	**167500**	**1690399**	**581472**	**559164**	**211988**	**1839269**
5	Paid up equity Share Capital (Face value Rs. 2/- each)	229859	229859	229859	229859	229859	229859	229859	229859
6	Reserves excluding revaluation reserves (as per Balance sheet of previous year)				12998781				13731030
7	**Analytical Ratios**								
	(i) Share holding of Govt. of India (%)	70.08	70.08	70.08	70.08	70.08	70.08	70.08	70.08
	(ii) Capital Adequacy Ratio - Basel-III (%)	18.13	17.74	17.50	17.74	18.11	17.76	17.52	17.76
	(a) CET 1 Ratio (%)	14.52	13.62	12.95	13.62	14.52	13.67	12.98	13.67
	(b) Additional Tier 1 Ratio (%)	1.51	1.53	1.67	1.53	1.50	1.53	1.67	1.53
	(iii) Earnings per Share (EPS) not annualized (in Rs.)								
	(a) Basic and diluted EPS before extraordinary items	4.57	4.55	1.46	14.71	5.06	4.83	1.84	16.00
	(b) Basic and diluted EPS after extraordinary items	4.57	4.55	1.46	14.71	5.06	4.83	1.84	16.00
	(iv) NPA Ratios:								
	(a) Amount of Gross NPAs	3538080	3712412	4267297	3712412				
	(b) Amount of Net NPAs	343320	360956	413224	360956				
	(c) % of Gross NPAs	2.78	2.95	3.78	2.95				
	(d) % of Net NPAs	0.28	0.29	0.38	0.29				
	(v) Return on Assets (Annualised) %	1.04	1.06	0.37	0.89				
	(vi) Outstanding redeemable preference shares (Quantity and Value)	-	-	-	-				
	(vii) Capital redemption reserve/debenture redemption reserve	-	-	-	-				
	(viii) Net Worth	12478648	11831714	10646566	11831714				
	(ix) Debt-equity ratio (Borrowings/Net Worth)	0.64	0.70	0.67	0.70				
	(x) Total Debts to Total Assets (Borrowings/Total Assets)	0.04	0.04	0.04	0.04				
	(xi) Operating Margin (%) (Operating Profit/Total Income)	20.20	20.65	19.02	19.92				
	(xii) Net Profit Margin (%) (Net Profit after tax /Total Income)	14.11	14.39	4.50	11.50				

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Notes forming part of Reviewed Standalone and Consolidated Financial results for the quarter ended June 30, 2026:

1. Summarised Statement of Assets and Liabilities:

(Rs in Lacs)

Particulars	Standalone			Consolidated		
	30.06.2026 (Reviewed)	31.03.2026 (Audited)	30.06.2025 (Reviewed)	30.06.2026 (Reviewed)	31.03.2026 (Audited)	30.06.2025 (Reviewed)
CAPITAL & LIABILITIES						
Capital	229859	229859	229859	229859	229859	229859
Reserves & Surplus	14620829	14035115	12966750	15404804	14767363	13582487
Minority Interest				66762	68953	66741
Deposits	172483729	171112633	158937855	173890757	172479542	160004781
Borrowings	7926366	8231432	7126140	10448281	10755840	9347178
Other Liabilities and Provisions	3770390	4980208	4070856	3833744	5031538	4140472
TOTAL	199031173	198589247	183331460	203874207	203333095	187371518
ASSETS						
Cash & Balances with Reserve Bank of India	7124274	6085552	7138382	7127323	6088217	7142043
Balances with Banks & Money at Call & Short Notice	9031153	10109155	6756453	9193219	10323981	6931927
Investments	48622198	49411184	50940571	51831271	52351452	53708681
Advances	124139886	122529230	109198087	125451177	123798005	110132381
Fixed Assets	1552328	1557677	1551164	1557319	1562536	1554244
Other Assets	8561334	8896449	7746803	8713898	9208904	7902242
TOTAL	199031173	198589247	183331460	203874207	203333095	187371518

2. These financial results have been drawn from the financial statements prepared in accordance with Accounting Standard 25 (AS-25) "Interim Financial Reporting" issued by the Institute of Chartered Accountants of India.

3. These financial results have been reviewed and recommended by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on July 18, 2026. The same have been subjected to limited review by the Statutory Central Auditors of the Bank, as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereafter.

4. These financial results of the Bank have been arrived at after considering necessary provisions for non-performing assets, standard assets, restructured advances, stressed

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sector accounts, standard derivative exposures, direct taxes including deferred tax, unhedged foreign currency exposure, depreciation on fixed assets and investment depreciation on the basis of extant guidelines issued by the Reserve Bank of India, judicial pronouncements and applicable accounting standards issued by The Institute of Chartered Accountants of India. Other usual and necessary provisions (including provision for employee benefits) for the quarter have been made on estimated basis and are subject to adjustments, if any, at the year end.

5. There are no material changes in Significant Accounting Policies followed for preparation of financial results for the quarter ended June 30, 2026, as compared to those followed for the preparation of financial statements for the year ended March 31, 2026.

6. The Consolidated financial results are prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 23 "Accounting for Investment in Associates" in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.

7. These consolidated financial results of the Group comprise financial results of 5 Subsidiaries and 11 Associates as per list given below. The consolidated results are prepared in accordance with RBI guidelines, section 133 of Companies Act, 2013 and Regulation 33 and 52 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Sl. No.	Name of the Entity	Proportion of Ownership (%) as at 30.06.2026
A.	Subsidiaries	
1	PNB Investment Services Ltd.	100.00
2	PNB Cards and Services Ltd.	100.00
3	Punjab National Bank (International) Ltd., UK	100.00
4	PNB Gilts Limited	74.07
5	Druk PNB Bank Ltd., Bhutan	51.00
B.	Associates	
1	PNB Metlife India Insurance Company Ltd.	30.00
2	PNB Housing Finance Limited	28.03
3	Everest Bank Ltd., Nepal	20.02
4	Assam Gramin Bank, Guwahati^	35.00
5	Bihar Gramin Bank, Patna	35.00
6	Haryana Gramin Bank, Rohtak^	35.00
7	Himachal Pradesh Gramin Bank, Mandi	35.00
8	Manipur Rural Bank, Imphal	35.00
9	Punjab Gramin Bank, Kapurthala	35.00
10	Tripura Gramin Bank, Agartala	35.00
11	West Bengal Gramin Bank, Kolkata	35.00

Note –

a) *JSC* (Tengri Bank), Almaty, Kazakhstan, an associate of the Bank with shareholding of 41.64% is under liquidation.

b) *^Pursuant to Gazette notification no. 4692 dated October 24, 2025, Department of Financial Services, Ministry of Finance vide notification no. S.O. 4831 (E) & S.O. 4833 (E) has renamed*

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Assam Gramin Vikash Bank to Assam Gramin Bank and Sarva Haryana Gramin Bank to Haryana Gramin Bank.

c) *Canara HSBC Life Insurance Company Limited has ceased to be an Associate of the Bank w.e.f. 17.10.2025 as the Bank's shareholding in the company declined from 23% to 13% following the sale of shares through an OFS-IPO.*

8. In accordance with SEBI regulations, for the purpose of quarterly consolidated financial results for June 30, 2026, minimum eighty percent of consolidated revenue, assets and profits have been subjected to limited review.

9. In accordance with the RBI circular no. RBI/2026-27/83DOR.MRG.REC.No.71/00-00-001/2026-27, dated May 18, 2026, regarding the Classification, Valuation and Operation of Investment Portfolio (Second Amendment) Directions, 2026, the requirement to maintain the Investment Fluctuation Reserve (IFR) has been discontinued. Accordingly, the Bank has transferred the outstanding IFR balance of Rs. 4143.55 crore to the Other Reserves (General Reserve) during the quarter ended June 30, 2026.

10. As per RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR.BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts under the provisions of Insolvency & Bankruptcy Code (IBC) where the Bank is having exposure, the Bank is holding total provision of Rs. 6762.63 Crore (Aggregate provision of RBI List 1 and List 2 accounts is 100%) as on June 30, 2026.

11. During the quarter, the Bank has not availed any dispensation in respect of frauds in terms of option available as per RBI Circular No. RBI/DOR/2025-26/164 DOR.STR.REC.83./ 21.04.048/2025-26 dated November 28, 2025. Further, there is no un-amortized amount which has been carried forward to subsequent quarters.

12. In terms of RBI Circular RBI/DOR/2025-26/165 DOR.STR.REC.84/21.04.048/2025-26 dated November 28, 2025 on Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, having total banking exposure of Rs. 1,500.00 Crore and above, the Bank is holding additional provision of Rs. 2377.53 Crore as on June 30, 2026 in 15 accounts as summarized below:

(Rs.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 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 quarter (g) – (e)	Total Provision held as on 30.06.2026
(a)	(b)	(c)	(d)	(e)	(f)	(g)
6842.79	1459.00	0.00	5383.79	2429.77	52.24	2377.53

13. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the summary of MSME restructured accounts as on June 30, 2026 is as under:

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(Rs. in Crore)

No. of Accounts Restructured	Amount involved
1455	288.65

14. In accordance with RBI circular no. DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) the summary of restructured accounts as on June 30, 2026 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
8557	1126.65

15. As per RBI/DOR/2025-26/147 DOR.LIC.REC.No.66/22-01-001/2025-26 dated November 28, 2025, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital banking Segment has been identified as sub-segment under Retail Banking Segment by Reserve Bank of India (RBI). As on June 30, 2026, 8 (eight) Digital banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

16. As on June 30, 2026, the Bank is holding an additional provision of Rs. 98.02 Crore (additional provision outstanding at end of previous quarter was Rs.107.24 crore) on standard accounts restructured under COVID 19 Resolution Framework 1.0 and 2.0, at higher than prescribed rate of 5%/10%, as per Bank's policy based on the evaluation of risk and stress in these sectors, in terms of Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025.

17. During the quarter ended June 30, 2026, the Bank has made floating provision of Rs. 390 Crore in line with the Board approved policy. As on June 30, 2026, the Bank is holding floating provision of Rs. 2435 Crore.

18. In terms of RBI circular no. RBI/DOR/2025-26/167 DOR.ACC.REC.No.86/21.04.018/2025-26 dated November 28, 2025 on Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, disclosure related to project finance is as below:

Sl. No	Item Description	No. of A/cs	Total O/s (Rs. in Crore)
1	Projects under implementation accounts at the beginning of the quarter.	1739	30714.83
2	Projects under implementation accounts sanctioned during the quarter.	136	789.01
3	Projects under implementation accounts where DCCO has been achieved during the quarter	142	5370.95
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	1733	26132.89
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.	124	1499.12

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Sl. No	Item Description	No. of A/cs	Total O/s (Rs. in Crore)
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	124	1499.12
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0.00
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0.00
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	0.00
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	0.00
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0.00
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	0	0.00
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	0.00
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	0	0.00
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	0	0.00
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	0	0.00

19. The Bank has estimated the liability for Unhedged Foreign Currency Exposure (UFCE) in terms of RBI circular RBI/DOR/2025-26/157 DOR.CRE.REC.76/07-02-001/2025-26 dated November 28, 2025 and is holding a provision of Rs. 254.03 Crore as on June 30, 2026 (Rs. 236.22 Crore as on June 30, 2025).

20. As per 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) Directions, 2025, the details of Co-Lending Arrangements (CLA) are as below –

Sl. No	Particulars		As on 30.06.2026
1	Quantum of CLAs (in ₹ crore)		795.21
2	Weighted average rate of interest (in %)@		NA
3	Fees paid* (in ₹ crore)		NIL
4	Broad sectors in which CLA was made		MSME & Retail
5	Performance of loans under CLA		
	Total loan disbursed till 30.06.2026 (in ₹ crore)		1304.19
	Total loan outstanding (in ₹ crore)		795.21
	Out of which: -	Standard (in ₹ crore)	767.39
		NPA (in ₹ crore)	27.82
6	Default loss guarantee, if any		NA

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Sl. No	Particulars	As on 30.06.2026
7	Others	NA

*Gross fees amount paid to Co-lending partners during the period.

@ Weighted average rate of interest was introduced in Reserve Bank of India (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025 dated 28.11.2025 effective from 01.01.2026 applicable for new CLA entered after effective date. However, Bank has not entered into any new tie-up after effective date of 01.01.2026, hence weighted average ROI is not applicable.

21. The Provisioning Coverage Ratio (including Technically Written off accounts) as at June 30, 2026 works out to 97.23% (96.88% as at June 30, 2025).

22. 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, the details of loans transferred/ acquired during the quarter ended June 30, 2026 are given below:

i. The Bank has not acquired any Special Mention Accounts (SMA) and also not transferred any loans not in default or Special Mention Accounts (SMA).

ii. Details of loans not in default acquired through assignment:

Particulars	Values
Amount of Loan	Rs. 2324.48 Crore
Weighted average maturity	147.44 months
Weighted average holding period	19.21 months
Retention of beneficial economic interest (by originator)	10%
Tangible security coverage	295.18%
Rating wise distribution of rated loans	NA

iii. The Bank has not acquired any non-performing assets.

iv. Details of non-performing assets (NPAs) transferred:

(Amount in Rs. Crore)

Particulars	To ARCs	To permitted transferees	To other transferees
No. of accounts	1	Nil	Nil
Aggregate principal outstanding of loans transferred	160.68	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	0.00	Nil	Nil
Aggregate consideration	147.40	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	34.42	Nil	Nil
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	147.40	Nil	Nil

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23. As per 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) Directions, 2025 banks are permitted to reverse any excess provision to the Profit and Loss Account in the year of transfer of a loan to an Asset Reconstruction Company (ARC) for a 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.

    In accordance with the said circular, during the quarter ended June 30, 2026, the Bank has credited a net unrealised amount of Rs. 1.33 Crore to the Profit and Loss Account in respect of SRs guaranteed by the Government of India.

24. Distribution of the 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	Face Value (Rs. in Crore)	Carrying Value* (Rs. in Crore)
RR1+	10.07	22.43
RR1	1491.89	1564.08
RR2	115.48	70.78
RR3	0.00	0.00
RR4	0.00	0.00
RR5	0.00	0.00
Unrated	2104.62	520.16
Total	**3722.06**	**2177.45**

    As per RBI guidelines, post 8 years Rating is not applicable.

    * Provision of Rs. 388.39 Crore is held against carrying value of NPI SRs.

25. Other income includes income from non-fund-based banking activities (including commission), fees, earnings from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off / technically written off, etc.

26. In terms of RBI circular no. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated November 28, 2025, banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. https://pnb.bank.in. These disclosures have not been subjected to limited review by the Statutory Central Auditors.

27. Details of Investors complaints for the quarter ended June 30, 2026: Pending at Beginning: 0, Received: 15; Disposed off: 15; Closing: 0

28. The figures of the last quarter of the previous year are the balancing figures between audited figures in respect of financial year 2025-26 and the published year to date figures up to the end of the third quarter of the previous year.

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P A & ASSOCIATES BHUBANESWAR 319055E Chartered Accountants

29. Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

Sachin Ludhiyani
Asst. General Manager

Amardeep Singh
Dy. General Manager

Rajesh Kumar Jain
Dy. General Manager

Subash Chandra Mishra
General Manager

Raman Grover
Chief General Manager & CFO

Amit Kumar Srivastava
Executive Director

D. Surendran
Executive Director

M. Paramasivam
Executive Director

Ashok Chandra
Managing Director & CEO

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Mohit Kumar Sharma
Partner
(M.No. 416917)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Rajan Uppal
Partner
(M.No. 097379)

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Abhisek Rout
Partner
(M.No. 317954)

Place: New Delhi
Date: July 18, 2026

pnb

PUNJAB NATIONAL BANK
SEGMENT REPORTING FOR THE QUARTER ENDED JUNE 30, 2026

PART A – BUSINESS SEGMENTS

(Rs. in lacs)

Sr. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended			Year Ended	Quarter Ended			Year Ended
		30.06.2026 Reviewed	31.03.2026 Audited	30.06.2025 Reviewed	31.03.2026 Audited	30.06.2026 Reviewed	31.03.2026 Audited	30.06.2025 Reviewed	31.03.2026 Audited
1	**Segment Revenue**								
	(a) Treasury Operations	1049859	1011868	1128808	4322946	1095303	1040620	1187630	4478117
	(b) Corporate/Wholesale Banking	1434715	1523412	1416560	5615675	1450227	1543767	1426915	5673427
	(c) Retail Banking	1160545	1041436	1110815	4370741	1169292	1046866	1119745	4401496
	1) Digital Banking	31	22	10	56	31	22	10	56
	2) Other Retail Banking	1160514	1041414	1110805	4370685	1169261	1046844	1119735	4401440
	(d) Other Banking Operations	77954	55154	66993	392354	80553	56549	65594	393290
	Total Revenue	**3723073**	**3631870**	**3723176**	**14701716**	**3795375**	**3687802**	**3799884**	**14946330**
2	**Segment Results [Profit/(Loss)]**								
	(a) Treasury Operations	218252	154251	341521	1112832	229577	152928	355282	1137116
	(b) Corporate/Wholesale Banking	347275	388670	276842	1213114	352198	395981	284125	1238664
	(c) Retail Banking	298180	277787	231515	956065	296576	275096	233137	948784
	1) Digital Banking	-195	-215	-175	-777	-195	-215	-175	-777
	2) Other Retail Banking	298375	278002	231690	956842	296771	275311	233312	949561
	(d) Other Banking Operations	21624	16012	15400	100049	20998	16826	14251	98739
	Total	**885331**	**836720**	**865278**	**3382060**	**899349**	**840831**	**886795**	**3423303**
	Unallocated Expenditure	187530	129056	189453	707090	188543	126703	189453	715137
	Profit before Tax	**697801**	**707664**	**675825**	**2674970**	**710806**	**714128**	**697342**	**2708166**
	Provision for Tax	172472	185153	508325	984571	176891	191616	514120	998589
	Extraordinary items	-	-	-	-	-	-	-	-
	Share of Earning in Associates(Net)	-	-	-	-	49562	37735	33488	137093
	Minority Interest	-	-	-	-	2005	1083	4722	7401
	Net profit	**525329**	**522511**	**167500**	**1690399**	**581472**	**559164**	**211988**	**1839269**
3	**Segment Assets**								
	(a) Treasury Operations	51651018	52923572	51979436	52923572	55042601	56231972	54936869	56231972
	(b) Corporate/Wholesale Banking	86287678	85592520	79974550	85592520	87169901	86479620	80509125	86479620
	(c) Retail Banking	51469003	50246519	45361613	50246519	51908127	50644648	45762143	50644648
	1) Digital Banking	1197	970	304	970	1197	970	304	970
	2) Other Retail Banking	51467806	50245549	45361309	50245549	51906930	50643678	45761839	50643678
	(d) Other Banking Operations	6361949	6478901	4704257	6478901	6492053	6628568	4851777	6628568
	(e) Unallocated	3261525	3347735	1311604	3347735	3261525	3348287	1311604	3348287
	Total	**199031173**	**198589247**	**183331460**	**198589247**	**203874207**	**203333095**	**187371518**	**203333095**
4	**Segment Liabilities**								
	(a) Treasury Operations	48593173	49870587	48490110	49870587	51064384	52322487	50667357	52322487
	(b) Corporate/Wholesale Banking	81179272	80654973	74605942	80654973	81896979	81374508	75190478	81374508
	(c) Retail Banking	48421934	47347965	42316535	47347965	49211317	48113943	42871964	48113943
	1) Digital Banking	5676	4824	4525	4824	5676	4824	4525	4824
	2) Other Retail Banking	48416258	47343141	42312010	47343141	49205641	48109119	42867439	48109119
	(d) Other Banking Operations	5985309	6105155	4388465	6105155	5999305	6110389	4422380	6110389
	(e) Unallocated	797	345593	333799	345593	67559	414546	406993	414546
	Total	**184180485**	**184324273**	**170134851**	**184324273**	**188239544**	**188335873**	**173559172**	**188335873**
5	**Capital Employed**								
	(a) Treasury Operations	3057845	3052985	3489326	3052985	3978217	3909485	4269512	3909485
	(b) Corporate/Wholesale Banking	5108406	4937547	5368608	4937547	5272922	5105112	5318647	5105112
	(c) Retail Banking	3047069	2898554	3045078	2898554	2696810	2530705	2890179	2530705
	1) Digital Banking	-4479	-3854	-4221	-3854	-4479	-3854	-4221	-3854
	2) Other Retail Banking	3051548	2902408	3049299	2902408	2701289	2534559	2894400	2534559
	(d) Other Banking Operations	376640	373746	315792	373746	492748	518179	429397	518179
	(e) Unallocated	3260728	3002142	977805	3002142	3193966	2933741	904611	2933741
	Total Capital Employed	**14850688**	**14264974**	**13196609**	**14264974**	**15634663**	**14997222**	**13812346**	**14997222**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended			Year Ended	Quarter Ended			Year Ended
		30.06.2026 Reviewed	31.03.2026 Audited	30.06.2025 Reviewed	31.03.2026 Audited	30.06.2026 Reviewed	31.03.2026 Audited	30.06.2025 Reviewed	31.03.2026 Audited
1	**Revenue**								
	(a) Domestic	3601500	3490861	3617563	14230577	3645419	3520077	3671274	14380561
	(b) International	121573	141009	105613	471139	149956	167725	128610	565769
	Total	**3723073**	**3631870**	**3723176**	**14701716**	**3795375**	**3687802**	**3799884**	**14946330**
2	**Assets**								
	(a) Domestic	187617105	186905837	174243987	186905837	190684645	189956273	176875047	189956273
	(b) International	11414068	11683410	9087473	11683410	13189562	13376822	10496471	13376822
	Total	**199031173**	**198589247**	**183331460**	**198589247**	**203874207**	**203333095**	**187371518**	**203333095**

Notes :

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.
3. As per RBI/DOR/2025-26/147 DOR.LIC.REC.No.66/22-01-001/2025-26 dated November 28, 2025, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking Segment by Reserve Bank of India (RBI). As on June 30, 2026, 8 (eight) Digital Banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

Punjab National Bank – Finance & Accounts Division – Corp. Off.: Plot No.-4, Sec-10, Dwarka, New Delhi-75

UMED JAIN & CO. – MUMBAI 119250W – Chartered Accountants

N K BHARGAVA & CO. – DELHI 000429N – Chartered Accountants

PREM GUPTA & CO. – NEW DELHI 000429N – Chartered Accountants

P A & ASSOCIATES – BHUBANESWAR – Chartered Accountants

Ummed Jain & Co. Chartered Accountants 51, Snehdhara Jeevan Vikas Kendra Marg Andheri East Mumbai – 400 069	**NK Bhargava & Co.** Chartered Accountants C-31,1st Floor, Acharya Niketan Opp. Pocket - I, Mayur Vihar, Phase -1 New Delhi - 110 091
Prem Gupta & Co. Chartered Accountants 2342, Faiz Road, Karol Bagh New Delhi – 110 005	**P A & Associates** Chartered Accountants 12, Govind Vihar, Bomikhal Bhubaneswar - 751010

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Punjab National Bank for the Quarter ended 30th June 2026 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Punjab National Bank
New Delhi

1. We have reviewed the accompanying statements of unaudited standalone financial results ("the Statement") of Punjab National Bank ("the Bank") for the quarter ended 30th June 2026 attached herewith, being prepared and submitted by the Bank pursuant to requirements of regulation 33 and regulation 52 read with regulation 63(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("The Regulation") except for the disclosures relating to "Pillar 3 disclosures as at 30th June 2026 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under Basel III Capital Regulations" as have 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. The statement, which is the responsibility of the Bank's Management and has been reviewed by the Audit committee of the board and approved by the Bank's Board of Directors, has been prepared by Bank's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by the Institute of Chartered Accountants of India (ICAI), 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 Standard 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 (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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. Accordingly, we do not express an audit opinion.

4. The statement incorporates the relevant returns of 20 domestic branches, 1 treasury and 1 credit card division reviewed by us, 1 international banking unit situated in Gujarat International Finance Tec-City (GIFT City) reviewed by an audit firm specifically appointed for this purpose, 1 foreign branch situated in Dubai reviewed by an overseas auditor specifically appointed for this purpose and un-reviewed returns in respect of 10118 branches and other offices. In the conduct of our review, we have relied upon the review reports in respect of non-performing assets submitted by external concurrent auditors (including retired employees of the Bank) of 497 domestic branches, in-house concurrent auditors of 782 branches to the Bank Management. These review reports cover 69.33% (including 43.79% which has been covered by us) of the advances portfolio of the Bank (excluding the advances of asset recovery branches and outstanding food credit) and 81.95% (including 73.31% which has been covered by us) of the non-performing assets of the Bank as at 30th June 2026. Apart from these review reports, in the conduct of our review, we have also relied upon various information and returns received from un-reviewed branches/other offices of the Bank and generated through centralized database at the Bank's Head Office.

5. Based on our review conducted as above, subject to limitation in scope as mentioned in Para 3 and Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement read together with the notes thereon, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 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, except for the disclosures relating to "Pillar 3 as at 30th June 2026" 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 Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Mohit Kumar Sharma
Partner
(M.No. 416917)
UDIN: 26416917NMPDQH3882

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA NK Bhargava
Partner
(M.No. 080624)
UDIN: 26080624MAENTL4863

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Rajan Uppal
Partner
(M.No. 097379)
UDIN: 26097379GSPFIM6918

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Abhisek Rout
Partner
(M.No. 317954)
UDIN: 26317954VUHLBO4191

Place: New Delhi
Date: 18th July 2026

Ummed Jain & Co. Chartered Accountants 51, Snehdhara Jeevan Vikas Kendra Marg Andheri East Mumbai – 400 069	**NK Bhargava & Co.** Chartered Accountants C-31,1st Floor, Acharya Niketan Opp. Pocket - I, Mayur Vihar, Phase -1 New Delhi - 110 091
Prem Gupta & Co. Chartered Accountants 2342, Faiz Road, Karol Bagh New Delhi – 110 005	**P A & Associates** Chartered Accountants 12, Govind Vihar, Bomikhal Bhubaneswar - 751010

Independent Auditors' Limited Review Report on Unaudited Consolidated Financial Results of Punjab National Bank for the Quarter Ended 30th June 2026 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Punjab National Bank
New Delhi

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ("the Statement") of Punjab National Bank ("the Parent" or "the Bank") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its share of net profit/(loss) after tax of its associates for the quarter ended 30th June 2026 attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 and Regulation 52 of the SEBI read with regulation 63(2) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("The Regulations") except for the disclosures relating to "Consolidated Pillar 3 disclosures as at 30th June 2026 including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations" as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us. Our responsibility is to issue a report on these Unaudited Consolidated Financial Statements based on our review.

2. The Statement, which is the responsibility of the Parent's Management, has been reviewed by the audit committee of the Parent's Board and approved by the Parent's Board of Directors, has been prepared by Parent's Management in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), issued by the Institute of Chartered Accountants of India (ICAI), 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 Standard 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 (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A

review is substantially less in scope than an audit conducted in accordance with 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. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable.

4. The Statement of the Parent incorporate the relevant returns of 20 domestic branches and 1 treasury division and 1 credit card division reviewed by us, 1 international banking unit situated in Gujarat International Finance Tec-City (GIFT City) reviewed by an audit firm specifically appointed for this purpose, 1 foreign branch situated in Dubai reviewed by an overseas auditor specifically appointed for this purpose. In the conduct of our review of the Parent, we have also considered the review reports in respect of non-performing assets submitted by the external concurrent auditors (which includes retired employees of the Bank) of 497 domestic branches and in-house concurrent auditors of 782 branches to the Bank Management of the Parent included in the Group. Apart from these review reports, in the conduct of our review, we have also relied upon various information and returns received from un-reviewed branches/other offices of the Bank and generated through centralized database at the Bank's Head Office.

5. **The Statement includes the results of the following entities:**

Parent:

Punjab National Bank

Subsidiaries:

a. Reviewed

i. PNB Gilts Ltd.
ii. PNB Cards and Services Ltd.

b. Not Reviewed

i. PNB Investment Services Ltd.
ii. Punjab National Bank (International) Ltd., UK
iii. Druk PNB Bank Ltd., Bhutan

Associates:

a. Reviewed

i. Himachal Pradesh Gramin Bank
ii. Manipur Rural Bank
iii. Tripura Gramin Bank
iv. Haryana Gramin Bank

b. Not Reviewed

i. PNB Metlife India Insurance Company Ltd.
ii. PNB Housing Finance Limited
iii. Everest Bank Limited, Kathmandu, Nepal
iv. Punjab Gramin Bank
v. Assam Gramin Vikas Bank
vi. West Bengal Gramin Bank
vii. Bihar Gramin Bank

6. Based on our review conducted and procedures performed as stated in paragraph 3 and 4 above and based on the consideration of the review reports of internal inspection teams and reports of other auditors referred to in paragraph 7 to 10 below, nothing has come to our attention that causes us to believe that the accompanying Statement read with notes thereon, prepared in accordance with the recognition measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 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, except for the disclosures relating to "Consolidated Pillar 3" disclosures as at 30th June 2026 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.

Other Matters

7. We did not review the interim financial statements of 1281 (including 2 overseas) branches included in the unaudited standalone interim financial statements of the parent included in the Group, whose results reflect total advances (asset) of Rs. 3,52,887.02 Crore as at 30th June 2026 and total revenues of Rs. 6,700.60 Crore for the three months ended 30th June 2026, as considered in the respective unaudited standalone interim financial statement of the parent included in the Group.

   The interim financial results of these branches have been reviewed by the External concurrent auditors and in house concurrent auditors whose reports have been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such External concurrent auditors and in house concurrent auditors and the procedures performed by us as stated in paragraph 3 above.

8. The statement includes the interim financial results of 10118 branches and other offices included in the unaudited standalone financial results of the parent included in the Group which have not been reviewed, whose results reflect total advances (asset) of Rs. 3,89,821.25 Crore as at 30th June 2026 and total revenues of Rs. 8,379.83 Crore for three months ended 30th June, 2026, as considered in the respective unaudited standalone financial results of the parent included in the Group.

9. We did not review the interim financial statement of 2 Subsidiaries which have been reviewed by their auditors whose interim financial results reflect total assets of Rs. 26,978.61 Crore as at 30th June, 2026, revenue of Rs. 435.78 Crore and total net profit/loss after tax of Rs. 70.71 Crore for the quarter ended 30th June, 2026 as considered in the statement. The Statement also includes 4 associates whose share of net profit / (loss) for consolidation is Rs. 128.81 Crore for the quarter ended 30th June, 2026 whose interim financial statement have been reviewed by other auditors. These reports have been furnished to us by the Parent's Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

10. The Statement includes the interim financial statement of 3 Subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 17,817.16 Crore as at 30th June, 2026, revenue of Rs. 268.04 Crore and total net profit/loss after tax of Rs.

18.79 Crore for the quarter ended 30th June, 2026 as considered in the Statement. The statement also includes the Group's share of Net Profit / (Loss) of Rs. 368.95 Crore for the quarter ended 30th June, 2026, as considered in statement, in respect of 7 associates, based on interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Parent's Management, these interim financial results are not material to the Group.

Our conclusion is not modified in respect of above matters.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Mohit Kumar Sharma
Partner
(M.No. 416917)
UDIN: 26416917RLOXFF1065

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA NK Bhargava
Partner
(M.No. 080624)
UDIN: 26080624TIBYBS4629

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Rajan Uppal
Partner
(M.No. 097379)
UDIN: 26097379GHYOEX6310

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Abhisek Rout
Partner
(M.No. 317954)
UDIN: 26317954MKEPOT8930

Place: New Delhi
Date: 18th July 2026

To,

BSE Ltd / NSE Ltd / Debenture Trustees

Sub: Security Cover Certificate for the quarter ended on June 30, 2026.

Based on examination of books of accounts and other relevant records/documents, we hereby certify that:

a) **Punjab National Bank has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:**

Sno	ISIN	Date of Issue	Private Placement/ Public Issue	Secured/ Unsecured	Amount (in Crores)
1	INE160A08142	26.12.2019	Private Placement	Unsecured	1500.00
2	INE160A08175	11.11.2020	Private Placement	Unsecured	1500.00
3	INE160A08191	18.11.2021	Private Placement	Unsecured	1919.00
4	INE160A08209	09.12.2021	Private Placement	Unsecured	2000.00
5	INE160A08217	17.01.2022	Private Placement	Unsecured	1971.00
6	INE160A08225	06.07.2022	Private Placement	Unsecured	2000.00
7	INE160A08233	21.09.2022	Private Placement	Unsecured	658.00
8	INE160A08241	01.12.2022	Private Placement	Unsecured	4000.00
9	INE160A08258	23.12.2022	Private Placement	Unsecured	582.00
10	INE160A08266	27.03.2023	Private Placement	Unsecured	974.00
11	INE160A08274	30.06.2023	Private Placement	Unsecured	3090.00
12	INE160A08282	27.09.2023	Private Placement	Unsecured	3000.00
13	INE160A08290	28.12.2023	Private Placement	Unsecured	1153.00
14	INE160A08308	22.03.2024	Private Placement	Unsecured	1859.00
15	INE160A08316	23.12.2024	Private Placement	Unsecured	3000.00
16	INE160A08324	14.02.2025	Private Placement	Unsecured	2950.00
TOTAL					**32156.00**

b) **Security cover for listed unsecured debt securities:**

i. The financial information for the period ended 30-06-2026 has been extracted from the books of accounts for the period ended 30-06-2026 and other relevant records of Punjab National Bank;

ii. The Security Cover in the format as specified by SEBI vide its Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 is herein given as **Annexure I.**

N K BHARGAVA & CO. DELHI 000429N Chartered Accountants

The Security Cover certificate is being issued in consonance with SEBI regulations and shall have no effect on the seniority of such instruments and all other terms and conditions applicable for the issue of the bonds as specified by RBI master circular no. DOR.CAP.REC.2/21.06.201/2025-26 dated April 01,2025 for BASEL III Compliant bonds, as amended from time to time, and the terms of Issue.

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the such covenants/terms of the issue have been complied by the listed entity except as stated below: -

NIL

For M/S NK BHARGAVA & Co.
Chartered Accountants
FRN No. 000429N

(CA N K Bhargava)
Partner
Mem. No. 080624
UDIN: 26080624LMNKRC2377

Date : July 18, 2026
Place: New Delhi

PUNJAB NATIONAL BANK
HO : TREASURY DIVISION

Column A	Column B	Column C [i]	Column D[ii]	Column E[iii]	Column F[iv]	Column G[v]	Column H[vi]	Column I[vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	PariPassu Charge	PariPassu Charge	PariPassu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-in Progress														
Right of Use Assets						NOT APPLICABLE								
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

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Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIE S														
Debt securities to which this certificate pertains					**NOT APPLICABLE**									
Other debt sharing pari-passu charge with above debt		not to be filled												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

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Lease Liabilities														
Provisions														
Others					**NOT APPLICABLE**									
Total														
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O

PUNJAB NATIONAL BANK

HEAD OFFICE: NEW DELHI

FINANCIAL RESULTS (REVIEWED) FOR THE QUARTER ENDED JUNE 30, 2025

(Rs. in lacs)

S.No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter ended			Year ended	Quarter ended			Year ended
		30.06.2025	31.03.2025	30.06.2024	31.03.2025	30.06.2025	31.03.2025	30.06.2024	31.03.2025
		Reviewed	Audited	Reviewed	Audited	Reviewed	Audited	Reviewed	Audited
1	**Interest Earned (a+b+c+d)**	**3196394**	**3198946**	**2855643**	**12176073**	**3257233**	**3252309**	**2914454**	**12400985**
	(a) Interest / discount on advances / bills	2166446	2222492	2045178	8610095	2184329	2239050	2060521	8675664
	(b) Income on Investments	843801	801160	723175	3070055	885236	836544	765416	3224067
	(c) Interest on Balances with RBI & other inter bank funds	102469	112991	69321	346586	103990	114412	70523	351913
	(d) Others	83678	62303	17969	149337	83678	62303	17994	149341
2	Other Income	526782	471589	360952	1630937	542651	477593	361535	1644696
A	**TOTAL INCOME (1+2)**	**3723176**	**3670535**	**3216595**	**13807010**	**3799884**	**3729902**	**3275989**	**14046681**
3	Interest Expended	2138585	2123248	1808018	7897856	2182833	2163950	1853631	8070384
4	**Operating Expenses (a+b)**	**876456**	**869722**	**750461**	**3226087**	**885198**	**877106**	**756995**	**3255046**
	(a) Employees Cost	516437	579273	455081	2135772	522669	584502	459301	2154869
	(b) Other operating expenses	360019	290449	295380	1090315	362529	292604	297694	1100177
B	**TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)**	**3015041**	**2992970**	**2558479**	**11123943**	**3068031**	**3041056**	**2610626**	**11325430**
C	**Operating Profit (A-B) (before Provisions & Contingencies)**	**708135**	**677565**	**658116**	**2683067**	**731853**	**688846**	**666363**	**2720251**
D	Provisions (other than tax) and contingencies	32310	35967	131232	167460	34511	37067	90256	114997
	of which provisions for Non Performing Assets	39613	58831	79212	189683	34437	58910	78079	175485
E	Exceptional items	0	0	0	0	0	0	0	0
F	**Profit / (Loss) from ordinary activities before tax (C-D-E)**	**675825**	**641598**	**526884**	**2515607**	**697342**	**651779**	**575107**	**2605254**
G	Tax Expenses	★ 508325	184898	201731	852587	★ 514120	187492	203490	861291
H	**Net Profit (+)/Loss(-) from ordinary activities after tax (F-G)**	**167500**	**456700**	**325153**	**1663020**	**183222**	**464287**	**371617**	**1743963**
I	Extraordinary items (net of tax expense)	0	0	0	0	0	0	0	0
J	**Net Profit / (Loss) for the period (H-I)**	**167500**	**456700**	**325153**	**1663020**	**183222**	**464287**	**371617**	**1743963**
K	Share in Profit / (Loss) of associates					33488	36830	27521	111298
L	Share of minority					4722	2188	1552	7232
M	**Net Profit / (Loss) after minority interest (J+K-L)**	**167500**	**456700**	**325153**	**1663020**	**211988**	**498929**	**397586**	**1848029**
5	Paid up equity Share Capital (Face value Rs. 2/- each)	229859	229859	220220	229859	229859	229859	220220	229859
6	Reserves excluding revaluation reserves (as per Balance sheet of previous year)				11675523				12253093
7	**Analytical Ratios**								
	(i) Share holding of Govt. of India (%)	70.08	70.08	73.15	70.08	70.08	70.08	73.15	70.08
	(ii) Capital Adequacy Ratio - Basel-III (%)	17.50	17.01	15.79	17.01	17.52	17.05	15.84	17.05
	(a) CET 1 Ratio (%)	12.95	12.33	10.95	12.33	12.98	12.38	11.01	12.38
	(b) Additional Tier 1 Ratio (%)	1.67	1.72	2.09	1.72	1.67	1.72	2.08	1.72
	(iii) Earnings per Share (EPS) not annualized (in Rs.)								
	(a) Basic and diluted EPS before extraordinary items	1.46	3.97	2.95	14.77	1.84	4.34	3.61	16.42
	(b) Basic and diluted EPS after extraordinary items	1.46	3.97	2.95	14.77	1.84	4.34	3.61	16.42
	(iv) NPA Ratios:								
	(a) Amount of Gross NPAs	4267297	4408160	5126278	4408160				
	(b) Amount of Net NPAs	413224	429055	593006	429055				
	(c) % of Gross NPAs	3.78	3.95	4.98	3.95				
	(d) % of Net NPAs	0.38	0.40	0.60	0.40				
	(v) Return on Assets (Annualised) %	0.37	1.02	0.82	0.97				
	(vi) Outstanding redeemable preference shares (Quantity and Value)	-	-	-	-				
	(vii) Capital redemption reserve/debenture redemption reserve	-	-	-	-				
	(viii) Net Worth	10646566	9749799	8049665	9749799				
	(ix) Debt-equity ratio (Borrowings/Net Worth)	0.67	0.86	0.64	0.86				
	(x) Total Debts to Total Assets (Borrowings/Total Assets)	0.04	0.05	0.03	0.05				
	(xi) Operating Margin (%) (Operating Profit/Total Income)	19.02	18.46	20.46	19.43				
	(xii) Net Profit Margin (%) (Net Profit after tax /Total Income)	4.50	12.44	10.11	12.04				

★ The Bank has opted for lower tax regime. Please refer Note 22.

Finance Division

UMMED JAIN & CO. MUMBAI Chartered Accountants

N.K. BHARGAVA & CO. DELHI 000429N Chartered Accountants

PSD & ASSOCIATES JAIPUR Chartered Accountants

PREM GUPTA & CO. NEW DELHI 000425N Chartered Accountants

P.A. & ASSOCIATES BHUBANESWAR Chartered Accountants

punjab national bank
...the name you can BANK upon !

PUNJAB NATIONAL BANK

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES

(Rs in Lacs)

Particulars	Standalone			Consolidated		
	30.06.2025 (Reviewed)	31.03.2025 (Audited)	30.06.2024 (Reviewed)	30.06.2025 (Reviewed)	31.03.2025 (Audited)	30.06.2024 (Reviewed)
CAPITAL & LIABILITIES						
Capital	229859	229859	220220	229859	229859	220220
Reserves & Surplus	12966750	12506366	10965778	13582487	13083937	11429184
Minority Interest				66741	62843	57629
Deposits	158937855	156662328	140824707	160004781	157701988	141732697
Borrowings	7126140	8377671	5122313	9347178	10580655	7276962
Other Liabilities and Provisions	4070856	4040849	3198393	4140472	4095081	3241757
TOTAL	**183331460**	**181817073**	**160331411**	**187371518**	**185754363**	**163958449**
ASSETS						
Cash & Balances with Reserve Bank of India	7138382	6430461	7135592	7142043	6438922	7192913
Balances with Banks & Money at Call & Short Notice	6756453	8441523	4871799	6931927	8637036	4967983
Investments	50940571	49731125	42217483	53708681	52484031	44775048
Advances	109198087	107747457	98399762	110132381	108627314	99141191
Fixed Assets	1551164	1305339	1231720	1554244	1308330	1234585
Other Assets	7746803	8161168	6475055	7902242	8258730	6646729
TOTAL	**183331460**	**181817073**	**160331411**	**187371518**	**185754363**	**163958449**

Notes forming part of Reviewed Standalone and Consolidated Financial results for the quarter ended June 30, 2025:

1. The above Financial Results have been reviewed and approved by the Board of Directors in its meeting held on July 30, 2025. In absence of requisite number of Independent Directors on the Board, the quorum of the Audit Committee of the Board could not be met and hence, based on the provisions of Para 14A of the Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970, as amended, the quarterly financial results have been placed directly to the Board for review. These results have been subjected to limited review by the Statutory Central Auditors of the Bank as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereafter.

2. These financial results of the Bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, stressed sector accounts, standard derivative exposures, direct taxes including deferred tax, unhedged foreign currency exposure and investment depreciation on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by The Institute of Chartered Accountants of India. Other usual and necessary provisions (including provision for employee benefits) for the quarter have been made on estimated basis and are subject to adjustments, if any, at the year end.

3. There is no material impact of changes in significant Accounting Policies followed for preparation of financial results for the quarter ended June 30, 2025 as compared to those followed for the preparation of financial statements for the year ended March 31, 2025.

4. These financial results have been drawn from financial statements prepared in accordance with Accounting Standard 25 on Interim Financial Reporting.

5. The Consolidated financial results are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements and Accounting Standard 23 on Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.

6. The consolidated financial results of the Group comprise financial results of 5 Subsidiaries and 13 Associates listed hereunder. The consolidated results are prepared in accordance with RBI guidelines, section 133 of Companies Act, 2013 and regulation 33 and 52 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Sl. No.	Name of the Entity	Type of Association	Proportion of Ownership (%)	
			As at 30.06.2025	As at 31.03.2025
1	PNB Gilts Limited	Subsidiary	74.07	74.07
2	PNB Investment Services Ltd.	Subsidiary	100	100
3	PNB Cards and Services Ltd.	Subsidiary	100	100
4	Punjab National Bank (International) Ltd., UK	Subsidiary	100	100
5	Druk PNB Bank Ltd., Bhutan	Subsidiary	51.00	51.00
6	PNB Metlife India Insurance Company Ltd.	Associate	30.00	30.00
7	PNB Housing Finance Limited	Associate	28.08	28.10
8	JSC (Tengri Bank), Almaty, Kazakhstan*	Associate	41.64	41.64
9	Canara HSBC Life Insurance Co. Ltd.	Associate	23.00	23.00

Sl. No.	Name of the Entity	Type of Association	Proportion of Ownership (%)	
			As at 30.06.2025	As at 31.03.2025
10	Everest Bank Ltd., Nepal	Associate	20.02	20.02
11	Himachal Pradesh Gramin Bank, Mandi	Associate	35.00	35.00
12	Punjab Gramin Bank, Kapurthala	Associate	35.00	35.00
13	Sarva Haryana Gramin Bank, Rohtak	Associate	35.00	35.00
14	Assam Gramin Vikas Bank, Guwahati	Associate	35.00	35.00
15	Manipur Rural Bank, Imphal	Associate	35.00	35.00
16	Tripura Gramin Bank, Agartala	Associate	35.00	35.00
17	Bihar Gramin Bank, Patna	Associate	35.00	-
18	West Bengal Gramin Bank, Kolkata	Associate	35.00	-
19	Prathama UP Gramin Bank, Moradabad	Associate	Nil (refer notes hereunder)	35.00
20	Dakshin Bihar Gramin Bank, Patna	Associate		35.00
21	Bangiya Gramin Vikash Bank, Murshidabad	Associate		35.00
22	India SME Asset Reconstruction Co. Ltd.@	Associate	-	20.90

* Under liquidation

@ Entire stake has been sold during the quarter.

Notes:

i. Central Government vide Gazette ID No. CG-DL-E-07042025-262329 dated 07.04.2025 notified amalgamation of several Regional Rural Banks (RRBs) under the concept One State-One RRB with effect from May 01, 2025. Accordingly,

a. Prathama UP Gramin Bank (sponsored by Punjab National Bank) has been amalgamated into Uttar Pradesh Gramin Bank (sponsored by Bank of Baroda), and Bank's investment in equity shares of Prathama UP Gramin Bank amounting to Rs. 21.18 Crore has been realised during the quarter.

b. Dakshin Bihar Gramin Bank (sponsored by Punjab National Bank) and Uttar Bihar Gramin Bank (sponsored by Central Bank of India) have been amalgamated to form Bihar Gramin Bank, which is sponsored by Punjab National Bank. Our Bank has paid Rs. 668.89 Crore to Central Bank of India in lieu of its stake.

c. Bangiya Gramin Vikash Bank (sponsored by Punjab National Bank), Paschim Banga Gramin Bank (sponsored by UCO Bank) and Uttarbanga Kshetriya Gramin Bank, (sponsored by Central Bank of India) have been amalgamated to form West Bengal Gramin Bank, which is sponsored by Punjab National Bank. Our Bank has paid Rs. 282.80 Crore to UCO Bank and Central Bank of India in lieu of their stake.

ii. Owing to the above-mentioned disposal / amalgamations, a net amount of Rs. 62.91 crore in respect of the said associates (RRBs) has been adjusted in Reserves and Surplus of the Consolidated Financial Statements as per AS-23 'Accounting for investment in Associates' during the quarter.

7. In accordance with SEBI regulations, for the purpose of quarterly consolidated financial results for June 30, 2025, minimum eighty percent of consolidated revenue, assets and profits have been subjected to limited review.

8. As per RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR.BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts under the provisions of Insolvency & Bankruptcy Code (IBC) where the Bank is having exposure, the Bank is holding total provision of Rs. 6778.92 Crore (Aggregate provision of RBI List 1 and List 2 accounts is 100%) as on June 30, 2025.

9. During the quarter, the Bank has not availed any dispensation in respect of frauds in terms of option available as per RBI Circular No. RBI/2025-26/13 DOR.STR.REC.9/21.04.048/2025-26 dated April 01, 2025. Further, there is no un-amortized amount which has been carried forward to subsequent quarters.

10. In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, having total banking exposure of Rs. 1,500 Crore and above, the Bank is holding additional provision of Rs.1,959.17 Crore as on June 30, 2025 in 13 accounts as detailed below:

(Rs.in Crore)

Amount of loans impacted by RBI Circular (FB+NFB)	Amount of NPA Loans as on 30.06.2025 out of (a) (FB+NFB)	Amount of FB NPA loans out of (b)	Amount of Standard loans as on 30.06.2025 out of (a)	Total Additional Provision held as on 31.03.2025	Additional Provision / (Reversal) made during quarter (g) – (e)	Total Provision held as on 30.06.2025
(a)	(b)	(c)	(d)	(e)	(f)	(g)
6207.59	1527.31	0.00	4680.28	1763.02	196.15	1959.17

11. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No. BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the summary of MSME restructured accounts as on June 30, 2025 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
2200	397.51

12. In accordance with RBI circular no. DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) the summary of restructured accounts as on June 30, 2025 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
12236	1368.34

13. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on June 30, 2025, 8 (eight) Digital Banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

14. As on June 30, 2025, the Bank is holding an additional provision of Rs. 126.28 Crore (Rs. 229.41 Crore as at June 30, 2024) on standard accounts restructured under COVID 19 Resolution Framework 1.0 and 2.0, at higher than prescribed rate of 5%/10%, as per Bank's policy based on the evaluation of risk and stress in these sectors, in terms of RBI Master Circular dated April 01, 2025 regarding Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

15. In terms of RBI Master Circular dated April 01, 2025 regarding Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, the Bank is holding floating provision of Rs. 750 Crore as on June 30, 2025 (Rs. 150 Crore as at June 30, 2024).

16. The Bank has estimated the liability for Unhedged Foreign Currency Exposure (UFCE) in terms of Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022, no. RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 and is holding a provision of Rs. 236.22 Crore as on June 30, 2025 (Rs.175.54 Crore as on June 30, 2024).

17. The Provisioning Coverage Ratio (including Technically Written off accounts) as at June 30, 2025 works out to 96.88% (95.90% as at June 30, 2024).

18. In accordance with RBI circular no. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the details of loans transferred/acquired during the quarter ended June 30, 2025 are given below:

    i. The Bank has not acquired any Special Mention Accounts (SMA) and also not transferred any loans not in default or Special Mention Accounts (SMA).

ii. Details of loans not in default acquired through pool buyout via assignment:

Particulars	Values
Amount of Loan	Rs.2575.56 Crore
Weighted average maturity	128.90 months
Weighted average holding period	14.53 months
Retention of beneficial economic interest (by originator)	10%
Tangible security coverage	302.59%
Rating wise distribution of rated loans	NA

iii. The Bank has not acquired any non-performing assets.

iv. Details of non-performing assets (NPAs) transferred:

(all amounts in Rs. Crore)	To ARCs	To permitted transferees	To other transferees
No. of accounts	1	Nil	Nil
Aggregate principal outstanding of loans transferred	193.53	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	Nil	Nil	Nil
Aggregate consideration	103.67	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	37.03	Nil	Nil
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	103.67	Nil	Nil

19. As per RBI circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/21.04.048/2024-25 dated March 29, 2025, on guidelines for Government-guaranteed security Receipts, banks are permitted to reverse any excess provision to the Profit and Loss Account in the year of transfer of a loan to an Asset Reconstruction company (ARC) for a 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.

In accordance with the said circular, during the quarter ended June 30, 2025, the Bank has credited a net unrealised amount of Rs. 44.42 Crore to the Profit and Loss Account in respect of SRs guaranteed by the Government of India.

20. Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on June 30, 2025:

Recovery Rating Band	Face Value (Rs. in Crore)	Carrying Value* (Rs. in Crore)
RR1+	83.61	22.43
RR1	707.72	749.35
RR2	393.54	120.67
RR3	42.10	0.00
RR4	7.39	0.00
RR5	80.69	0.00
Unrated	2198.28	871.15
Total	**3513.33**	**1763.60**

As per RBI guidelines, post 8 years Rating is not applicable.

* Provision of Rs. 393.79 Crore is held against carrying value of NPI SRs.

21. Other income includes income (including commission) from non-fund-based banking activities, fees, earnings from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off/technically written off, etc.

22. The Bank has evaluated the option of lower tax regime permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Based on that, the Bank has decided to exercise the said option of lower tax rate with effect from FY 2025-26 (AY 2026-27). While recognizing the provision for income tax for the quarter ended June 30, 2025, the deferred tax assets (net) have been remeasured based on the tax rate applicable as per new regime along with release of certain income tax provisions which are no longer required. The resultant impact is a one-time charge of Rs.3324.24 Crore in the Profit and Loss Account for the quarter ended June 30, 2025.

23. In terms of RBI circular no. RBI/2025-26/08 DOR.CAP.REC.2/21.06.201/2025-26 dated April 01, 2025, banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. www.pnbindia.in. These disclosures have not been subjected to limited review by the Statutory Central Auditors.

24. Details of Investors complaints for the quarter ended June 30, 2025: Pending at Beginning: Nil, Received: 08; Disposed off: 08; Closing: Nil.

25. The figures of the last quarter of the previous year are the balancing figures between audited figures in respect of financial year 2024-25 and the published year to date figures up to the end of the third quarter of the previous year.

26. Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

Prabudh Sharma
Asstt. General Manager

Amardeep Singh
Deputy General Manager

Raman Grover
General Manager

Praveen Kumar Sharma
General Manager

Mahesh Dhawan
General Manager

D K Jain
Chief General Manager & CFO

D. Surendran
Executive Director

Bibhu Prasad Mahapatra
Executive Director

M. Paramasivam
Executive Director

Kalyan Kumar
Executive Director

Ashok Chandra
Managing Director & CEO

K G Ananthakrishnan
Chairman

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Akhil Jain
Partner
(M.No. 137970)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Braja Nanda Dash
Partner
(M.No. 062142)

Place: New Delhi
Date: July 30, 2025

pnb

PUNJAB NATIONAL BANK

SEGMENT REPORTING FOR THE QUARTER ENDED JUNE 30, 2025

PART A – BUSINESS SEGMENTS (Rs. in lacs)

Sr. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended			Year Ended	Quarter Ended			Year Ended
		30.06.2025 Reviewed	31.03.2025 Audited	30.06.2024 Reviewed	31.03.2025 Audited	30.06.2025 Reviewed	31.03.2025 Audited	30.06.2024 Reviewed	31.03.2025 Audited
1	**Segment Revenue**								
	(a) Treasury Operations	1128808	1020932	868000	3859412	1187630	1063602	910769	4026760
	(b) Corporate/Wholesale Banking	1416560	1547889	1365882	5822241	1426915	1558611	1374758	5859799
	(c) Retail Banking	1110815	981181	930604	3796416	1119745	988815	938081	3830604
	1) Digital Banking	10	10	6	33	10	10	6	33
	2) Other Retail Banking	1110805	981171	930598	3796383	1119735	988805	938075	3830571
	(d) Other Banking Operations	66993	120533	52109	328941	65594	119074	52381	328518
	Total Revenue	**3723176**	**3670535**	**3216595**	**13807010**	**3799884**	**3729902**	**3275989**	**14045681**
2	**Segment Results**								
	(a) Treasury Operations	341521	196299	174901	983194	355282	206601	219637	1052392
	(b) Corporate/Wholesale Banking	276842	306425	272837	1161280	284125	307338	276292	1179405
	(c) Retail Banking	231515	236414	204809	824335	233137	235799	205293	829371
	1) Digital Banking	-175	-227	-163	-739	-175	-227	-163	-739
	2) Other Retail Banking	231690	236641	204972	825074	233312	236026	205456	830110
	(d) Other Banking Operations	15400	47328	19030	133089	14251	46909	18578	130377
	Total	**865278**	**786466**	**671577**	**3101898**	**886795**	**796647**	**719800**	**3191545**
	Unallocated Expenditure	189453	144868	144693	586291	189453	144868	144693	586291
	Profit before Tax	**675825**	**641598**	**526884**	**2515607**	**697342**	**651779**	**575107**	**2605254**
	Provision for Tax	508325	184898	201731	852587	514120	187492	203490	861291
	Extraordinary items	-	-	-	-	-	-	-	-
	Share of Earning in Associates(Net)	-	-	-	-	33488	36830	27521	111298
	Minority Interest	-	-	-	-	4722	2188	1552	7232
	Net profit	**167500**	**456700**	**325153**	**1663020**	**211988**	**498929**	**397586**	**1848029**
3	**Segment Assets**								
	(a) Treasury Operations	51979436	52519288	44529697	52519288	54936869	55402024	47274016	55402024
	(b) Corporate/Wholesale Banking	79974550	77426731	71012368	77426731	80509125	77929344	71432489	77929344
	(c) Retail Banking	45361613	43187875	35864181	43187875	45762143	43567530	36188385	43567530
	1) Digital Banking	304	248	212	248	304	248	212	248
	2) Other Retail Banking	45361309	43187627	35863969	43187627	45761839	43567282	36188173	43567282
	(d) Other Banking Operations	4704257	4572645	4733320	4572645	4851777	4744931	4871714	4744931
	(e) Unallocated	1311604	4110534	4191845	4110534	1311604	4110534	4191845	4110534
	Total	**183331460**	**181817073**	**160331411**	**181817073**	**187371518**	**185754363**	**163958449**	**185754363**
4	**Segment Liabilities**								
	(a) Treasury Operations	48490110	49871405	42487845	49871405	50667357	52047750	44650052	52047750
	(b) Corporate/Wholesale Banking	74605942	73523080	67756188	73523080	75190478	74098910	68191860	74098910
	(c) Retail Banking	42316535	41010457	34219676	41010457	42871964	41532859	34686802	41532859
	1) Digital Banking	4525	3405	2550	3405	4525	3405	2550	3405
	2) Other Retail Banking	42312010	41007052	34217126	41007052	42867439	41529454	34684252	41529454
	(d) Other Banking Operations	4388465	4342103	4516279	4342103	4422380	4358447	4552784	4358447
	(e) Unallocated	333799	333803	165425	333803	406993	402601	227547	402601
	Total	**170134851**	**169080848**	**149145413**	**169080848**	**173559172**	**172440567**	**152309045**	**172440567**
5	**Capital Employed**								
	(a) Treasury Operations	3489326	2647883	2041852	2647883	4269512	3354274	2623964	3354274
	(b) Corporate/Wholesale Banking	5368608	3903651	3256180	3903651	5318647	3830434	3240629	3830434
	(c) Retail Banking	3045078	2177418	1644505	2177418	2890179	2034671	1501583	2034671
	1) Digital Banking	-4221	-3157	-2338	-3157	-4221	-3157	-2338	-3157
	2) Other Retail Banking	3049299	2180575	1646843	2180575	2894400	2037828	1503921	2037828
	(d) Other Banking Operations	315792	230542	217041	230542	429397	386484	318930	386484
	(e) Unallocated	977805	3776731	4026420	3776731	904611	3707933	3964298	3707933
	Total Capital Employed	**13196609**	**12736225**	**11185998**	**12736225**	**13812346**	**13313796**	**11649404**	**13313796**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	STANDALONE				CONSOLIDATED			
		Quarter Ended			Year Ended	Quarter Ended			Year Ended
		30.06.2025 Reviewed	31.03.2025 Audited	30.06.2024 Reviewed	31.03.2025 Audited	30.06.2025 Reviewed	31.03.2025 Audited	30.06.2024 Reviewed	31.03.2025 Audited
1	**Revenue**								
	(a) Domestic	3617563	3557634	3115550	13351024	3671274	3595101	3155548	13504177
	(b) International	105613	112901	101045	455986	128610	134801	120441	541504
	Total	**3723176**	**3670535**	**3216595**	**13807010**	**3799884**	**3729902**	**3275989**	**14045681**
2	**Assets**								
	(a) Domestic	174243987	172507874	152860774	172507874	176875047	175100822	155329984	175100822
	(b) International	9087473	9309199	7470637	9309199	10496471	10653541	8628465	10653541
	Total	**183331460**	**181817073**	**160331411**	**181817073**	**187371518**	**185754363**	**163958449**	**185754363**

Notes :

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.
3. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on June 30, 2025, 8 (eight) Digital Banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

Independent Auditors' Limited Review Report on Unaudited Standalone Financial Results of Punjab National Bank for the Quarter ended 30th June 2025 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Punjab National Bank
New Delhi

1. We have reviewed the accompanying statements of unaudited standalone financial results ("the Statement") of Punjab National Bank (the "Bank") for the quarter ended 30th June 2025 attached herewith, being submitted by the Bank pursuant to requirement of regulation 33 and 52 read with regulation 63(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended ("The Regulation") except for the disclosures relating to "Pillar 3 as at 30th June 2025 including Leverage Ratio, Liquidity Coverage Ratio and Net Stable Funding Ratio under Basel III Capital Regulations" as have 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"), issued by the Institute of Chartered Accountants of India (ICAI), 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 Standard 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 financial statements are 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. We have not performed an audit and accordingly, we do not express an audit opinion.

4. These unaudited standalone financial results incorporate the relevant returns of 20 domestic branches, 1 treasury and 1 credit card division reviewed by us, 1 international banking unit situated in Gujarat International Finance Tec-City (GIFT City) reviewed by an audit firm specifically appointed for this purpose, 1 foreign branch situated in Dubai reviewed by in-house concurrent auditor for this purpose and un-reviewed returns in respect of 10058 branches and other offices. In the conduct of our review, we have relied upon the review reports in respect of non-performing assets submitted by external concurrent auditors (including retired employees of the Bank) of 595 domestic branches, in-house concurrent auditors of 607 branches to the Bank Management. These review reports cover 72.21% including 48.62% which has been covered by us, of the

advances portfolio of the Bank (excluding the advances of asset recovery branches and outstanding food credit) and 85.26% including 71.59 % which has been covered by us, of the non-performing assets of the Bank as at 30th June 2025. Apart from these review reports, in the conduct of our review, we have also relied upon various information and returns received from un-reviewed branches/other offices of the Bank and generated through centralized database at the Bank's Head Office.

5. Based on our review conducted as above, subject to limitation in scope as mentioned in Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results read together with the notes thereon, prepared in accordance with applicable accounting standards and other recognized 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.

Other Matter

6. The Standalone Unaudited Financial results of the bank for the corresponding quarter ended 30th June 2024 were reviewed by the joint auditors of the company, two of whom were predecessor audit firms, and they had expressed their unmodified conclusions on those results.

Our conclusion is not modified in respect of this matter.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Akhil Jain
Partner
(M.No. 137970)
UDIN: 25137970BMLFJY2187

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA NK Bhargava
Partner
(M.No.080624)
UDIN: 25080624BMLCQS6336

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)
UDIN: 25411219BMOIDB6837

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)
UDIN: 25080245BMOYVC3239

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Braja Nanda Dash
Partner
(M.No. 062142)
UDIN: 25062142BMJCBD7971

Place: New Delhi
Date: 30th July 2025

Ummed Jain & Co.
Chartered Accountants

N K Bhargava & Co.
Chartered Accountants

P S D & Associates
Chartered Accountants

Prem Gupta & Co.
Chartered Accountants

P A & Associates
Chartered Accountants

Independent Auditors' Limited Review Report on Unaudited Consolidated Financial Results of Punjab National Bank for the Quarter Ended 30th June 2025 pursuant to the Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To,
The Board of Directors
Punjab National Bank
New Delhi

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results ("the Statement") of Punjab National Bank ("the Parent" or "the Bank") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its share of net profit/(loss) after tax of its associates for the quarter ended 30th June 2025 attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 and 52 of the SEBI read with regulation 63(2) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("The Regulations") except for the disclosures relating to consolidated Pillar 3 disclosures as at 30th June 2025 including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the Statement and have not been reviewed by us. Our responsibility is to issue a report on these Unaudited Consolidated Financial Statements based on our review.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's 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"), issued by the Institute of Chartered Accountants of India (ICAI), 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 Standard 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 financial statements are 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. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under

Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended to the extent applicable.

The financial results of the Parent incorporate the relevant returns of 20 domestic branches and 1 treasury division and 1 credit card division reviewed by us, 1 international banking unit situated in Gujarat International Finance Tec-City (GIFT City) reviewed by an audit firm specifically appointed for this purpose, 1 foreign branch situated in Dubai reviewed by in-house concurrent auditor for this purpose. In the conduct of our review of the Parent, we have also considered the review reports in respect of non-performing assets submitted by the external concurrent auditors (which includes retired employees of the Bank) of 595 domestic branches and in-house concurrent auditors of 607 branches to the Bank Management of the Parent included in the Group. Apart from these review reports, in the conduct of our review, we have also relied upon various information and returns received from un-reviewed branches/other offices of the Bank and generated through centralized database at the Bank's Head Office.

4. The Statement includes the results of the following entities:

Parent:

Punjab National Bank

Subsidiaries:

i. PNB Gilts Ltd.
ii. PNB Investment Services Ltd.
iii. PNB Cards and Services Ltd.
iv. Punjab National Bank (International) Ltd. UK
v. Druk PNB Bank Ltd., Bhutan

Associates:

i. PNB Metlife India Insurance Company Ltd.
ii. PNB Housing Finance Limited
iii. JSC (Tengri Bank) Almaty, Kazakhstan (Under Liquidation)
iv. Canara HSBC Life Insurance Co. Ltd.
v. Everest Bank Limited, Kathmandu, Nepal
vi. Himachal Pradesh Gramin Bank
vii. Punjab Gramin Bank
viii. Sarva Haryana Gramin Bank
ix. Assam Gramin Vikas Bank
x. West Bengal Gramin Bank
xi. Manipur Rural Bank
xii. Tripura Gramin Bank
xiii. Bihar Gramin Bank

5. Based on our review conducted and procedures performed as stated in paragraph 3 and 4 above and based on the consideration of the review reports of internal inspection teams and reports of other auditors referred to in paragraph 6 to 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition measurement principles laid down in the aforesaid Accounting Standard, RBI Guidelines and other accounting principles generally accepted in India, 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.

Other Matters

6. We did not review the interim financial information of 1204 (including 2 overseas) branches included in the unaudited standalone interim financial statements of the entities included in the Group, whose results reflect total advances (asset) of Rs. 2,98,841.03 Crore as at 30th June 2025 and total revenues of Rs. 6,199.03 Crore for the three months ended 30th June 2025, as considered in the respective unaudited standalone interim financial results of the entities included in the Group.

   The interim financial results of these branches have been reviewed by the internal inspection teams of entities whose reports have been furnished to us or other auditors, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such inspection teams and other auditors.

7. The Unaudited Consolidated Financial Results includes the interim financial results of 10058 branches and other offices included in the unaudited standalone results of the entities included in the Group which have not been reviewed, whose results reflect total advances (asset) of Rs. 3,16,436.03 Crore as at 30th June 2025 and total revenues of Rs. 7,377.75 Crore for three months ended 30th June, 2025, as considered in the respective unaudited standalone financial results of the entities included in the Group.

8. We did not review the interim financial information of 2 Subsidiaries which have been reviewed by their auditors whose interim financial results reflect total assets of Rs. 24,591.46 Crore as at 30th June, 2025, revenue of Rs. 579.23 Crore for the quarter ended 30th June, 2025 as considered in the consolidated financial results. The Unaudited Consolidated Financial Results also includes 9 associates whose share of net profit / (loss) for consolidation is Rs. 281.48 Crore for the quarter ended 30th June, 2025 whose interim financial information have been reviewed by other auditors. These reports have been furnished to us by the Management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of these associates is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

9. The Unaudited Consolidated Financial Results includes the interim financial results of 3 Subsidiary which have not been reviewed by their auditors, whose interim financial results reflect total assets of Rs. 14152.39 Crore as at 30th June, 2025, revenue of Rs. 233.95 Crore for the quarter ended 30th June, 2025 as considered in the consolidated financial results. The Unaudited Consolidated Financial Results also includes the Group's share of Net Profit / (Loss) of Rs. 53.40 Crore for the quarter ended 30th June, 2025, as considered in the Unaudited Consolidated Financial Results, in respect of 4 associates, based on interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

10. The Consolidated Unaudited Financial results of the bank for the corresponding quarter ended 30th June, 2024 were reviewed by the joint auditors of the company, two of whom were predecessor audit firms, and they had expressed their unmodified conclusions on those results.

    Our conclusion is not modified in respect of above matter.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Akhil Jain
Partner
(M.No. 137970)
UDIN: 25137970BMLFJZ7835

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA NK Bhargava
Partner
(M.No.080624)
UDIN: 25080624BMLCQT7634

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)
UDIN: 25411219BMOIDC5341

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)
UDIN: 25080245BMOYVB5956

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Braja Nanda Dash
Partner
(M.No. 062142)
UDIN: 25062142BMJCBE7864

Place: New Delhi
Date: 30th July 2025

To,

BSE Ltd / NSE Ltd / Debenture Trustees

Sub: Security Cover Certificate for the quarter ended on June 30, 2025.

Based on examination of books of accounts and other relevant records/documents, we hereby certify that:

a) **Punjab National Bank has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:**

Sno	ISIN	Date of Issue	Private Placement/ Public Issue	Secured/ Unsecured	Amount (in Crores)
1	INE160A08092	05.02.2016	Private Placement	Unsecured	1500.00
2	INE160A08142	26.12.2019	Private Placement	Unsecured	1500.00
3	INE160A08159	29.07.2020	Private Placement	Unsecured	994.00
4	INE160A08167	14.10.2020	Private Placement	Unsecured	1500.00
5	INE160A08175	11.11.2020	Private Placement	Unsecured	1500.00
6	INE160A08183	22.01.2021	Private Placement	Unsecured	495.00
7	INE141A08035	26.10.2015	Private Placement	Unsecured	1000.00
8	INE160A08191	18.11.2021	Private Placement	Unsecured	1919.00
9	INE160A08209	09.12.2021	Private Placement	Unsecured	2000.00
10	INE160A08217	17.01.2022	Private Placement	Unsecured	1971.00
11	INE160A08225	06.07.2022	Private Placement	Unsecured	2000.00
12	INE160A08233	21.09.2022	Private Placement	Unsecured	658.00
13	INE160A08241	01.12.2022	Private Placement	Unsecured	4000.00
14	INE160A08258	23.12.2022	Private Placement	Unsecured	582.00
15	INE160A08266	27.03.2023	Private Placement	Unsecured	974.00
16	INE160A08274	30.06.2023	Private Placement	Unsecured	3090.00
17	INE160A08282	27.09.2023	Private Placement	Unsecured	3000.00
18	INE160A08290	28.12.2023	Private Placement	Unsecured	1153.00
19	INE160A08308	22.03.2024	Private Placement	Unsecured	1859.00
20	INE160A08316	23.12.2024	Private Placement	Unsecured	3000.00
21	INE160A08324	14.02.2025	Private Placement	Unsecured	2950.00
TOTAL					**37645.00**

b) **Security cover for listed unsecured debt securities:**

i. The financial information for the period ended 30-06-2025 has been extracted from the books of accounts for the period ended 30-06-2025 and other relevant records of Punjab National Bank;

ii. The Security Cover in the format as specified by SEBI vide its Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 is herein given as **Annexure I.**

P.A. & ASSOCIATES BHUBANESWAR Chartered Accountants

The Security Cover certificate is being issued in consonance with SEBI regulations and shall have no effect on the seniority of such instruments and all other terms and conditions applicable for the issue of the bonds as specified by RBI master circular no. DBR.No.BP.BC.I/21.06.201/2015-16 dated July 01,2015 for BASEL III Compliant bondsand RBI master circular no. DBR.No.BP.BC.4/21.06.001/2015-16 dated July 01, 2015 for BASEL II Compliant bonds, as amended from time to time, and the terms of Issue.

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the such covenants/terms of the issue have been complied by the listed entity except as stated below: -

NIL

For P.A. & Associates
Chartered Accountants
FRN No. 313085E

P.A. & ASSOCIATES BHUBANESWAR 313085E Chartered Accountants

(CA Braja Nanda Dash)
Partner
Mem. No. 062142
UDIN: 25062142BMJCBF6427

Date : 30.07.2025
Place: New Delhi

PUNJAB NATIONAL BANK
HO : TREASURY DIVISION

Column A	Column B	Column C [i]	Column D[ii]	Column E[iii]	Column F[iv]	Column G[v]	Column H[vi]	Column I[vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	PariPassu Charge	PariPassu Charge	PariPassu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-in Progress														
Right of Use Assets						NOT APPLICABLE								
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

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Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIE S														
Debt securities to which this certificate pertains					**NOT APPLICABLE**									
Other debt sharing pari-passu charge with above debt		not to be filled												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

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Lease Liabilities														
Provisions														
Others					**NOT APPLICABLE**									
Total														
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O



PUNJAB NATIONAL BANK

HEAD OFFICE: NEW DELHI

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2026

(Rs. in lacs)

S.No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025	31.03.2026	31.12.2025	31.03.2025	31.03.2026	31.03.2025
		Audited	Reviewed	Audited	Audited	Audited	Audited	Reviewed	Audited	Audited	Audited
1	**Interest Earned (a+b+c+d)**	**3215672**	**3223100**	**3198946**	**12822319**	**12176073**	**3279777**	**3288923**	**3252309**	**13077209**	**12400985**
	(a) Interest / discount on advances / bills	2248830	2269462	2222492	8876159	8610095	2269627	2290289	2239050	8954689	8675664
	(b) Income on Investments	804477	810178	801160	3312577	3070055	846517	853801	836544	3483620	3224067
	(c) Interest on Balances with RBI & other inter bank funds	122693	100921	112991	425777	346586	124070	102191	114412	431085	351913
	(d) Others	39672	42539	62303	207806	149337	39563	42642	62303	207815	149341
2	Other Income	416198	502208	471589	1879397	1630937	408025	501343	477593	1869121	1644696
A	**TOTAL INCOME (1+2)**	**3631870**	**3725308**	**3670535**	**14701716**	**13807010**	**3687802**	**3790266**	**3729902**	**14946330**	**14045681**
3	Interest Expended	2177642	2169842	2123248	8626342	7897856	2221878	2216443	2163950	8806940	8070384
4	**Operating Expenses (a+b)**	**704193**	**807379**	**869722**	**3146411**	**3226087**	**713803**	**816791**	**877106**	**3182896**	**3255046**
	(a) Employees Cost	374716	508851	579273	1874703	2135772	381073	514735	584502	1899228	2154869
	(b) Other operating expenses	329477	298528	290449	1271708	1090315	332730	302056	292604	1283668	1100177
B	**TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)**	**2881835**	**2977221**	**2992970**	**11772753**	**11123943**	**2935681**	**3033234**	**3041056**	**11989836**	**11325430**
C	**Operating Profit (A-B) (before Provisions & Contingencies)**	**750035**	**748087**	**677565**	**2928963**	**2683067**	**752121**	**757032**	**688846**	**2956494**	**2720251**
D	Provisions (other than tax) and contingencies	42371	115004	35967	253993	167460	37993	113044	37067	248328	114997
	of which provisions for Non Performing Assets	90601	134135	58831	200430	189683	88604	131754	58910	188387	175485
E	Exceptional items	0	0	0	0	0	0	0	0	0	0
F	**Profit / (Loss) from ordinary activities before tax (C-D-E)**	**707664**	**633083**	**641598**	**2674970**	**2515607**	**714128**	**643988**	**651779**	**2708166**	**2605254**
G	Tax Expenses	185153	123068	184898	984571	852587	191616	125009	187492	998589	861291
H	**Net Profit (+)/Loss(-) from ordinary activities after tax (F-G)**	**522511**	**510015**	**456700**	**1690399**	**1663020**	**522512**	**518979**	**464287**	**1709577**	**1743963**
I	Extraordinary items (net of tax expense)	0	0	0	0	0	0	0	0	0	0
J	**Net Profit / (Loss) for the period (H-I)**	**522511**	**510015**	**456700**	**1690399**	**1663020**	**522512**	**518979**	**464287**	**1709577**	**1743963**
K	Share in Profit / (Loss) of associates						37735	38675	36830	137093	111298
L	Minority Interest						1083	2065	2188	7401	7232
M	**Net Profit / (Loss) after minority interest (J+K-L)**	**522511**	**510015**	**456700**	**1690399**	**1663020**	**559164**	**555589**	**498929**	**1839269**	**1848029**
5	Paid up equity Share Capital (Face value Rs. 2/-each)	229859	229859	229859	229859	229859	229859	229859	229859	229859	229859
6	Reserves excluding revaluation reserves (as per Balance sheet of previous year)				12998781	11675523				13731030	12253093
7	**Analytical Ratios**										
	(i) Share holding of Govt. of India (%)	70.08	70.08	70.08	70.08	70.08	70.08	70.08	70.08	70.08	70.08
	(ii) Capital Adequacy Ratio - Basel-III (%)	17.74	16.77	17.01	17.74	17.01	17.76	16.76	17.05	17.76	17.05
	(a) CET 1 Ratio (%)	13.62	12.52	12.33	13.62	12.33	13.67	12.54	12.38	13.67	12.38
	(b) Additional Tier 1 Ratio (%)	1.53	1.61	1.72	1.53	1.72	1.53	1.61	1.72	1.53	1.72
	(iii) Earnings per Share (EPS) not annualized (in Rs.)										
	(a) Basic and diluted EPS before extraordinary items	4.55	4.44	3.97	14.71	14.77	4.83	4.83	4.34	16.00	16.42
	(b) Basic and diluted EPS after extraordinary items	4.55	4.44	3.97	14.71	14.77	4.83	4.83	4.34	16.00	16.42
	(iv) NPA Ratios:										
	(a) Amount of Gross NPAs	3712412	3931421	4408160	3712412	4408160					
	(b) Amount of Net NPAs	360956	383370	429055	360956	429055					
	(c) % of Gross NPAs	2.95	3.19	3.95	2.95	3.95					
	(d) % of Net NPAs	0.29	0.32	0.40	0.29	0.40					
	(v) Return on Assets (Annualised) %	1.06	1.06	1.02	0.89	0.97					
	(vi) Net Worth	11831714	11709848	9749799	11831714	9749799					
	(vii) Outstanding redeemable preference shares (Quantity and Value)	-	-	-	-	-					
	(viii) Capital redemption reserve/debenture redemption reserve	-	-	-	-	-					
	(ix) Debt-equity ratio (Borrowings/Net Worth)	0.70	0.77	0.86	0.70	0.86					
	(x) Total Debts to Total Assets (Borrowings/Total Assets)	0.04	0.05	0.05	0.04	0.05					
	(xi) Operating Margin (%) (Operating Profit/Total Income)	20.65	20.08	18.46	19.92	19.43					
	(xii) Net Profit Margin (%) (Net Profit after tax/Total Income)	14.39	13.69	12.44	11.50	12.04					

Punjab National Bank Corp. Off.: Plot No.-4, Sec-10, Dwarka, New Delhi — Finance & Accounts Division

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PUNJAB NATIONAL BANK

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	Standalone			Consolidated		
	31.03.2026 (Audited)	31.12.2025 (Reviewed)	31.03.2025 (Audited)	31.03.2026 (Audited)	31.12.2025 (Reviewed)	31.03.2025 (Audited)
CAPITAL & LIABILITIES						
Capital	229859	229859	229859	229859	229859	229859
Reserves & Surplus	14035115	13981916	12506366	14767363	14662680	13083937
Minority Interest				68953	67870	62843
Deposits	171112633	166028998	156662328	172479542	167370808	157701988
Borrowings	8231432	9018035	8377671	10755840	11475836	10580655
Other Liabilities and Provisions	4980208	3762499	4040849	5031538	3815731	4095081
TOTAL	**198589247**	**193021307**	**181817073**	**203333095**	**197622784**	**185754363**
ASSETS						
Cash & Balances with Reserve Bank of India	6085552	5537974	6430461	6088217	5541071	6438922
Balances with Banks & Money at Call & Short Notice	10109155	9316079	8441523	10323981	9559461	8637036
Investments	49411184	48891773	49731125	52351452	51984249	52484031
Advances	122529230	119620764	107747457	123798005	120742495	108627314
Fixed Assets	1557677	1561574	1305339	1562536	1565498	1308330
Other Assets	8896449	8093143	8161168	9208904	8230010	8258730
TOTAL	**198589247**	**193021307**	**181817073**	**203333095**	**197622784**	**185754363**

Notes forming part of Audited Standalone and Consolidated Financial results for quarter and year ended March 31, 2026:

1. The above financial results have been reviewed and recommended by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on May 05, 2026. The same have been subjected to audit by the Statutory Central Auditors of the Bank, as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereafter.

2. These financial results of the Bank have been arrived at after considering necessary provisions for non-performing assets, standard assets, restructured advances, stressed sector accounts, standard derivative exposures, direct taxes including deferred tax, unhedged foreign currency exposure, depreciation on fixed assets and investment depreciation on the basis of extant guidelines issued by the Reserve Bank of India, judicial pronouncements and applicable accounting standards issued by The Institute of Chartered Accountants of India. Provisions for employee benefits pertaining to pension, gratuity, leave encashment, etc. have been made on the basis of actuarial valuation. Other usual and necessary provisions have been made on estimated basis.

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3. There are no material changes in Significant Accounting Policies followed for preparation of financial results for the quarter and year ended March 31, 2026, as compared to those followed for the preparation of financial statements for the year ended March 31, 2025.

4. The Consolidated financial results are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements and Accounting Standard 23 on Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.

5. These consolidated financial results of the Group comprise financial results of 5 Subsidiaries and 11 Associates as per list given below. The consolidated results are prepared in accordance with RBI guidelines, section 133 of Companies Act, 2013 and regulation 33 and 52 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Sl. No.	Name of the Entity	Type of Association	Proportion of Ownership (%) as at 31.03.2026
1	PNB Investment Services Ltd.	Subsidiary	100.00
2	PNB Cards and Services Ltd.	Subsidiary	100.00
3	Punjab National Bank (International) Ltd., UK	Subsidiary	100.00
4	PNB Gilts Limited	Subsidiary	74.07
5	Druk PNB Bank Ltd., Bhutan	Subsidiary	51.00
6	PNB Metlife India Insurance Company Ltd.	Associate	30.00
7	PNB Housing Finance Limited	Associate	28.04
8	Everest Bank Ltd., Nepal	Associate	20.02
9	Assam Gramin Bank, Guwahati^	Associate	35.00
10	Bihar Gramin Bank, Patna	Associate	35.00
11	Haryana Gramin Bank, Rohtak^	Associate	35.00
12	Himachal Pradesh Gramin Bank, Mandi	Associate	35.00
13	Manipur Rural Bank, Imphal	Associate	35.00
14	Punjab Gramin Bank, Kapurthala	Associate	35.00
15	Tripura Gramin Bank, Agartala	Associate	35.00
16	West Bengal Gramin Bank, Kolkata	Associate	35.00

Note - JSC (Tengri Bank), Almaty, Kazakhstan, an associate of the Bank having shareholding of 41.64% is under liquidation.

^ Pursuant to Gazette notification no. 4692 dated October 24, 2025, Department of Financial Services, Ministry of Finance vide notification no. S.O. 4831 (E) & S.O. 4833 (E), Central Government has renamed Assam Gramin Vikash Bank to Assam Gramin Bank and Sarva Haryana Gramin Bank to Haryana Gramin Bank.

Note- Canara HSBC Life Insurance Company Limited has ceased to be an Associate of the Bank w.e.f. 17.10.2025 as the Bank's shareholding in the company declined from 23% to 13% following the sale of shares through an OFS-IPO.

i. Central Government vide Gazette ID No. CG-DL-E-07042025-262329 dated 07.04.2025 notified amalgamation of several Regional Rural Banks (RRBs) under the concept One State-One RRB with effect from May 01, 2025. Accordingly,

Finance & Accounts Division

a. *Prathama UP Gramin Bank (sponsored by Punjab National Bank) has been amalgamated into Uttar Pradesh Gramin Bank (sponsored by Bank of Baroda), and Bank's investment in equity shares of Prathama UP Gramin Bank amounting to Rs. 21.18 Crore has been realised during the quarter.*

b. *Dakshin Bihar Gramin Bank (sponsored by Punjab National Bank) and Uttar Bihar Gramin Bank (sponsored by Central Bank of India) have been amalgamated to form Bihar Gramin Bank, which is sponsored by Punjab National Bank. Our Bank has paid Rs. 668.89 Crore to Central Bank of India in lieu of its stake.*

c. *Bangiya Gramin Vikash Bank (sponsored by Punjab National Bank), Paschim Banga Gramin Bank (sponsored by UCO Bank) and Uttarbanga Kshetriya Gramin Bank, (sponsored by Central Bank of India) have been amalgamated to form West Bengal Gramin Bank, which is sponsored by Punjab National Bank. Our Bank has paid Rs. 282.80 Crore to UCO Bank and Central Bank of India in lieu of their stake.*

6. In accordance with SEBI regulations, for the purpose of quarterly/yearly consolidated financial results for the March 31, 2026, minimum eighty percent of consolidated revenue, assets and profits have been subjected to audit.

7. As per RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR.No.BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts under the provisions of Insolvency & Bankruptcy Code (IBC), where the Bank is having exposure, the Bank is holding total provision of Rs. 6774.86 Crore (Aggregate provision for RBI List 1 and List 2 accounts is 100%) as on March 31, 2026.

8. During the quarter, the Bank has not availed any dispensation in respect of frauds in terms of option available as per RBI Circular No. RBI/DOR/2025-26/164 DOR.STR.REC.83./ 21.04.048/ 2025-26 dated November 28, 2025. Further, there is no un-amortized amount which has been carried forward to subsequent quarters.

9. In terms of RBI Circular RBI/DOR/2025-26/165 DOR.STR.REC.84/21.04.048/2025-26 dated November 28, 2025 on Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, having total banking exposure of Rs.1,500.00 Crore and above, the Bank is holding additional provision of Rs. 2429.77 Crore as on March 31, 2026 in 15 accounts as summarized below:

(Rs.in Crore)

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 out of (b)	Amount of Standard loans as on 31.03.2026 out of (a)	Total Additional Provision held as on 31.12.2025	Additional Provision / (Reversal) made during quarter (g) – (e)	Total Additional Provision held as on 31.03.2026
(a)	(b)	(c)	(d)	(e)	(f)	(g)
6992.30	1467.96	0.00	5524.34	2106.26	323.51	2429.77

10. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/ 4/21.04.048/2020-21 dated August 06, 2020 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances", the summary of MSME restructured accounts as on December 31, 2025 is as under:

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(Rs. in Crore)

No. of Accounts Restructured	Amount involved
1608	323.89

11. In accordance with RBI circular no. DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" the summary of restructured accounts as on December 31, 2025 is as under:-

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
9334	1157.36

12. Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 are given below:

(Rs.in Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30.09.2025 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31.03.2026
Personal Loans	325.49	3.95	0.00	22.52	308.86
Corporate persons*	1107.52	0.00	0.00	479.68	812.82
* *Of which* MSMEs	424.65	0.00	0.00	303.17	147.03
Others	2.76	0.00	0.00	0.33	2.56
Total OTR 1.0	**1435.77**	**3.95**	**0.00**	**502.53**	**1124.24**
Personal Loans	3093.74	60.65	0.00	284.96	2912.56
Business Loans	157.17	2.91	0.00	47.34	161.74
Small Business	323.43	0.38	0.00	54.07	303.45
Total OTR 2.0	**3574.34**	**63.94**	**0.00**	**386.37**	**3377.75**
Grand Total	**5010.11**	**67.89**	**0.00**	**888.90**	**4501.99**

Note: There are 249 borrower accounts having aggregate exposure of Rs. 17.81 Crore to the Bank where resolution plans had been implemented and now modified under RBI's resolution framework 2.0 dated May 5, 2021.

13. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on March 31, 2026, 8 (eight) Digital Banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

14. As on March 31, 2026, the Bank is holding an additional provision of Rs. 107.24 Crore (additional provision outstanding at end of previous quarter was Rs.109.73 Crore) on standard accounts restructured under COVID 19 Resolution Framework 1.0 and 2.0, at higher than prescribed rate of 5%/10%, as per Bank's policy based on the evaluation of risk and stress in these sectors, in terms of Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025.

15. As on March 31, 2026, the Bank is holding floating provision of Rs. 2045 Crore. (Rs. 750 Crore as at March 31, 2025).

16. In terms of RBI circular no. RBI/DOR/2025-26/167 DOR.ACC.REC.No.86/21.04.018/2025-26 dated November 28, 2025 on Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025, disclosure related to project finance is as below:

Sl. No	Item Description	No. of A/cs	Total O/s (Rs. in Crore)
1	Projects under implementation accounts at the beginning of the quarter.	1819	34065.51
2	Projects under implementation accounts sanctioned during the quarter.	301	1886.43
3	Projects under implementation accounts where DCCO has been achieved during the quarter	381	5237.11
4	Projects under implementation accounts at the end of the quarter. (1+2-3)	1739	30714.83
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.	352	2398.10
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented.	352	2398.10
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation.	0	0.00
5.3	Out of '5' – accounts in respect of which Resolution plan has failed.	0	0.00
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	0.00
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	0.00
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	0	0.00
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	0	0.00
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	0.00
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented.	0	0.00

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Sl. No	Item Description	No. of A/cs	Total O/s (Rs. in Crore)
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation.	0	0.00
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	0	0.00

17. The Bank has estimated the liability for Unhedged Foreign Currency Exposure (UFCE) in terms of RBI circular RBI/DOR/2025-26/157 DOR.CRE.REC.76/07-02-001/2025-26 dated November 28, 2025, and is holding a provision of Rs. 228.08 Crore as on March 31, 2026 (Rs.237.12 Crore as on March 31, 2025).

18. As per 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) Directions, 2025, the details of Co-Lending Arrangements (CLA) are as below –

Sl. No	Particulars		As on 31.03.2026
1	Quantum of CLAs (in ₹ crore)		838.54
2	Weighted average rate of interest (in %)@		NA
3	Fees paid* (in ₹ crore)		2.43
4	Broad sectors in which CLA was made		MSME & Retail
5	**Performance of loans under CLA**		
	Total loan disbursed till 31.03.2026 (in ₹ crore)		1304.19
	Total loan outstanding (in ₹ crore)		838.54
	Out of which: -	Standard (in ₹ crore)	811.88
		NPA (in ₹ crore)	26.66
6	Default loss guarantee, if any		NA
7	Others		NA

*Gross fees amount paid to Co-lending partners during the period.

@ Weighted average rate of interest was introduced in Reserve Bank of India (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025 dated 28.11.2025 effective from 01.01.2026 applicable for new CLA entered after effective date. However, Bank has not entered into any new tie-up after effective date of 01.01.2026, hence weighted average ROI is not applicable.

19. The Provisioning Coverage Ratio (including Technical Written off accounts) as at March 31, 2026 works out to 97.14% (96.82% as at March 31, 2025).

20. 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, the details of loans transferred/acquired during the year ended March 31, 2026 are given below:

    i. The Bank has not acquired any Special Mention Accounts (SMA) and also not transferred any loans not in default or Special Mention Accounts (SMA).

    ii. Details of loans not in default acquired through assignment:

Particulars	Values
Amount of Loan	Rs. 9615.07 Crore
Weighted average maturity	138.51 months
Weighted average holding period	21.62 months
Retention of beneficial economic interest (by originator)	10%
Tangible security coverage	299.97%
Rating wise distribution of rated loans	NA

iii. The Bank has not acquired any non-performing assets.

iv. Details of non-performing assets (NPAs) transferred:

(all amounts in Rs. Crore)	To ARCs	To permitted transferees	To other transferees
No. of accounts	20	Nil	Nil
Aggregate principal outstanding of loans transferred	2517.92	Nil	Nil
Weighted average residual tenor of the loans transferred	0	Nil	Nil
Net book value of loans transferred (at the time of transfer)	29.49	Nil	Nil
Aggregate consideration	1447.58	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	204.33	Nil	Nil
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	1418.09	Nil	Nil

21. As per 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) Directions, 2025 banks are permitted to reverse any excess provision to the Profit and Loss Account in the year of transfer of a loan to an Asset Reconstruction Company (ARC) for a 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.

    In accordance with the said circular, during the quarter and year ended March 31, 2026, the Bank has credited a net unrealised amount of Rs. 70.65 Crore & Rs. 655.60 Crore respectively to the Profit and Loss Account in respect of SRs guaranteed by the Government of India.

22. Distribution of the SRs held across the various categories of Recovery Ratings assigned to such SRs by the credit rating agencies as on March 31, 2026:

Recovery Rating Band	Face Value (Rs. in Crore)	Carrying Value* (Rs. in Crore)
RR1+	10.11	22.47

Recovery Rating Band	Face Value (Rs. in Crore)	Carrying Value* (Rs. in Crore)
RR1	968.24	1116.99
RR2	115.48	70.78
RR3	11.98	0.00
RR4	0.00	0.00
RR5	0.00	0.00
Unrated	2781.40	1125.48
Total	**3887.21**	**2335.72**

As per RBI guidelines, post 8 years rating is not applicable.

*Provision of Rs. 388.39 Crore is held against carrying value of NPI SRs.

23. During the quarter ended March 31, 2026, the Bank has exercised call option in respect of Basel III compliant AT1 Bonds of Rs. 495.00 Crore and redeemed Basel III compliant Tier II Bonds of Rs.1500.00 Crore due to maturity. Further, during the year ended March 31, 2026, the Bank has exercised call option in respect of Basel III compliant AT1 Bonds of Rs. 495.00 Crore and redeemed/exercised call option Basel III compliant Tier II Bonds of Rs. 4994.00 Crore.

24. The Board of Directors has recommended a dividend of Rs. 3 per equity share (150%) for the year ended March 31, 2026 subject to requisite approvals.

25. Other income includes income from non-fund-based banking activities (including commission), fees, earnings from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off / technically written off, etc.

26. During the quarter ended June 30, 2025, the Bank decided to exercise the option of lower tax regime under Section 115BAA of the Income Tax Act, 1961 with effect from FY 2025-26 (AY 2026-27). Accordingly, deferred tax assets were remeasured based on the tax rate applicable as per new regime along with release of certain income tax provisions which were no longer required, resulting in one time charge of ₹3,324.24 crore in the profit and loss account. The tax expenses for the year ended March 31, 2026 have been measured at the applicable rates as per section 115BAA of the Income Tax Act, 1961.

27. In terms of RBI circular no. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated November 28, 2025, banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. https://pnb.bank.in. These disclosures have not been subjected to audit by the Statutory Central Auditors.

28. Details of Investors complaints for the quarter ended March 31, 2026: Pending at Beginning: 0; Received: 12; Disposed off: 12; Closing: 0

29. The figures for the quarter ended on March 31, 2026 are the balancing figures between audited figures for the year ended on March 31, 2026 and the reviewed figures for the nine months ended on December 31, 2025.

30. Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

Sachin Ludhiyani
Asst. General Manager

Amardeep Singh
Dy. General Manager

Rajesh Kumar Jain
Dy. General Manager

Subash Chandra Mishra
General Manager

Praveen Kumar Sharma
General Manager

Raman Grover
Chief General Manager & CFO

Amit Kumar Srivastava
Executive Director

D. Surendran
Executive Director

Bibhu Prasad Mahapatra
Executive Director

M. Paramasivam
Executive Director

Ashok Chandra
Managing Director & CEO

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Akhil Jain
Partner
(M.No. 137970)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Rajan Uppal
Partner
(M.No. 097379)

For P A & Associates
Chartered Accountants
FRN: 313085E

CA Braja Nanda Dash
Partner
(M.No. 062142)

Place: New Delhi
Date: May 05, 2026

PUNJAB NATIONAL BANK
SEGMENT REPORTING FOR THE QUARTER/YEAR ENDED MARCH 31, 2026

PART A – BUSINESS SEGMENTS

(Rs in lacs)

Sr. No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2026 Audited	31.12.2025 Reviewed	31.03.2025 Audited	31.03.2026 Audited	31.03.2025 Audited	31.03.2026 Audited	31.12.2025 Reviewed	31.03.2025 Audited	31.03.2026 Audited	31.03.2025 Audited
1	**Segment Revenue**										
	(a) Treasury Operations	1011868	1050059	1020932	4322946	3859412	1040620	1091671	1063602	4478117	4026760
	(b) Corporate/Wholesale Banking	1523412	1456362	1547889	5615675	5822241	1543767	1456374	1558611	5673427	5859799
	(c) Retail Banking	1041436	1118172	981181	4370741	3796416	1046866	1141027	988615	4401496	3830604
	1) Digital Banking	22	13	10	56	33	22	13	10	56	33
	2) Other Retail Banking	1041414	1118159	981171	4370685	3796383	1046844	1141014	988605	4401440	3830571
	(d) Other Banking Operations	55154	100715	120533	392354	328941	56549	101194	119074	393290	328518
	Total Revenue	**3631870**	**3725308**	**3670535**	**14701716**	**13807010**	**3687802**	**3790266**	**3729902**	**14946330**	**14045681**
2	**Segment Results**										
	(a) Treasury Operations	154251	306018	196299	1112832	983194	152928	330679	206601	1137116	1052392
	(b) Corporate/Wholesale Banking	388670	301097	306425	1213114	1161280	395981	290239	307338	1238664	1179405
	(c) Retail Banking	277787	211707	236414	956065	824335	275096	219886	235799	948784	829371
	1) Digital Banking	-215	-198	-227	-777	-739	-215	-198	-227	-777	-739
	2) Other Retail Banking	278002	211905	236641	956842	825074	275311	220084	236026	949561	830110
	(d) Other Banking Operations	16012	28674	47328	100049	133089	16826	27997	46909	98739	130377
	Total	**836720**	**847496**	**786466**	**3382060**	**3101898**	**840831**	**868801**	**796647**	**3423303**	**3191545**
	Unallocated Expenditure	129056	214413	144868	707090	586291	126703	224813	144868	715137	586291
	Profit before Tax	**707664**	**633083**	**641598**	**2674970**	**2515607**	**714128**	**643988**	**651779**	**2708166**	**2605254**
	Provision for Tax	185153	123068	184898	984571	852587	191616	125009	187492	998589	861291
	Extraordinary items	-	-	-	-	-		-	-	-	-
	Share of Earning in Associates(Net)	-	-	-	-	-	37735	38675	36830	137093	111298
	Minority Interest	-	-	-	-	-	1083	2065	2188	7401	7232
	Net profit	**522511**	**510015**	**456700**	**1690399**	**1663020**	**559164**	**555589**	**498929**	**1839269**	**1848029**
3	**Segment Assets**										
	(a) Treasury Operations	52923572	49995477	52519288	52923572	52519288	56231972	53240495	55402024	56231972	55402024
	(b) Corporate/Wholesale Banking	85592520	84480357	77426731	85592520	77426731	86479620	85227349	77929344	86479620	77929344
	(c) Retail Banking	50246519	48612530	43187875	50246519	43187875	50644648	49049158	43567530	50644648	43567530
	1) Digital Banking	970	569	248	970	248	970	569	248	970	248
	2) Other Retail Banking	50245549	48611961	43187627	50245549	43187627	50643678	49048589	43567282	50643678	43567282
	(d) Other Banking Operations	6478901	6592003	4572645	6478901	4572645	6628568	6764317	4744931	6628568	4744931
	(e) Unallocated	3347735	3340940	4110534	3347735	4110534	3348287	3341465	4110534	3348287	4110534
	Total	**198589247**	**193021307**	**181817073**	**198589247**	**181817073**	**203333095**	**197622784**	**185754363**	**203333095**	**185754363**
4	**Segment Liabilities**										
	(a) Treasury Operations	49870587	47129946	49871405	49870587	49871405	52322487	49550647	52047750	52322487	52047750
	(b) Corporate/Wholesale Banking	80654973	79638299	73523080	80654973	73523080	81374508	80295867	74098910	81374508	74098910
	(c) Retail Banking	47347965	45826265	41010457	47347965	41010457	48113943	46578194	41532859	48113943	41532859
	1) Digital Banking	4824	4382	3405	4824	3405	4824	4382	3405	4824	3405
	2) Other Retail Banking	47343141	45821883	41007052	47343141	41007052	48109119	46573812	41529454	48109119	41529454
	(d) Other Banking Operations	6105155	6214177	4342103	6105155	4342103	6110389	6228775	4358447	6110389	4358447
	(e) Unallocated	345593	845	333803	345593	333803	414546	76762	402601	414546	402601
	Total	**184324273**	**178809532**	**169080848**	**184324273**	**169080848**	**188335873**	**182730245**	**172440567**	**188335873**	**172440567**
5	**Capital Employed**										
	(a) Treasury Operations	3052985	2865531	2647883	3052985	2647883	3909485	3689848	3354274	3909485	3354274
	(b) Corporate/Wholesale Banking	4937547	4842058	3903651	4937547	3903651	5105112	4931482	3830434	5105112	3830434
	(c) Retail Banking	2898554	2786265	2177418	2898554	2177418	2530705	2470964	2034671	2530705	2034671
	1) Digital Banking	-3854	-3813	-3157	-3854	-3157	-3854	-3813	-3157	-3854	-3157
	2) Other Retail Banking	2902408	2790078	2180575	2902408	2180575	2534559	2474777	2037828	2534559	2037828
	(d) Other Banking Operations	373746	377826	230542	373746	230542	518179	535542	386484	518179	386484
	(e) Unallocated	3002142	3340095	3776731	3002142	3776731	2933741	3264703	3707933	2933741	3707933
	Total Capital Employed	**14264974**	**14211775**	**12736225**	**14264974**	**12736225**	**14997222**	**14892539**	**13313796**	**14997222**	**13313796**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2026 Audited	31.12.2025 Reviewed	31.03.2025 Audited	31.03.2026 Audited	31.03.2025 Audited	31.03.2026 Audited	31.12.2025 Reviewed	31.03.2025 Audited	31.03.2026 Audited	31.03.2025 Audited
1	Revenue										
	(a) Domestic	3490861	3614925	3557634	14230577	13351024	3520077	3659222	3595101	14380561	13504177
	(b) International	141009	110383	112901	471139	455986	167725	131044	134801	565769	541504
	Total	**3631870**	**3725308**	**3670535**	**14701715**	**13807010**	**3687802**	**3790266**	**3729902**	**14946330**	**14045681**
2	Assets										
	(a) Domestic	186905837	182107320	172507874	186905837	172507874	189956273	185040658	175100822	189956273	175100822
	(b) International	11683410	10913987	9309199	11683410	9309199	13376822	12582126	10653541	13376822	10653541
	Total	**198589247**	**193021307**	**181817073**	**198589247**	**181817073**	**203333095**	**197622784**	**185754363**	**203333095**	**185754363**

Notes :

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.
3. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on March 31, 2026, 8 (eight) Digital Banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

Punjab National Bank Finance & Accounts Division Corp. Off.: Plot No.-4, Sec.-10, Dwarka, New Delhi-75

UMMED JAIN & CO MUMBAI 119230W Chartered Accountants

N K BHARGAVA & CO DELHI 000429N Chartered Accountants

PREM GUPTA & CO NEW DELHI 000433N Chartered Accountants

P A & ASSOCIATES BHUBANESWAR 003085E Chartered Accountants

PUNJAB NATIONAL BANK

Statement of Standalone Cash Flow for the year ended March 31, 2026

(Rs.000's omitted)

Particulars		Year Ended 31.03.2026 (Audited)	Year Ended 31.03.2025 (Audited)
A. Cash Flow from Operating Activities			
(I) Net Profit/ (Loss) before tax	**(i)**	**26749,69,62**	**25156,06,67**
(II) Adjustments for:			
Depreciation on Fixed Assets		1271,68,29	947,57,49
(Profit)/Loss on sale of Fixed Assets (net)		-7,19,10	-4,06,01
Depreciation/(Release) and Provision on Investments (Net)		-1017,50,82	-1167,52,75
Interest paid on Bonds		2845,42,20	3108,58,56
Provisions for Non Performing Assets		2004,29,71	1896,83,44
Provision on Standard Assets		162,04,46	-303,10,52
Other Provision (net)		1606,85,26	92,52,38
Dividend from Subsidiary / Others		-91,84,84	-40,70,00
Profit on Sale of equity Investments held in AFS		0	45,87
Income from investment in Subsidiaries/Joint Ventures/Associates		0	0
(Profit)/Loss on sale of Investments held in SBJVAS		-948,33,11	0
Sub Total	**(ii)**	**5825,42,05**	**4530,58,46**
(III) Adjustment for:			
Decrease / (Increase) in Investments		4594,89,67	-73347,29,24
Decrease / (Increase) in Advances		-149325,77,36	-144397,65,39
Decrease / (Increase) in Other Assets		-17223,28,93	-19426,56,42
Increase / (Decrease) in Deposits		144503,04,81	196910,47,75
Increase / (Decrease) in Borrowings		4026,60,90	34696,86,18
Increase / (Decrease) in Other Liabilities & Provisions		7005,45,78	3178,83,23
Sub Total	**(iii)**	**-6419,05,13**	**-2385,33,89**
Cash generated from Operations	**(i+ii+iii)**	**26156,06,54**	**27301,31,24**
Direct Taxes paid (net off refund)		146,01,06	-5029,07,80
Net Cash from/(used) in Operating Activities	**(A)**	**26302,07,60**	**22272,23,44**
B Cash Flow from Investing Activities			
Purchase of Fixed Assets		-1576,32,26	-1590,92,23
Sale of Fixed Assets		21,39,79	15,91,95
Dividend received from Subsidiary/Others		91,84,84	40,70,00
Investment in Subsidiary/Others (net)		47,54,68	0
Net Cash from/(used) in Investing Activities	**(B)**	**-1415,52,95**	**-1534,30,28**
C. Cash flow from Financing Activities			
of issue expense)		0	4987,56,71
Issue/(Redemption) of Bonds (net)		-5489,00,00	-1350,00,00
Interest paid on Bonds		-2845,42,20	-3108,58,56
Dividend paid		-3324,89,66	-1651,65,23
Net Cash from/(used) in Financing Activities	**(C)**	**-11659,31,86**	**-1122,67,08**
D. Net Change in Cash and Cash Equivalents	**(A+B+C)**	**13227,22,79**	**19615,26,08**
Cash and Cash Equivalents at the beginning of the year			
Cash and Balances with Reserve Bank of India		64304,60,79	65032,91,16
Balances with Banks & Money at Call & Short Notice		84415,23,38	64071,66,93
		148719,84,17	**129104,58,09**
Cash and Cash Equivalents at the end of the year			
Cash and Balances with Reserve Bank of India		60855,52,03	64304,60,79
Balances with Banks & Money at Call & Short Notice		101091,54,93	84415,23,38
		161947,06,96	**148719,84,17**

Punjab National Bank Finance & Accounts Division Corp. Off.: Plot No.-4, Sec-10, Dwarka, New Delhi-75

UMMED JAIN & CO MUMBAI 119250W Chartered Accountants

N K BHARGAVA & CO DELHI 000429N Chartered Accountants

PREM GUPTA & CO NEW DELHI 000425N Chartered Accountants

P A & ASSOCIATES BHUBANESWAR 000085E Chartered Accountants

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

Sachin Ludhiyani
Asst. General Manager

Amardeep Singh
Deputy General Manager

Rajesh Kumar Jain
Deputy General Manager

Finance & Accounts Division

Subash Chandra Mishra
General Manager

Praveen Kumar Sharma
General Manager

Raman Grover
Chief General Manager & CFO

Amit Kumar Srivastava
Executive Director

D. Surendran
Executive Director

Bibhu Prasad Mahapatra
Executive Director

M Paramasivam
Executive Director

Ashok Chandra
Managing Director & CEO

Vandana Bhagavatula
Director

Ambarish Ojha
Director

Uma Sankar
Director

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

UMMED JAIN & CO MUMBAI 119250W Chartered Accountants

CA Akhil Jain
Partner
(M.No. 137970)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

N K BHARGAVA & CO DELHI 000429N Chartered Accountants

CA N K Bhargava
Partner
(M.No. 080624)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

PREM GUPTA & CO NEW DELHI 000425N Chartered Accountants

CA Rajan Uppal
Partner
(M.No. 097379)

For P A & Associates
Chartered Accountants
FRN: 313085E

P A & ASSOCIATES BHUBANESWAR 313085E Chartered Accountants

CA Braja Nanda Das
Partner
(M.No. 062142)

Date : May 05, 2026
Place: New Delhi

PUNJAB NATIONAL BANK

Statement of Consolidated Cash Flow for the period ended Marh 31, 2026

(Rs. in Cr)

Particulars		Yaer ended 31.03.2026 (Audited)	Year ended 31.03.2025 (Audited)
A. Cash Flow from Operating Activities			
(I) Net Profit before tax	(i)	**28,378.59**	**27,093.20**
(II) Adjustments for:			
Depreciation on fixed assets		1,281.20	957.51
(Profit) / Loss on sale of Fixed Assets (net)		(7.19)	(4.07)
Depreciation/(Release) on Investments [net]		(833.47)	(1,566.60)
Provisions for non performing assets		1,883.87	1,754.85
Provision on Standard Assets		156.89	(287.18)
Other Provision (net)		1,606.85	93.03
Shares of earning in Associates		(1,370.93)	(1,108.61)
Profit on sale of equity investments held in AFS		-	0.46
Interest paid on Bonds		2,911.22	3,116.33
(Profit) / Loss on sale of Investments held in SBJVAS		(925.15)	-
Sub Total	(ii)	**4,703.29**	**2,955.70**
(III) Adjustment for:			
Decrease/(Increase) in Investments		2,796.53	(73,272.05)
Decrease/(Increase) in Advances		(1,53,094.53)	(1,46,653.63)
Decrease/(Increase) in Other Assets		(19,115.08)	(19,346.67)
Increase/(Decrease) in Deposits		1,47,775.54	1,97,794.65
Increase/(Decrease) in Borrowings		7,240.83	34,646.44
Increase/(Decrease) in Other Liabilities & Provisions		6,981.59	3,974.17
Sub Total	(iii)	**(7,415.13)**	**(2,857.09)**
Cash generated from Operations	(i+ii+iii)	**25,666.75**	**27,191.81**
Direct Taxes paid (net off Refund)		(31.35)	(5,116.53)
Net Cash from Operating Activities	(A)	**25,635.41**	**22,075.28**
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		(1,624.58)	(1,601.41)
Sale of Fixed Assets		41.50	15.64
Investment in Associates/JV/RRBs (net)		974.08	8.15
Net Cash used in Investing Activities	(B)	**(609.00)**	**(1,577.63)**
C. Cash flow from Financing Activities			
of issue exps.)		-	4,987.57
Issue/(Redemption) of Bonds (net)		(5,489.00)	(1,425.50)
Dividend paid		(3,324.90)	(1,651.65)
Interest paid on Bonds		(2,911.22)	(3,116.33)
Cash paid to Shareholder of e-OBC & e-UNI towards fractional entitlement consequent to amalgamation		-	-
Increase/ (Decrease) in Minority Interest		61.11	67.65
Net Cash from Financing Activities	(C)	**(11,664.01)**	**(1,138.26)**
D. Net Change in Cash and Cash Equivalents	(A+B+C)	**13,362.40**	**19,359.39**
Cash and Cash Equivalents at the beginning of the period			
Cash and Balances with Reserve Bank of India		64,389.22	65,325.13
Balances with Banks & Money at Call & Short Notice		86,370.36	66,075.06
		1,50,759.58	**1,31,400.19**
Cash and Cash Equivalents at the end of the period			
Cash and Balances with Reserve Bank of India		60,882.17	64,389.22
Balances with Banks & Money at Call & Short Notice		1,03,239.81	86,370.36
		1,64,121.98	**1,50,759.58**

Punjab National Bank – Finance & Accounts Division – Corp. Off.: Plot No.-4, Sec.-10, Dwarka, New Delhi-75

UMMED JAIN & CO. – Chartered Accountants – MUMBAI

N.K. BHARGAVA & CO. – Chartered Accountants – DELHI

PREM GUPTA & CO. – Chartered Accountants – NEW DELHI

P.A. & ASSOCIATES – Chartered Accountants

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 period have been regrouped wherever considered necessary to conform current period classification.

4 Cash and Cash equivalents includes Cash on hand, Balance with RBI & Other Banks and Money at Call and Short Notice

Ankit Srivastava
Asstt. General Manager

Amardeep Singh
Deputy General Manager

Rajesh Kumar Jain
Deputy General Manager

Subash Chandra Mishra
General Manager

Praveen Kumar Sharma
General Manager

Punjab National Bank Corp. Off.: Plot No.-4, Sec.-10, Dwarka, New Delhi-75 Finance & Accounts Division

Raman Grover
Chief General Manager & CFO

Amit Kumar Srivastava
Executive Director

D. Surendran
Executive Director

Bibhu Prasad Mahapatra
Executive Director

M. Paramasivam
Executive Director

Ashok Chandra
Managing Director & CEO

Vandana Bhagavatula
Director

Ambarish Ojha
Director

Uma Sankar
Director

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

UMMED JAIN & CO MUMBAI 119250W Chartered Accountants

CA Akhil Jain
Partner
(M.No. 137970)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

N K BHARGAVA & CO DELHI 000429N Chartered Accountants

CA N K Bhargava
Partner
(M.No. 080624)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

PREM GUPTA & CO NEW DELHI 000425N Chartered Accountants

CA Rajan Uppal
Partner
(M.No. 097379)

For P A & Associates
Chartered Accountants
FRN: 313085E

P A & ASSOCIATES BHUBANESWAR 313085E Chartered Accountants

CA Braja Nanda Dash
Partner
(M.No. 062142)

Place: New Delhi
Date: May 05, 2026

Ummed Jain & Co.
Chartered Accountants

N K Bhargava & Co.
Chartered Accountants

Prem Gupta & Co.
Chartered Accountants

P A & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE QUARTERLY AND YEAR TO DATE FINANCIAL RESULTS OF PUNJAB NATIONAL BANK PURSUANT TO THE REGULATION 33 AND REGULATION 52 READ WITH REGULATION 63(2) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2015.

To,
The Board of Directors
Punjab National Bank,
New Delhi

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the accompanying Statement of Standalone Financial Results of Punjab National Bank (**"the Bank"**) for the Quarter and Year Ended **March 31, 2026**, the Standalone Statement of Assets and Liabilities as on that date and the Standalone Statement of Cash Flow for the year ended on that date (**"the Statement"**) attached herewith, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"LODR Regulations"**) except for the disclosures relating to Pillar 3 disclosure as at **March 31, 2026,** including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations issued by Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Financial Results and have not been audited by us.

The Statement includes returns for the year ended on that date of:

i. 20 Domestic branches, Treasury division, Credit Card division and 39 other offices audited by us.
ii. 2042 Indian branches and other offices audited by Statutory Branch Auditors.
iii. 1 foreign branch audited by local auditor.
iv. 1 International Banking Unit situated at Gujarat International Finance Tec-City (Gift City) audited by Statutory Branch Auditor.

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 (**"RBI"**). Also incorporated in the Statements are the returns from 9312 Indian branches which have not been subjected to audit. These Unaudited Branches account for 25.01 % of advances, 56.92 % of deposits, 19.32 % of interest income and 52.50 % of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. Is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the LODR Regulations except for the disclosures relating to Pillar 3 disclosures as at March 31, 2026 , including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the standalone financial results and have not been audited by us; and

ii. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provision of the Banking Regulation Act, 1949, 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, of the standalone net profit and other financial information for the quarter and year ended March 31, 2026.

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 Results 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 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.

Board of Directors' Responsibility for the Standalone Financial Results

3. The Statement has been compiled from the audited annual Standalone Financial Statements and approved by Board of Directors. The Bank's Board of Directors are responsible for the preparation and presentation of these standalone Financial Results that give a true and fair view of the financial positions, financial performance and cash flows of the bank in accordance with the accounting principle generally accepted in India including Accounting Standards issued 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 in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

4. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results 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 Results.

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 Results, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. As required by the Reserve Bank of India's letter DOS.ARG.NO.6270/01.91.001/2019-20 dated March 17,2020 (as amended), we are also responsible for expressing our opinion through a separate report on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Results 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 in the Standalone Financial Results 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 Statement 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 Statement, including the disclosures and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the Standalone Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matters

5. These Standalone Financial Results incorporate the relevant financial statements/ financial information of 2042 branches audited by Statutory Branch Auditors, 1 international banking unit situated in Gujarat International Finance Tec-City {GIFT City) audited by an audit firm specifically appointed for this purpose, and 1 foreign branch in Dubai audited by the local auditor specially appointed for this purpose. These branches audited by other auditors cover 28.22 % of advances, 34.96 % of deposits and 27.09 % of non-performing assets as on March 31, 2026, 19.29 % of revenue for the year ended March 31, 2026. In conduct of our audit, we have taken note of the unaudited returns in respect of 9312 branches and other offices certified by the respective branch's management. These unaudited branches cover 25.01 % of advances, 56.92 % of deposits and 15.70% of non-performing assets as on March 31, 2026 and 19.35 % of revenue for the year ended March 31, 2026.

6. We report that the figures for the quarter ended March 31, 2026 represent the balancing figures between the audited figures in respect of the full financial year ended March 31, 2026 and the published unaudited year-to-date figures up to December 31, 2025 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under LODR Regulations.

Our opinion is not modified in respect of above matters.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

UMMED JAIN & CO. MUMBAI 119250W Chartered Accountants

CA Akhil Jain
Partner
(M.No. 137970)
UDIN: 26137970KRVNCR7729

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

N.K.BHARGAVA & CO. DELHI 000429N Chartered Accountants

CA N K Bhargava
Partner
(M.No. 080624)
UDIN: 26080624PWWOIW3941

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

PREM GUPTA & CO. NEW DELHI 000425N Chartered Accountants

CA Rajan Uppal
Partner
(M.No. 097379)
UDIN: 26097379LWURNB9055

For P A & Associates
Chartered Accountants
FRN: 313085E

P A & ASSOCIATES BHUBANESWAR 313085E Chartered Accountants

CA Braja Nanda Dash
Partner
(M.No. 062142)
UDIN: 26062142QLMITP8015

Place: New Delhi
Date: May 05, 2026

Ummed Jain & Co.
Chartered Accountants

N K Bhargava & Co.
Chartered Accountants

Prem Gupta & Co.
Chartered Accountants

P A & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED QUARTERLY AND YEAR TO DATE FINANCIAL RESULTS OF PUNJAB NATIONAL BANK PURSUANT TO THE REGULATION 33 AND REGULATION 52 READ WITH REGULATION 63(2) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2015.

To,
The Board of Directors
Punjab National Bank,
New Delhi

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Annual Financial Results of Punjab National Bank (**"the Bank"**) and its subsidiaries (the parent and its subsidiaries together referred to as **"the Group"**) and its associates for the Quarter and Year Ended **31st March, 2026**, the Consolidated Statement of Assets and Liabilities as on date and the Consolidated Statement of Cash Flow for the year ended on that date (**"the Statement"**) attached herewith, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"LODR Regulations"**) except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2026, including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations issued by the Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Consolidated Financial Results and have not been audited by us.

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 other auditors on separate audited financial statements/financial results/financial information of other subsidiaries and associates, The aforesaid statement

a. includes the financial results of the following entities:

Parent:

Punjab National Bank

Subsidiaries:

i. PNB Gilts Ltd
ii. PNB Investment Services Ltd
iii. PNB Cards and Services Ltd
iv. Punjab National Bank (International) Ltd, UK
v. Druk PNB Bank Ltd, Bhutan

Associates:

i. PNB Metlife India Insurance Company Ltd.
ii. PNB Housing Finance Limited
iii. Everest Bank Limited, Kathmandu, Nepal
iv. Bihar Gramin Bank

v. Himachal Pradesh Gramin Bank
vi. Punjab Gramin Bank
vii. Haryana Gramin Bank
viii. Assam Gramin Bank
ix. West Bengal Gramin Bank
x. Manipur Rural Bank
xi. Tripura Gramin Bank

Note:

- Canara HSBC life Insurance Company Ltd has ceased to be an associate of the Bank w.e.f. 17.10.2025 as the Banks shareholding in the company declined from 23% to 13% following sale of shares through OFS.
- India SME Asset Reconstruction Co. Ltd. Ltd has ceased to be an associate of the Bank w.e.f. 17.06.2025 as the Bank has sold its entire stake in the company to Authum Investment and Infrastructure Ltd.
- Prathama UP Gramin Bank has been merged with UP Grameen bank and the Bank has sold its stake in the bank w.e.f . 01.05.2025.
- Due to revocation of license w.e.f., 18 September 2020, JSC (Tengri Bank) is under liquidation.

Accordingly , the above have not been considered in Consolidated Financial Statements.

b. is presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2026, including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations issued by the Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Consolidated Financial Results and have not been audited by us; and

c. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and other directions issued by the Reserve Bank of India from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the Group for the quarter and year ended 31st March, 2026.

Basis for Opinion

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 Consolidated Financial Results section of our report. We are independent of the Group, its associates in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibility for the Consolidated Financial Results

The Statement has been compiled from the Consolidated Annual Audited Financial Statements approved by the Board of Directors.

The Bank's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 & 52 of

the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding of the assets of the Group, and its associates 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Bank, as aforesaid.

In preparing the Statement, the respective Board of Directors of the entities included in the Group, and its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and its associates are responsible for overseeing the financial reporting process of the Group and its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 Consolidated Financial Results.

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 Consolidated Financial Results, 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 Reserve Bank of India's letter DOS.ARG.NO.6270/01.91.001/2019-20 dated March 17,2020 (as amended), we are also responsible for expressing our opinion on whether the Parent has adequate Internal Financial Controls with reference to 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 ability of the Group and its associates 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 Consolidated Financial Results 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial results/financial information of the entities within the Group and its associates to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of the misstatements in the Consolidated Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

i. The Consolidated Financial Results include the audited financial results of 03 subsidiaries, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 30,381.33 crores as at 31st March 2026, Group's share of total revenue of Rs. 1,942.69 crores and Group's share of total net profit/(loss) after tax of Rs. 166.00 crores for the year ended 31st March 2026 not audited by us. Further, the Consolidated Financial Results include the audited financial results of 4 associates whose financial statements/financial results/financial information reflects Group's share of total net profit after tax of Rs. 792.60 crores for the year ended 31st March 2026, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on the financial statements/financial

results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

ii. The Consolidated Financial Results include the unaudited financial results of 02 subsidiary, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 13,800.71 crores as at 31st March 2026, Group's share of total revenue of Rs. 788.19 crores and Group's share of total net profit after tax of Rs. 110.00 crores for the year ended 31st March 2026. Further, the unaudited financial results of 7 associates whose financial statements/financial results/financial information reflect Group's share of total net profit/(loss) after tax of Rs. 579.83 crores for the year ended 31st March 2026, as considered in the Consolidated Financial Results. This unaudited financial statements/financial results/financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited financial statements/financial results/ financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/financial results/financial information are not material to the Group.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Consolidated Financial Results include the results for the quarter ended 31st March 2026 being the balancing figure between the audited figures in respect of the full financial year ended 31st March 2026 and the published unaudited year-to-date figures up to the 31st December 2025, being the date of the end of the third quarter of the current financial year which were subject to limited review by us, as required under the LODR Regulations.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W



CA Akhil Jain
Partner
(M.No. 137970)
UDIN: 26137970PAWUXF8630

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N



CA N K Bhargava
Partner
(M.No. 080624)
UDIN: 26080624BNIRGJ8339

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N



CA Rajan Uppal
Partner
(M.No. 097379)
UDIN: 26097379ZIEQWD7270

For P A & Associates
Chartered Accountants
FRN: 313085E



CA Braja Nanda Dash
Partner
(M.No. 062142)
UDIN: 26062142HLEEXU2991

Place: New Delhi
Date: May 05, 2026

...the name you can BANK upon!

Azadi Ka Amrit Mahotsav

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Scrip Code: PNB	**Scrip Code: 532461**
National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

05.05.2026

Dear Sir(s),

Reg.: Declaration under Regulation 33 & 52 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 33 & 52 of SEBI (LODR) Regulations 2015, we hereby confirm and declare that the statutory auditors of the Bank M/s Ummed Jain & Co., M/s N K Bhargava & Co., M/s Prem Gupta & Co. and M/s P A & Associates have issued audit report on the Standalone and Consolidated financial results of the Bank for year ended March 31, 2026 with unmodified opinion.

(Raman Grover)
Chief General Manager & CFO

(Ashok Chandra)
Managing Director & CEO

To,

BSE Ltd / NSE Ltd / Debenture Trustees

Sub: Security Cover Certificate for the quarter ended on March 31, 2026.

Based on examination of books of accounts and other relevant records/documents, we hereby certify that:

a) **Punjab National Bank has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:**

Sno	ISIN	Date of Issue	Private Placement/ Public Issue	Secured/ Unsecured	Amount (in Crores)
1	INE160A08142	26.12.2019	Private Placement	Unsecured	1500.00
2	INE160A08175	11.11.2020	Private Placement	Unsecured	1500.00
3	INE160A08191	18.11.2021	Private Placement	Unsecured	1919.00
4	INE160A08209	09.12.2021	Private Placement	Unsecured	2000.00
5	INE160A08217	17.01.2022	Private Placement	Unsecured	1971.00
6	INE160A08225	06.07.2022	Private Placement	Unsecured	2000.00
7	INE160A08233	21.09.2022	Private Placement	Unsecured	658.00
8	INE160A08241	01.12.2022	Private Placement	Unsecured	4000.00
9	INE160A08258	23.12.2022	Private Placement	Unsecured	582.00
10	INE160A08266	27.03.2023	Private Placement	Unsecured	974.00
11	INE160A08274	30.06.2023	Private Placement	Unsecured	3090.00
12	INE160A08282	27.09.2023	Private Placement	Unsecured	3000.00
13	INE160A08290	28.12.2023	Private Placement	Unsecured	1153.00
14	INE160A08308	22.03.2024	Private Placement	Unsecured	1859.00
15	INE160A08316	23.12.2024	Private Placement	Unsecured	3000.00
16	INE160A08324	14.02.2025	Private Placement	Unsecured	2950.00
TOTAL					**32156.00**

b) **Security cover for listed unsecured debt securities:**

i. The financial information for the period ended 31-03-2026 has been extracted from the books of accounts for the period ended 31-03-2026 and other relevant records of Punjab National Bank;

ii. The Security Cover in the format as specified by SEBI vide its Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 is herein given as **Annexure I.**

The Security Cover certificate is being issued in consonance with SEBI regulations and shall have no effect on the seniority of such instruments and all other terms and conditions applicable for the issue of the bonds as specified by RBI master circular no. DOR.CAP.REC.2/21.06.201/2025-26 dated April 01,2025 for BASEL III Compliant bonds, as amended from time to time, and the terms of Issue.

N.K. BHARGAVA & CO. DELHI 000429N Chartered Accountants

C - 31, Ist Floor, Acharya Niketan, Phase - I, Mayur Vihar, Delhi - 110 091, India
Phone : +91 (11) 4578 4938 | Fax : +91 (11) 2275 2376 | delhi@nkbc.co.in

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the such covenants/terms of the issue have been complied by the listed entity except as stated below: -

NIL

For M/S NK BHARGAVA & Co.
Chartered Accountants
FRN No. 000429N

N K BHARGAVA & CO. DELHI 000429N Chartered Accountants

(CA N K Bhargava)
Partner
Mem. No. 080624
UDIN: 26080624GNVQFR3276

Date : May 05, 2026
Place: New Delhi

PUNJAB NATIONAL BANK
HO : TREASURY DIVISION

Column A	Column B	Column C [i]	Column D[ii]	Column E[iii]	Column F[iv]	Column G[v]	Column H[vi]	Column I[vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	PariPassu Charge	PariPassu Charge	PariPassu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-in Progress														
Right of Use Assets						NOT APPLICABLE								
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

N K BHARGAVA & CO ★ Chartered Accountants ★ DELHI 000629N

Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIE S														
Debt securities to which this certificate pertains					**NOT APPLICABLE**									
Other debt sharing pari-passu charge with above debt		not to be filled												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

N K BHARGAVA & CO Chartered Accountants DELHI 000429N

Lease Liabilities														
Provisions														
Others					**NOT APPLICABLE**									
Total														
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O



PUNJAB NATIONAL BANK

HEAD OFFICE: NEW DELHI

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2025

(Rs. in lacs)

S.No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.03.2025	31.12.2024	31.03.2024	31.03.2025	31.03.2024	31.03.2025	31.12.2024	31.03.2024	31.03.2025	31.03.2024
		Audited	Reviewed	Audited	Audited	Audited	Audited	Reviewed	Audited	Audited	Audited
1	**Interest Earned (a+b+c+d)**	**3198946**	**3133983**	**2811343**	**12176073**	**10690162**	**3252309**	**3189480**	**2868232**	**12400985**	**10906458**
	(a) Interest / discount on advances / bills	2222492	2223999	2011370	8610095	7593931	2239050	2240344	2025687	8675664	7651579
	(b) Income on Investments	801160	774077	696333	3070055	2764480	836544	811630	737794	3224087	2918714
	(c) Interest on Balances with RBI & other inter bank funds	112991	83670	77789	346586	277889	114412	85266	78893	351913	282285
	(d) Others	62303	52237	25851	149337	53862	62303	52240	25858	149341	53880
2	Other Income	471589	341187	424761	1630937	1338354	477593	339163	429415	1644696	1332943
A	**TOTAL INCOME (1+2)**	**3670535**	**3475170**	**3236104**	**13807010**	**12028516**	**3729902**	**3528643**	**3297647**	**14045681**	**12239401**
3	Interest Expended	2123248	2030758	1775032	7897856	6681855	2163950	2073786	1820592	8070384	6853416
4	**Operating Expenses (a+b)**	**869722**	**782357**	**819504**	**3226087**	**2853580**	**877106**	**789713**	**827094**	**3255046**	**2880898**
	(a) Employees Cost	579273	526378	563002	2135772	1848631	584502	531232	567238	2154869	1864324
	(b) Other operating expenses	290449	255979	256502	1090315	1004949	292604	258481	259856	1100177	1016574
B	**TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)**	**2992970**	**2813115**	**2594536**	**11123943**	**9535435**	**3041056**	**2863481**	**2647686**	**11325430**	**9734314**
C	**Operating Profit (A-B) (before Provisions & Contingencies)**	**677565**	**662055**	**641568**	**2683067**	**2493081**	**688846**	**665162**	**649961**	**2720251**	**2505087**
D	Provisions (other than tax) and contingencies	35967	-28540	158805	167460	1173660	37067	-40342	155974	114997	1171916
	of which provisions for Non Performing Assets	58831	31754	195799	189683	1234501	58910	20143	192545	175485	1232198
E	Exceptional items	0	0	0	0	0	0	0	0	0	0
F	**Profit / (Loss) from ordinary activities before tax (C-D-E)**	**641598**	**690595**	**482763**	**2515607**	**1319421**	**651779**	**705504**	**493987**	**2605254**	**1333171**
G	Tax Expenses	184898	239774	181736	852587	494959	187492	240644	183899	861291	500280
H	**Net Profit (+)/Loss(-) from ordinary activities after tax (F-G)**	**456700**	**450821**	**301027**	**1663020**	**824462**	**464287**	**464860**	**310088**	**1743963**	**832891**
I	Extraordinary items (net of tax expense)	0	0	0	0	0	0	0	0	0	0
J	**Net Profit / (Loss) for the period (H-I)**	**456700**	**450821**	**301027**	**1663020**	**824462**	**464287**	**464860**	**310088**	**1743963**	**832891**
K	Share in profit of associates						36830	16242	26214	111298	82824
L	Share of minority						2188	1002	2082	7232	4995
M	**Net Profit / (Loss) after minority interest (J+K-L)**	**456700**	**450821**	**301027**	**1663020**	**824462**	**498929**	**480100**	**334220**	**1848029**	**910720**
5	Paid up equity Share Capital (Face value Rs. 2/- each)	229859	229859	220220	229859	220220	229859	229859	220220	229859	220220
6	Reserves excluding revaluation reserves (as per Balance sheet of previous year)				11675523	9596874				12253093	9987890
7	**Analytical Ratios**										
	(i) Share holding of Govt. of India (%)	70.08	70.08	73.15	70.08	73.15	70.08	70.08	73.15	70.08	73.15
	(ii) Capital Adequacy Ratio - Basel-III (%)	17.01	15.41	15.97	17.01	15.97	17.05	15.43	16.00	17.05	16.00
	(a) CET 1 Ratio (%)	12.33	10.65	11.04	12.33	11.04	12.38	10.67	11.08	12.38	11.08
	(b) Additional Tier 1 Ratio (%)	1.72	1.88	2.13	1.72	2.13	1.72	1.88	2.13	1.72	2.13
	(iii) Earnings per Share (EPS) not annualized (in Rs.)										
	(a) Basic and diluted EPS before extraordinary items	3.97	3.92	2.73	14.77	7.49	4.34	4.18	3.04	16.42	8.27
	(b) Basic and diluted EPS after extraordinary items	3.97	3.92	2.73	14.77	7.49	4.34	4.18	3.04	16.42	8.27
	(iv) NPA Ratios:										
	(a) Amount of Gross NPAs	4408160	4541398	5634305	4408160	5634305					
	(b) Amount of Net NPAs	429055	443743	679877	429055	679877					
	(c) % of Gross NPAs	3.95	4.09	5.73	3.95	5.73					
	(d) % of Net NPAs	0.40	0.41	0.73	0.40	0.73					
	(v) Return on Assets (Annualised) %	1.02	1.03	0.77	0.97	0.54					
	(vi) Outstanding redeemable preference shares (Quantity and Value)	-	-	-	-	-					
	(vii) Capital redemption reserve/debenture redemption reserve	-	-	-	-	-					
	(viii) Net Worth	9749799	9510346	7460021	9749799	7460021					
	(ix) Debt-equity ratio (Borrowings/Net Worth)	0.86	0.77	0.68	0.86	0.68					
	(x) Total Debts to Total Assets (Borrowings/Total Assets)	0.05	0.04	0.03	0.05	0.03					
	(xi) Operating Margin (%) (Operating Profit/Total Income)	18.46	19.05	19.83	19.43	20.73					
	(xii) Net Profit Margin (%) (Net Profit after tax /Total Income)	12.44	12.97	9.30	12.04	6.85					

Finance Division

UMMED JAIN & CO. MUMBAI 119250W Chartered Accountants

N.K.BHARGAVA & CO. DELHI 000429N Chartered Accountants

PSD & ASSOCIATES JAIPUR 004601C Chartered Accountants

PREM GUPTA & CO. NEW DELHI 000425N Chartered Accountants

P.A. & ASSOCIATES BHUBANESWAR 319085E Chartered Accountants

punjab national bank
...the name you can BANK upon !

PUNJAB NATIONAL BANK

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	Standalone			Consolidated		
	31.03.2025 (Audited)	31.12.2024 (Reviewed)	31.03.2024 (Audited)	31.03.2025 (Audited)	31.12.2024 (Reviewed)	31.03.2024 (Audited)
CAPITAL & LIABILITIES						
Capital	229859	229859	220220	229859	229859	220220
Reserves & Surplus	12506366	12351493	10427437	13083937	12887063	10818453
Minority Interest				62843	60655	56077
Deposits	156662328	152969889	136971281	157701988	154016682	137922524
Borrowings	8377671	7302354	5042985	10580655	9014694	7258562
Other Liabilities and Provisions	4040849	3387359	3521578	4095081	3429250	3587760
TOTAL	**181817073**	**176240954**	**156183501**	**185754363**	**179638203**	**159863596**
ASSETS						
Cash & Balances with Reserve Bank of India	6430461	6204195	6503291	6438922	6206340	6532513
Balances with Banks & Money at Call & Short Notice	8441523	7448169	6407167	8637036	7693426	6607506
Investments	49731125	46378433	42031821	52484031	48611732	44642127
Advances	107747457	106995679	93443059	108627314	107820683	94176247
Fixed Assets	1305339	1262208	1231878	1308330	1265044	1234784
Other Assets	8161168	7952270	6566285	8258730	8040978	6670419
TOTAL	**181817073**	**176240954**	**156183501**	**185754363**	**179638203**	**159863596**

Notes forming part of Audited Standalone and Consolidated Financial results for quarter and year ended March 31, 2025:

1. The above financial results have been reviewed by the Audit Committee of the Board and approved by the Board of Directors in their respective meetings held on May 07, 2025. The same have been subjected to audit by the Statutory Central Auditors of the Bank, as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. These financial results of the Bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, stressed sector accounts,

standard derivative exposures, direct taxes including deferred tax, unhedged foreign currency exposure, depreciation on fixed assets and investment depreciation on the basis of extant guidelines issued by Reserve Bank of India and applicable accounting standards issued by The Institute of Chartered Accountants of India. Provisions for employee benefits pertaining to pension, gratuity, leave encashment, etc. have been made on the basis of actuarial valuation. Other usual and necessary provisions have been made on estimated basis.

3. There is no material impact of changes in Significant Accounting Policies followed for preparation of financial results for the quarter and year ended March 31, 2025 as compared to those followed for the preparation of financial statements for the year ended March 31, 2024, except those pertaining to classification, valuation and accounting of investments in compliance of Master Direction No. RBI/DOR/2023-24/104 DOR.MRG.36/21.04.141/2023-24 on Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated September 12, 2023, issued by Reserve Bank of India, read with clarification issued by FIMMDA, which have become applicable from April 1, 2024. Pursuant to the above guidelines, inter-alia, the Bank has recognised a net gain of Rs.2,098.68 Crore (net of taxes) in General Reserve and Rs.379.55 Crore (net of taxes) in AFS Reserve as on March 31, 2025.

   To the extent of impact of these guidelines, the corresponding previous periods' / year's figures are not comparable with that of the current period.

4. The Consolidated financial results are prepared in accordance with Accounting Standard 21 on Consolidated Financial Statements and Accounting Standard 23 on Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.

5. The consolidated financial results of the Group comprise financial results of 5 Subsidiaries and 15 Associates listed hereunder. The consolidated results are prepared in accordance with RBI guidelines, section 133 of Companies Act, 2013 and regulation 33 and 52 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Sl. No.	Name of the Entity	Type of Association	Proportion of Ownership
1	PNB Gilts Limited	Subsidiary	74.07%
2	PNB Investment Services Ltd.	Subsidiary	100.00%
3	PNB Cards and Services Ltd.	Subsidiary	100.00%
4	Punjab National Bank (International) Ltd., UK	Subsidiary	100.00%
5	Druk PNB Bank Ltd., Bhutan	Subsidiary	51.00%
6	PNB Metlife India Insurance Company Ltd.	Associate	30.00%
7	PNB Housing Finance Limited	Associate	28.10%
8	JSC (Tengri Bank), Almaty, Kazakhstan*	Associate	41.64%
9	Canara HSBC Life Insurance Co. Ltd.	Associate	23.00%
10	India SME Asset Reconstruction Co. Ltd.	Associate	20.90%
11	Everest Bank Ltd., Nepal	Associate	20.02%

Sl. No.	Name of the Entity	Type of Association	Proportion of Ownership
12	Dakshin Bihar Gramin Bank	Associate	35.00%
13	Himachal Pradesh Gramin Bank	Associate	35.00%
14	Punjab Gramin Bank	Associate	35.00%
15	Sarva Haryana Gramin Bank	Associate	35.00%
16	Prathama UP Gramin Bank	Associate	35.00%
17	Assam Gramin Vikas Bank	Associate	35.00%
18	Bangiya Gramin Vikas Bank	Associate	35.00%
19	Manipur Rural Bank	Associate	35.00%
20	Tripura Gramin Bank	Associate	35.00%

* Under liquidation

6. In accordance with SEBI regulations, for the purpose of quarterly/yearly consolidated financial results, minimum eighty percent of consolidated revenue, assets and profits have been subjected to audit.

7. As per RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR.BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts under the provisions of Insolvency & Bankruptcy Code (IBC), where the Bank is having exposure, the Bank is holding total provision of Rs.6749.62 Crore (Aggregate provision for RBI List 1 and List 2 accounts is 100%) as on March 31, 2025.

8. During the quarter, the Bank has not availed any dispensation in respect of frauds in terms of option available as per RBI Circular No. RBI/2024-25/12 DOR.STR.REC.8/ 21.04.048/2024-25 dated April 02, 2024. Further, there is no un-amortized amount which has been carried forward to subsequent quarters.

9. In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, having total banking exposure of Rs.1500 Crore and above, the Bank is holding additional provision of Rs.1763.02 Crore as on March 31, 2025 in 14 accounts as summarized below:

(Rs.in Crore)

Amount of loans impacted by RBI Circular (FB+NFB)	Amount of NPA Loans as on 31.03.2025 out of (a) (FB+NFB)	Amount of FB NPA loans out of (b)	Amount of Standard loans as on 31.03.2025 out of (a)	Total Additional Provision held as on 31.12.2024	Additional Provision / (Reversal) made during quarter (g) – (e)	Total Provision held as on 31.03.2025
(a)	(b)	(c)	(d)	(e)	(f)	(g)
7144.32	1605.99	0.00	5538.33	992.43	770.59	1763.02

10. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on 'Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances', the summary of MSME restructured accounts as on March 31, 2025 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
2419	413.42

11. In accordance with RBI circular no. DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on Resolution Framework 2.0 - Resolution of COVID-19 related stress of Micro, Small and Medium Enterprises (MSMEs), the summary of restructured accounts as on March 31, 2025 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
13800	1455.69

12. Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 are given below:

(Rs.in Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30.09.2024 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31.03.2025
Personal Loans	394.93	9.39	0.00	31.98	360.82
Corporate persons*	1476.62	54.57	0.00	456.53	1213.75
* *Of which* MSMEs	208.91	54.57	0.00	18.61	156.82
Others	2.74	0.00	0.00	0.13	2.89
Total OTR 1.0	**1874.29**	**63.96**	**0.00**	**488.64**	**1577.46**
Personal Loans	3463.61	89.61	0.00	248.29	3277.09
Business Loans	161.94	5.88	0.00	37.44	162.56
Small Business	398.77	10.08	0.00	48.28	368.04
Total OTR 2.0	**4024.32**	**105.57**	**0.00**	**334.01**	**3807.69**
Grand Total	**5898.61**	**169.53**	**0.00**	**822.65**	**5385.15**

Note: There are 249 borrower accounts having aggregate exposure of Rs.17.81 Crore to the Bank where resolution plans had been implemented and now modified under RBI's resolution framework 2.0 dated May 5, 2021.

13. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on March 31, 2025, 8 (eight) Digital Banking

Punjab National Bank Corp. Off.: Plot No. 4, Sec-10, Dwarka, New Delhi-110075 Finance Division

UMMED JAIN & CO. MUMBAI 119250W Chartered Accountants

N.K.BHARGAVA & CO. DELHI Chartered Accountants

PSD & ASSOCIATES JAIPUR Chartered Accountants

PREM GUPTA & CO. NEW DELHI 000425N Chartered Accountants

P.A. & ASSOCIATES BHUBANESWAR 313088E Chartered Accountants

Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

14. As on March 31, 2025, the Bank is holding an additional provision of Rs.134.19 Crore (additional provision outstanding at end of previous quarter was Rs.140.61 Crore) on standard accounts restructured under COVID 19 Resolution Framework 1.0 and 2.0, at higher than prescribed rate of 5%/10%, as per Bank's policy based on the evaluation of risk and stress in these sectors, in terms of RBI Master Circular dated April 01, 2025 regarding Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.

15. As on March 31, 2025, the Bank is holding floating provision of Rs.750 Crore. (Rs.150 Crore as at March 31, 2024).

16. The Bank has estimated the liability for Unhedged Foreign Currency Exposure (UFCE) in terms of Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022, no. RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 and is holding a provision of Rs.237.12 Crore as on March 31, 2025 (Rs.133.05 Crore as on March 31, 2024).

17. The Provisioning Coverage Ratio (including Technical Written off accounts) as at March 31, 2025 works out to 96.82% (95.39% as at March 31, 2024).

18. In accordance with RBI circular no. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the details of loans transferred/acquired during the year ended March 31, 2025 are given below:

    i. The Bank has not acquired any Special Mention Accounts (SMA) and also not transferred any loans not in default or Special Mention Accounts (SMA).
    ii. Details of loans not in default acquired through pool buyout via assignment:

Particulars	Values
Amount of Loan	Rs.22338.66 Crore
Weighted average maturity	147.99 months
Weighted average holding period	24.38 months
Retention of beneficial economic interest (by originator)	10%
Tangible security coverage	215.82%
Rating wise distribution of rated loans	NA

    iii. The Bank has not acquired any non-performing assets.
    iv. Details of non-performing assets (NPAs) transferred:

(all amounts in Rs. Crore)	To ARCs	To permitted transferees	To other transferees
No. of accounts	7	Nil	Nil
Aggregate principal outstanding of loans transferred	1134.03	Nil	Nil

(all amounts in Rs. Crore)	To ARCs	To permitted transferees	To other transferees
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	0.00	Nil	Nil
Aggregate consideration	863.05	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	145.68	Nil	Nil
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	733.60	Nil	Nil

19. As per RBI circular no. RBI/DOR/2024-25/135 DOR.STR.REC.72/21.04.048/2024-25 dated March 29, 2025, on guidelines for Government-guaranteed security Receipts, banks are permitted to reverse any excess provision to the Profit and Loss Account in the year of transfer of a loan to an Asset Reconstruction company (ARC) for a 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.

    In accordance with the said circular, the Bank has carried SRs guaranteed by the Government of India at the Net Asset Value (NAV) as declared by the ARC during the quarter/year ended March 31, 2025 by crediting Rs.1,325.29 Crore to the Profit and Loss account.

20. Distribution of the 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	Face Value (Rs. in Crore)	Carrying Value* (Rs. in Crore)
RR1+	91.12	22.43
RR1	784.87	705.52
RR2	411.09	120.67
RR3	42.10	0.00
RR4	7.39	0.00
RR5	105.80	0.00
Unrated	2156.21	871.11
Total	**3598.58**	**1719.73**

    As per RBI guidelines, post 8 years rating is not applicable.

    *Provision of Rs.394.34 Crore is held against carrying value.

21. During the year, the Bank has issued 48,19,27,710 equity shares having Face Value of Rs.2 each for cash to Qualified Eligible Buyers pursuant to Qualified Institutional

Placement (QIP) in accordance with the provisions of Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, at a premium of Rs.101.75 per share aggregating to Rs.5,000 Crore approx. This has resulted in an increase of Rs.96.39 Crore in the issued and paid up Equity Share Capital and Rs.4,891.18 Crore (Net of share Issue Expenses) in Share Premium Account.

22. During the quarter ended March 31, 2025, the Bank has exercised call option in respect of Basel III compliant AT1 Bonds of Rs.1500 Crore. Further, during the year ended March 31, 2025, the Bank has raised Basel III compliant Tier II bonds of Rs.3000 Crore and has redeemed / exercised call option in respect of Basel III compliant Tier II bonds of Rs.3000 Crore and AT1 Bonds of Rs.1500 Crore.

23. The Board of Directors has recommended a dividend of Rs.2.90 per equity share (145.00%) for the year ended March 31, 2025 subject to requisite approvals.

24. Other income includes income (including commission) from non-fund based banking activities, fees, earnings from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off/technically written off, etc.

25. Pursuant to the Gazette Notification No. CG-DL-E-07042025-262329 dated 5th April 2025, the following Regional Rural Banks (RRBs), sponsored by the Punjab National Bank, have been amalgamated and the sponsor bank has been changed in respect of 1 RRB with effect from 1st May 2025. The Bank's investments in these RRBs are included in its financial statements as at March 31, 2025.

Sr. No.	Name of Transferor RRBs	Sponsor Bank of transferor RRBs	New Name after Amalgamation of RRBs	Sponsor Bank of transferee RRBs
1.	Prathama U. P. Gramin Bank	Punjab National Bank	Uttar Pradesh Gramin Bank	Bank of Baroda
2.	Dakshin Bihar Gramin Bank	Punjab National Bank	Bihar Gramin Bank	Punjab National Bank
3.	Bangiya Gramin Vikash Bank	Punjab National Bank	West Bengal Gramin Bank	Punjab National Bank

26. The Bank has evaluated the options available under section 115BAA of Income Tax Act, 1961 and opted to continue to recognise the taxes on income for the year ended March 31, 2025 as per the regular provisions of Income Tax Act, 1961. Further, the Deferred Tax has also been recognised as per Accounting Standard-22.

27. In terms of RBI circular no. RBI/2024-25/08 DOR.CAP.REC.4/21.06.201/2024-25 dated April 01, 2024, banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. www.pnbindia.in. These disclosures have not been subjected to audit by the Statutory Central Auditors.

28. Details of Investors complaints for the quarter ended March 31, 2025: Pending at Beginning: Nil; Received: 12; Disposed off: 12; Closing: Nil.

29. The figures for the quarter ended on March 31, 2025 are the balancing figures between audited figures for the year ended on March 31, 2025 and the reviewed figures for the nine months ended on December 31, 2024.

30. Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

Prabudh Sharma
Asstt. General Manager

R.K. Khichi
Deputy General Manager

Praveen Kumar Sharma
General Manager

Mahesh Dhawan
General Manager

D K Jain
Chief General Manager & CFO

D. Surendran
Executive Director

M. Paramasivam
Executive Director

Kalyan Kumar
Executive Director

Ashok Chandra
Managing Director & CEO

K G Ananthakrishnan
Chairman

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA U.M. Jain
Partner
(M.No. 070863)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)

For P. A. & Associates
Chartered Accountants
FRN: 313085E

CA P. S. Panda
Partner
(M.No. 051092)

Place: New Delhi
Date: May 07, 2025

Finance Division

PUNJAB NATIONAL BANK
SEGMENT REPORTING FOR THE QUARTER/YEAR ENDED MARCH 31, 2025

PART A – BUSINESS SEGMENTS

(Rs in lacs)

Sr. No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2025 Audited	31.12.2024 Reviewed	31.03.2024 Audited	31.03.2025 Audited	31.03.2024 Audited	31.03.2025 Audited	31.12.2024 Reviewed	31.03.2024 Audited	31.03.2025 Audited	31.03.2024 Audited
1	**Segment Revenue**										
	(a) Treasury Operations	1020932	960178	868800	3859412	3159196	1063602	994973	912271	4026760	3300249
	(b) Corporate/Wholesale Banking	1547889	1475726	1385221	5822241	5161387	1558611	1478259	1394206	5859799	5194745
	(c) Retail Banking	981181	944776	907502	3796416	3466813	988615	960457	914293	3830604	3497338
	1) Digital Banking	10	9	6	33	13	10	9	6	33	13
	2) Other Retail Banking	981171	944767	907496	3796383	3466800	988605	960448	914287	3830571	3497325
	(d) Other Banking Operations	120533	94490	74581	328941	241120	119074	94954	76877	328518	247069
	Total Revenue	**3670535**	**3475170**	**3236104**	**13807010**	**12028516**	**3729902**	**3528643**	**3297647**	**14045681**	**12239401**
2	**Segment Results**										
	(a) Treasury Operations	196299	278084	193399	983194	759964	206801	279555	199896	1052392	753800
	(b) Corporate/Wholesale Banking	306425	313098	243518	1161280	450580	307338	318847	246452	1179405	463424
	(c) Retail Banking	236414	203633	150802	824335	568910	235799	212747	151078	829371	575692
	1) Digital Banking	-227	-175	-241	-739	-639	-227	-175	-241	-739	-639
	2) Other Retail Banking	236641	203808	150843	825074	569549	236026	212922	151319	830110	576331
	(d) Other Banking Operations	47328	48291	29348	133089	74815	46909	47066	30665	130377	75103
	Total	**786466**	**843106**	**616867**	**3101898**	**1854269**	**796647**	**858015**	**628091**	**3191545**	**1868019**
	Unallocated Expenditure	144868	152511	134104	586291	534848	144868	152511	134104	586291	534848
	Profit before Tax	**641598**	**690595**	**482763**	**2515607**	**1319421**	**651779**	**705504**	**493987**	**2605254**	**1333171**
	Provision for Tax	184898	239774	181736	852587	494959	187492	240644	183699	861291	500280
	Extraordinary Items	-	-	-	-	-	-	-	-	-	-
	Share of Earning in Associates(Net)	-	-	-	-	-	36830	16242	26214	111295	82824
	Minority Interest	-	-	-	-	-	2188	1002	2082	7232	4995
	Net profit	**456700**	**450821**	**301027**	**1663020**	**824462**	**498929**	**480100**	**334220**	**1848029**	**910720**
3	**Segment Assets**										
	(a) Treasury Operations	52519288	49029899	46925929	52519288	46925929	55402024	51414383	49690342	55402024	49690342
	(b) Corporate/Wholesale Banking	77426731	77599895	66470759	77426731	66470759	77929344	78066358	66880390	77929344	66880390
	(c) Retail Banking	43187875	40715048	34197464	43187875	34197464	43567530	41073517	34519268	43567530	34519268
	1) Digital Banking	248	271	230	248	230	248	271	230	248	230
	2) Other Retail Banking	43187627	40714777	34197234	43187627	34197234	43567282	41073246	34519038	43567282	34519038
	(d) Other Banking Operations	4572645	4790549	4186831	4572645	4186831	4744931	4978182	4371078	4744931	4371078
	(e) Unallocated	4110534	4105763	4402518	4110534	4402518	4110534	4105763	4402518	4110534	4402518
	Total	**181817073**	**176240954**	**156183501**	**181817073**	**156183501**	**185754363**	**179638203**	**159863596**	**185754363**	**159863596**
4	**Segment Liabilities**										
	(a) Treasury Operations	49871405	46615621	44944063	49871405	44944063	52047750	48303962	47188814	52047750	47188814
	(b) Corporate/Wholesale Banking	73523080	73778613	63663439	73523080	63663439	74098910	74339057	64194273	74098910	64194273
	(c) Retail Banking	41010457	38710201	32753171	41010457	32753171	41532859	39244422	33189260	41532859	33189260
	1) Digital Banking	3405	3274	2144	3405	2144	3405	3274	2144	3405	2144
	2) Other Retail Banking	41007052	38706927	32751027	41007052	32751027	41529454	39241148	33187116	41529454	33187116
	(d) Other Banking Operations	4342103	4554657	4010005	4342103	4010005	4358447	4567598	4026867	4358447	4026867
	(e) Unallocated	333803	510	165166	333803	165166	402601	66242	225709	402601	225709
	Total	**169080848**	**163659602**	**145535844**	**169080848**	**145535844**	**172440567**	**166521281**	**148824923**	**172440567**	**148824923**
5	**Capital Employed**										
	(a) Treasury Operations	2647883	2414278	1981866	2647883	1981866	3354274	3110421	2501528	3354274	2501528
	(b) Corporate/Wholesale Banking	3903651	3821082	2807320	3903651	2807320	3830434	3727301	2686117	3830434	2686117
	(c) Retail Banking	2177418	2004847	1444293	2177418	1444293	2034671	1829095	1330008	2034671	1330008
	1) Digital Banking	-3157	-3003	-1914	-3157	-1914	-3157	-3003	-1914	-3157	-1914
	2) Other Retail Banking	2180575	2007850	1446207	2180575	1446207	2037828	1832098	1331922	2037828	1331922
	(d) Other Banking Operations	230542	235892	176826	230542	176826	386484	410584	344211	386484	344211
	(e) Unallocated	3776731	4105253	4237352	3776731	4237352	3707933	4039521	4176809	3707933	4176809
	Total Capital Employed	**12736225**	**12581352**	**10647657**	**12736225**	**10647657**	**13313796**	**13116922**	**11038673**	**13313796**	**11038673**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2025 Audited	31.12.2024 Reviewed	31.03.2024 Audited	31.03.2025 Audited	31.03.2024 Audited	31.03.2025 Audited	31.12.2024 Reviewed	31.03.2024 Audited	31.03.2025 Audited	31.03.2024 Audited
1	**Revenue**										
	(a) Domestic	3557634	3351918	3133719	13351024	11663253	3595101	3384130	3176812	13504177	11798287
	(b) International	112901	123252	102385	455986	365263	134801	144513	120835	541504	441114
	Total	**3670535**	**3475170**	**3236104**	**13807010**	**12028516**	**3729902**	**3528643**	**3297647**	**14045681**	**12239401**
2	**Assets**										
	(a) Domestic	172507874	166434160	149162931	172507874	149162931	175100822	168497155	151642379	175100822	151642379
	(b) International	9309199	9806794	7020570	9309199	7020570	10653541	11141047	8221217	10653541	8221217
	Total	**181817073**	**176240954**	**156183501**	**181817073**	**156183501**	**185754363**	**179638203**	**159863596**	**185754363**	**159863596**

Notes :

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.
3. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting issued by ICAI, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on March 31, 2025, 8 (eight) Digital Banking Units (DBUs) of the Bank are operating and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

Punjab National Bank Corp. Off. Plot No. 4, Sec-10, Dwarka, New Delhi-75 Finance Division

UMMED JAIN & CO. MUMBAI 149250W Chartered Accountants

N.K.BHARGAVA & CO. DELHI 000429N Chartered Accountants

P.S.D. & ASSOCIATES JAIPUR 004501C Chartered Accountants

PREM GUPTA & CO. NEW DELHI 000425N Chartered Accountants

P.A. & ASSOCIATES BHUBANESWAR 312085E Chartered Accountants

PUNJAB NATIONAL BANK

Statement of Standalone Cash Flow for the year ended March 31, 2025

(Rs 000's omitted)

			Year ended 31.03.2025	Year ended 31.03.2024
A.	**Cash Flow from Operating Activities**			
	Net Profit/ (Loss) after Tax		16630,20,12	8244,61,55
	Provision for Tax		8525,86,55	4949,58,97
(I)	**Net Profit/ (Loss) before tax**	(i)	**25156,06,67**	**13194,20,52**
(II)	**Adjustments for:**			
	Depreciation on Fixed Assets		947,57,49	895,24,94
	Depreciation/(Release) and Provision on Investments (Net)		-1167,52,75	-742,11,83
	Provisions for Non Performing Assets		1896,83,44	12345,01,25
	Provision on Standard Assets		-303,10,52	87,19,80
	Other Provision (net)		92,52,38	711,72,66
	Dividend from Subsidiary / Others		-40,70,00	-33,44,99
	(Profit)/Loss on sale of Fixed Assets (net)		-4,06,01	-6,67,30
	Profit on Sale of equity Investments held in AFS		45,87	0
	Income from investment in Subsidiaries/Joint Ventures/Associates		0	-137,39,47
	Interest paid on Bonds		3108,58,56	2956,57,66
	Sub Total	(ii)	**4530,58,46**	**16076,12,72**
(III)	**Adjustment for :**			
	Decrease / (Increase) in Investments		-73347,29,24	-22810,50,39
	Decrease / (Increase) in Advances		-144397,65,39	-115941,62,37
	Decrease / (Increase) in Other Assets		-19426,56,42	-1134,06,25
	Increase / (Decrease) in Deposits		196910,47,75	88549,70,10
	Increase / (Decrease) in Borrowings		34696,86,18	-7963,87,73
	Increase / (Decrease) in Other Liabilities & Provisions		3178,83,23	3960,04,63
	Sub Total	(iii)	**-2385,33,89**	**-55340,32,01**
	Cash generated from Operations	(i+ii+iii)	27301,31,24	-26069,98,77
	Direct Taxes paid (net off refund)		-5029,07,80	-1824,61,17
	Net Cash from/(used) Operating Activities	(A)	**22272,23,44**	**-27894,59,94**
B.	**Cash Flow from Investing Activities**			
	Purchase of Fixed Assets (net off Sales)		-1590,92,23	-1157,76,30
	Sale of Fixed Assets		15,91,95	20,66,26
	Dividend recd from Subsidiary/Others		40,70,00	33,44,99
	Investment in Subsidiary/Others (net)		0	-435,68,49
	Net Cash from/(used) in Investing Activities	(B)	**-1534,30,28**	**-1539,33,54**
C.	**Cash flow from Financing Activities**			
	Share Capital/Share Application Money/Share Premium (net of issue expenses)		4987,56,71	0
	Issue/(Redemption) of Bonds (net)		-1350,00,00	7102,00,00
	Interest paid on Bonds		-3108,58,56	-2956,57,66
	Dividend paid		-1651,65,23	-715,71,60
	Net Cash from Financing Activities	(C)	**-1122,67,08**	**3429,70,74**
D.	**Net Change in Cash and Cash Equivalents**	(A+B+C)	**19615,26,08**	**-26004,22,74**
	Cash and Cash Equivalents at the beginning of the year			
	Cash and Balances with Reserve Bank of India		65032,91,16	78176,57,52
	Balances with Banks & Money at Call & Short Notice		64071,66,93	76932,23,31
			129104,58,09	**155108,80,83**
	Cash and Cash Equivalents at the end of the year			
	Cash and Balances with Reserve Bank of India		64304,60,79	65032,91,16
	Balances with Banks & Money at Call & Short Notice		84415,23,38	64071,66,93
			148719,84,17	**129104,58,09**

Finance Division

UMMED JAIN & CO. Chartered Accountants MUMBAI 119250W

N K BHARGAVA & CO. Chartered Accountants DELHI 000429N

PSD & ASSOCIATES Chartered Accountants JAIPUR 004501C

PREM GUPTA & CO. Chartered Accountants NEW DELHI 000425N

P A & ASSOCIATES Chartered Accountants BHUBANESWAR 313085E

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 period have been regrouped wherever considered necessary to conform current period classification.

4 Cash and Cash equivalents includes Cash on hand, Balance with RBI & Other Banks and Money at Call and Short Notice

Prabudh Sharma
Asstt. General Manager

R. K. Khichi
Dy General Manager

Praveen Kumar Sharma
General Manager

Mahesh Dhawan
General Manager

D K Jain
Chief General Manager & CFO

D. Surendran
Executive Director

M. Paramasivam
Executive Director

Kalyan Kumar
Executive Director

Ashok Chandra
Managing Director & CEO

K G Ananthakrishnan
Chairman

Ambarish Ojha
Director

Jatinder Singh Bajaj
Director

Pankaj Sharma
Director

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA U.M. Jain
Partner
(M.No.070863)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)

For P A & Associates
Chartered Accountants
FRN: 313085E

CA P. S. Panda
Partner
(M.No. 051092)

Date : May 07, 2025
Place: New Delhi

PUNJAB NATIONAL BANK

Statement of Consolidated Cash Flow for the year ended March 31, 2025

(Rs. in Cr)

Particulars		Year ended 31.03.2025 (Audited)	Year ended 31.03.2024 (Audited)
A. Cash Flow from Operating Activities			
Net Profit/(Loss) after Tax		18,480.29	9,107.20
Provision for Tax		8,612.91	5,002.80
(I) Net Profit before tax	**(i)**	**27,093.20**	**14,110.00**
(II) Adjustments for:			
Depreciation on fixed assets		957.51	905.60
Depreciation/(Release) on Investments [net]		(1,566.60)	(742.12)
Provisions for non performing assets		1,754.85	12,321.98
Provision on Standard Assets		(287.18)	91.85
Other Provision (net)		93.03	712.67
Shares of earning in Associates		(1,108.61)	(803.22)
Profit / Loss on sale of Fixed Assets (net)		(4.07)	(6.66)
Profit on sale of equity investments held in AFS		0.46	-
Interest paid on Bonds		3,116.33	2,970.10
Sub Total	**(ii)**	**2,955.70**	**15,450.20**
(III) Adjustment for:			
Decrease/(Increase) in Investments		(73,272.05)	(27,599.32)
Decrease/(Increase) in Advances		(1,46,653.63)	(1,16,625.46)
Decrease/(Increase) in Other Assets		(19,346.67)	62.90
Increase/(Decrease) in Deposits		1,97,794.65	88,878.16
Increase/(Decrease) in Borrowings		34,646.44	(4,665.00)
Increase/(Decrease) in Other Liabilities & Provisions		3,974.17	4,323.79
Sub Total	**(iii)**	**(2,857.09)**	**(55,624.93)**
Cash generated from Operations	**(i+ii+iii)**	**27,191.81**	**(26,064.73)**
Direct Taxes paid (net off Refund)		(5,116.53)	(1,874.71)
Net Cash from Operating Activities	**(A)**	**22,075.28**	**(27,939.44)**
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		(1,601.41)	(1,175.00)
Sale of Fixed Assets		15.64	31.35
Investment in Subsidiaries/JV/RRBs (net)		8.15	(362.77)
Net Cash used in Investing Activities	**(B)**	**(1,577.63)**	**(1,506.42)**
C. Cash flow from Financing Activities			
Proceeds of Issuance of Equity Shares including Share Premium (net of issue exps.)		4,987.57	-
Issue/(Redemption) of Bonds (net)		(1,425.50)	7,102.00
Dividend paid		(1,651.65)	(715.72)
Interest paid on Bonds		(3,116.33)	(2,970.11)
Increase/ (Decrease) in Minority Interest		67.65	101.40
Net Cash from Financing Activities	**(C)**	**(1,138.26)**	**3,517.57**
D. Net Change in Cash and Cash Equivalents	**(A+B+C)**	**19,359.39**	**(25,928.29)**
Cash and Cash Equivalents at the beginning of the period			
Cash and Balances with Reserve Bank of India		65,325.13	78,213.52
Balances with Banks & Money at Call & Short Notice		66,075.06	79,114.96
		1,31,400.19	**1,57,328.48**
Cash and Cash Equivalents at the end of the period			
Cash and Balances with Reserve Bank of India		64,389.22	65,325.13
Balances with Banks & Money at Call & Short Notice		86,370.36	66,075.06
		1,50,759.58	**1,31,400.19**

Finance Division

UMMED JAIN & CO. Chartered Accountants MUMBAI 117250W

N.K BHARGAVA & CO. Chartered Accountants DELHI 000429N

PSD & ASSOCIATES Chartered Accountants JAIPUR 004501C

PREM GUPTA & CO. Chartered Accountants NEW DELHI 000475N

P.A & ASSOCIATES Chartered Accountants BHUBANESWAR 313015E

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 period have been regrouped wherever considered necessary to conform current period classification.
4 Cash and Cash equivalents includes Cash on hand, Balance with RBI & Other Banks and Money at Call and Short Notice

Prabudh Sharma
Dy. General Manager

R K Khichi
Deputy General Manager

Praveen Kumar Sharma
General Manager

Mahesh Dhawan
General Manager

D K Jain
Chief General Manager & CFO

D. Surendran
Executive Director

M. Paramasivam
Executive Director

Kalyan Kumar
Executive Director

Ashok Chandra
Managing Director & CEO

K G Ananthakrishnan
Chairman

Ambarish Ojha
Director

Jatinder Singh Bajaj
Director

Pankaj Sharma
Director

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA U.M. Jain
Partner
(M.No. 070863)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)

For P A & Associates
Chartered Accountants
FRN: 313085E

CA P. S. Panda
Partner
(M.No. 051092)

Place: New Delhi
Date: May 07, 2025

Ummed Jain & Co.
Chartered Accountants

N K Bhargava & Co.
Chartered Accountants

P S D & Associates
Chartered Accountants

Prem Gupta & Co.
Chartered Accountants

P A & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE QUARTERLY AND YEAR TO DATE FINANCIAL RESULTS OF PUNJAB NATIONAL BANK PURSUANT TO THE REGULATION 33 AND REGULATION 52 READ WITH REGULATION 63(2) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2015.

To,
The Board of Directors
Punjab National Bank,
New Delhi

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the accompanying Statement of Standalone Financial Results of Punjab National Bank (**"the Bank"**) for the Quarter and Year Ended **March 31, 2025**, the Standalone Statement of Assets and Liabilities as on that date and the Standalone Statement of Cash Flow for the year ended on that date (**"the Statement"**) attached herewith, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"LODR Regulations"**) except for the disclosures relating to Pillar 3 disclosure as at **March 31, 2025,** including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations issued by Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Financial Results and have not been audited by us.

The Statement includes returns for the year ended on that date of:

i. 20 Domestic branches, Treasury division, Credit Card division and 39 other offices audited by us.
ii. 1984 Indian branches and other offices audited by Statutory Branch Auditors.
iii. 1 foreign branch audited by local auditor.
iv. 1 International Banking Unit situated at Gujarat International Finance Tec-City (Gift City) audited by Statutory Branch Auditor.

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 (**"RBI"**). Also incorporated in the Statements are the returns from 9290 Indian branches which have not been subjected to audit. These Unaudited Branches account for 24.31 % of advances, 55.76 % of deposits, 18.74 % of interest income and 51.09 % of interest expenses.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. Is presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the LODR Regulations except for the disclosures relating to Pillar 3

disclosures as at March 31, 2025 , including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the standalone financial results and have not been audited by us; and

ii. Give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provision of the Banking Regulation Act, 1949, 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, of the standalone net profit and other financial information for the quarter and year ended March 31, 2025.

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 Results 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 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.

Board of Directors' Responsibility for the Standalone Financial Results

3. The Statement has been compiled from the audited annual Standalone Financial Statements and approved by Board of Directors. The Bank's Board of Directors are responsible for the preparation and presentation of these standalone Financial Results that give a true and fair view of the financial positions, financial performance and cash flows of the bank in accordance with the accounting principle generally accepted in India including Accounting Standards issued 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 in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Statement, 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

4. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results 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 Results.

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 Results, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. As required by the Reserve Bank of India's letter DOS.ARG.NO.6270/01.91.001/2019-20 dated March 17,2020 (as amended), we are also responsible for expressing our opinion through a separate report on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Results 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 in the Standalone Financial Results 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 Statement 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 Statement, including the disclosures and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of the misstatements in the Standalone Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matters

5. These Standalone Financial Results incorporate the relevant financial statements/ financial information of 1984 branches audited by Statutory Branch Auditors, 1 international banking unit situated in Gujarat International Finance Tec-City {GIFT City) audited by an audit firm specifically appointed for this purpose, and 1 foreign branch in Dubai audited by the local auditor specially appointed for this purpose. These branches audited by other auditors cover 25.48 % of advances, 35.46 % of deposits and 36.08 % of non-performing assets as on March 31, 2025, 18.03 % of revenue for the year ended March 31, 2025. In conduct of our audit, we have taken note of the unaudited returns in respect of 9290 branches and other offices certified by the respective branch's management. These unaudited branches cover 24.31 % of advances, 55.76 % of deposits and 22.88 % of non-performing assets as on March 31, 2025 and 18.72 % of revenue for the year ended March 31, 2025.

6. We report that the figures for the quarter ended March 31, 2025 represent the balancing figures between the audited figures in respect of the full financial year ended March 31, 2025 and the published unaudited year-to-date figures up to December 31, 2024 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under LODR Regulations.

7. The Standalone Financial results of the Bank for the previous year ended 31st March, 2024 were audited by the joint auditors, two of them are predecessor audit firms and have expressed unmodified opinion on such financial results vide report dated May 9, 2024.

   Our opinion is not modified in respect of above matters.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA U.M.Jain
Partner
(M.No. 070863)
UDIN: 25070863BMLFQC5960

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No.080624)
UDIN: 25080624BMLCPU4630

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)
UDIN: 25411219BMOICB5987

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N

CA Prem Behari Gupta
Partner
(M.No. 080245)
UDIN: 25080245BMOYUT6741

For P A & Associates
Chartered Accountants
FRN: 313085E

CA P.S. Panda
Partner
(M.No. 051092)
UDIN: 25051092BNUJPN9526

Place: New Delhi
Date: 7Th May 2025

Ummed Jain & Co.
Chartered Accountants

N K Bhargava & Co.
Chartered Accountants

P S D & Associates
Chartered Accountants

Prem Gupta & Co.
Chartered Accountants

P A & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED QUARTERLY AND YEAR TO DATE FINANCIAL RESULTS OF PUNJAB NATIONAL BANK PURSUANT TO THE REGULATION 33 AND REGULATION 52 READ WITH REGULATION 63(2) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIRMENTS) REGULATIONS, 2015.

To,
The Board of Directors
Punjab National Bank,
New Delhi

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Annual Financial Results of Punjab National Bank (**"the Bank"**) and its subsidiaries (the parent and its subsidiaries together referred to as **"the Group"**) and its associates for the Quarter and Year Ended **31st March, 2025**, the Consolidated Statement of Assets and Liabilities as on date and the Consolidated Statement of Cash Flow for the year ended on that date (**"the Statement"**) attached herewith, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"LODR Regulations"**) except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2025, including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations issued by the Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Consolidated Financial Results and have not been audited by us.

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 other auditors on separate audited financial statements/financial results/financial information of other subsidiaries and associates, The aforesaid statement

a. includes the financial results of the following entities:

Parent:

Punjab National Bank

Subsidiaries:

i. PNB Gilts Ltd
ii. PNB Investment Services Ltd
iii. PNB Cards and Services Ltd
iv. Punjab National Bank (International) Ltd, UK
v. Druk PNB Bank Ltd, Bhutan

Associates:

i. PNB Metlife India Insurance Company Ltd.

ii. PNB Housing Finance Limited
iii. Canara HSBC Life Insurance Co. Ltd.
iv. India SME Asset Reconstruction Co. Ltd.
v. Everest Bank Limited, Kathmandu, Nepal
vi. Dakshin Bihar Gramin Bank
vii. Himachal Pradesh Gramin Bank
viii. Punjab Gramin Bank
ix. Sarva Haryana Gramin Bank
x. Prathama UP Gramin Bank
xi. Assam Gramin Vikas Bank
xii. Bangiya Gramin Vikas Bank
xiii. Manipur Rural Bank
xiv. Tripura Gramin Bank
xv. JSC (Tengri Bank) Almaty, Kazakhstan (Under Liquidation) *

*Due to revocation of license w.e.f., 18 September 2020, JSC (Tengri Bank) is under liquidation. So, the same is not considered in Consolidated Financial Statements.

b. is presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31st March, 2025, including 'Leverage ratio', 'Liquidity coverage ratio' and 'Net stable funding ratio' under Basel III Capital Regulations issued by the Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Consolidated Financial Results and have not been audited by us; and

c. gives a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and other directions issued by the Reserve Bank of India from time to time ("RBI Guidelines") and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the Group for the quarter and year ended 31st March, 2025.

Basis for Opinion

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 Consolidated Financial Results section of our report. We are independent of the Group, its associates in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibility for the Consolidated Financial Results

The Statement has been compiled from the Consolidated Annual Audited Financial Statements approved by the Board of Directors.

The Bank's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group including its associates in accordance with the recognition and measurement principles laid down in the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, RBI Guidelines and other accounting principles generally accepted in India and in compliance with Regulation 33 & 52 of the Listing Regulations. The respective Board of Directors of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act/ Banking Regulations Act, 1949 for safeguarding of the assets of the Group, and its associates 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Bank, as aforesaid.

In preparing the Statement, the respective Board of Directors of the entities included in the Group, and its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and its associates are responsible for overseeing the financial reporting process of the Group and its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 Consolidated Financial Results.

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 Consolidated Financial Results, 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 Reserve Bank of India's letter DOS.ARG.NO.6270/01.91.001/2019-20 dated March 17,2020 (as amended), we are also responsible for expressing our opinion on whether the Parent has adequate Internal Financial Controls with reference to 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 ability of the Group and its associates 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 Consolidated Financial Results 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial results/financial information of the entities within the Group and its associates to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of the misstatements in the Consolidated Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

i. The Consolidated Financial Results include the audited financial results of 03 subsidiaries, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 27,735.51 crores as at 31st March 2025, Group's share of total revenue of Rs. 1,929.87 crores and Group's share of total net profit/(loss) after tax of Rs. 182.30 crores for the year ended 31st March 2025 not audited by us. Further, the Consolidated Financial Results include the audited financial results of 6 associates whose financial statements/financial results/financial information reflects Group's share of total net profit after tax of Rs. 750.15 crores for the year ended 31st March 2025, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on the financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

ii. The Consolidated Financial Results include the unaudited financial results of 02 subsidiary, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 9859.29 crores as at 31st March 2025, Group's share of total revenue of Rs. 640.60 crores and Group's share of total net profit after tax of Rs. 202.77 crores for the year ended 31st March 2025. Further, the unaudited financial results of 8 associates whose financial statements/financial results/financial information reflect Group's share of total net profit/(loss) after tax of Rs. 362.83 crores for the year ended 31st March 2025, as considered in the Consolidated Financial Results. These unaudited financial statements/financial results/financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited financial statements/financial results/ financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/financial results/financial information are not material to the Group.

iii. The Consolidated Financial results of the Bank for the previous year ended 31st March, 2024 were audited by the joint auditors, two of them are predecessor audit firms and have expressed unmodified opinion on such financial results vide report dated May 9, 2024.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Consolidated Financial Results include the results for the quarter ended 31st March 2025 being the balancing figure between the audited figures in respect of the full financial year ended 31st March 2025 and the published unaudited year-to-date figures up to the 31st December 2024, being the date of the end of the third quarter of the current financial year which were subject to limited review by us, as required under the LODR Regulations.

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W



CA U.M. Jain
Partner
(M.No. 070863)
UDIN: 25070863BMLFQD6534

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N



CA N K Bhargava
Partner
(M.No.080624)
UDIN: 25080624BMLCPV7866

For P S D & Associates
Chartered Accountants
FRN: 004501C



CA Abhinav Sharma
Partner
(M.No. 411219)
UDIN: 25411219BMOICC7634

For Prem Gupta & Co.
Chartered Accountants
FRN: 000425N



CA Prem Behari Gupta
Partner
(M.No. 080245)
UDIN: 25080245BMOYUU3828

For P A & Associates
Chartered Accountants
FRN: 313085E



CA P.S. Panda
Partner
(M.No. 051092)
UDIN: 25051092BNUJPO3865

Place: New Delhi
Date: 7th May 2025

...the name you can BANK upon!

Azadi Ka Amrit Mahotsav

pnb one #JustOneApp

Share Department, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel No.: 011-28044857 E-mail: hosd@pnb.co.in

Scrip Code : PNB	**Scrip Code : 532461**
National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Bombay Stock Exchange Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

07.05.2025

Dear Sir(s),

Reg.: Declaration under Regulation 33 & 52 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 33 & 52 of SEBI (LODR) Regulations 2015, we hereby confirm and declare that the statutory auditors of the Bank M/s Ummed Jain & Co., M/s N K Bhargava & Co., M/s P S D & Associates, M/s Prem Gupta & Co. and M/s P A & Associates have issued audit report on the Standalone and Consolidated financial results of the Bank for year ended March 31, 2025 with unmodified opinion.

(D. K. Jain)
Chief General Manager & CFO

(Ashok Chandra)
Managing Director & CEO

To,

BSE Ltd / NSE Ltd / Debenture Trustees

SUB: CERTIFICATE WITH REFERENCE T0 SECURITY COVER IN RESPECT 0F LISTED UNSECURED DEBT SECURITIES FOR THE QUARTER ENDED 31.03.2025

We M/s P.A. Associates, Chartered Accountants, are the Joint Statutory Central Auditors of Punjab National Bank (the Bank) and have been requested by the Bank to examine and certify compliance with respect to *'Security Cover in respect of listed unsecured debt securities'* which have been prepared by the Bank for the quarter ended on March 31, 2025 pursuant to the requirements of regulation 54 read with regulation 56 (1) (d) of SEBI (LODR) Regulation, 2015 & as per circular SEBI/HO/MIRSD/MIRSD CRADT/CIR/P/2022/67 dated l9th May, 2022. This certificate is required for the onward submission to stock exchanges and debenture trustee only.

Management's Responsibilities

It is the responsibility of the Management for compliance with regard to instructions contained in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 published on 2nd September, 2015 & as per circular SEBI/HO/MIRSD/MIRSD/CRADT/CIR/P/2022/67 dated 19th May, 2022. The responsibility also includes compliance with maintenance of Security Cover pursuant to the requirements of regulation 54 read with regulation 56 (1) (d) of SEBI (LODR) Regulation, 2015. The Bank's responsibility is to put in place controls and suitable triggers to ensure that above regulations are adhered to. The management is also responsible for complying with various provisions of Reserve Bank of India guidelines, applicable Accounting Standards and the Banking Regulation Act, 1949.

Auditor's Responsibility

Our responsibility is to provide the reasonable assurance on Bank's compliance with respect to Security Cover in respect of listed debt securities as per regulation 54 read with regulation 56(I)(d) of SEBI (LODR) Regulation, 2015, as to the accuracy in the computation of Security Coverage Ratio in respect of listed debt securities.

We conducted our independent review in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Our scope of work did not include verification of compliance with other requirements of the SEBI Regulations / Other Circulars, notifications, etc. as issued by relevant regulatory authorities from time to time, and other laws and applications applicable to the Bank.

Based on our examination of audited books of accounts and other relevant records/documents, we hereby certify that:

a) The Punjab National Bank has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:

Sl. No.	ISIN	Date of issue	Private Placement/Public Issue	Secured/Unsecured	Amount (in crores)
1	INE160A08092	05.02.2016	Private Placement	Unsecured	1500.00
2	INE160A08142	26.12.2019	Private Placement	Unsecured	1500.00
3	INE160A08159	29.07.2020	Private Placement	Unsecured	994.00
4	INE160A08167	14.10.2020	Private Placement	Unsecured	1500.00
5	INE160A08175	11.11.2020	Private Placement	Unsecured	1500.00
6	INE160A08183	22.01.2021	Private Placement	Unsecured	495.00
7	INE141A08035	26.10.2015	Private Placement	Unsecured	1000.00
8	INE160A08191	18.11.2021	Private Placement	Unsecured	1919.00
9	INE160A08209	09.12.2021	Private Placement	Unsecured	2000.00
10	INE160A08217	17.01.2022	Private Placement	Unsecured	1971.00
11	INE160A08225	06.07.2022	Private Placement	Unsecured	2000.00
12	INE160A08233	21.09.2022	Private Placement	Unsecured	658.00
13	INE160A08241	01.12.2022	Private Placement	Unsecured	4000.00
14	INE160A08258	23.12.2022	Private Placement	Unsecured	582.00
15	INE160A08266	27.03.2023	Private Placement	Unsecured	974.00
16	INE160A08274	30.06.2023	Private Placement	Unsecured	3090.00
17	INE160A08282	27.09.2023	Private Placement	Unsecured	3000.00
18	INE160A08290	28.12.2023	Private Placement	Unsecured	1153.00
19	INE160A08308	22.03.2024	Private Placement	Unsecured	1859.00
20	INE160A08316	23.12.2024	Private Placement	Unsecured	3000.00
21	INE160A08324	14.02.2025	Private Placement	Unsecured	2950.00
			Total		**37645.00**

b) Security cover for listed unsecured debt securities:

The Security cover certificate is being issued in consonance with SEBI regulations and shall have no effect on the seniority of such instruments and all other terms and conditions

P.A. & ASSOCIATES BHUBANESWAR 311065E Chartered Accountants

applicable for the issue of the bonds as specified by RBI Master Circular no. DBR.No.BP.BC.1/21.06.201/2015-16 dated July 1, 2015 for Basel III compliant bonds and RBI Master Circular no. DBR.No.BP.BC.4./21.06.001/2015-16 dated July 1, 2015 for Basel II compliant bonds, as amended from time to time and the terms of issue.

The Security Cover in the format as specified by SEBI vide its Circular No. SEBI/HO/DDHS-PoD3/P/CIR/2024/46 dated May 16, 2024 is herein given as **Annexure I**.

c) Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity information under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in terms of the provision of regulation 56(1)(d) as amended from time to time- Covenant Compliance Certificate as on 31.03.2025.

We have examined the compliances made by the Bank in respect of the covenants / terms of the issue of the listed debt securities and certify that the such covenants/ terms of the issue have been complied by the listed entities.

For P. A. & Associates
Chartered Accountants
F. R. No. 313085E

P. A. & ASSOCIATES * BHUBANESWAR 313085E * Chartered Accountants

(CA P. S. Panda)
Partner
M No. : 051092
UDIN : 25051092BNUJPQ5089
Place : New Delhi
Date : 07.05.2025

Column A	Column B	Column C [i]	Column D[ii]	Column E[iii]	Column F[iv]	Column G[v]	Column H[vi]	Column I[vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Exclusive Charge	Exclusive Charge	PariPassu Charge	PariPassu Charge	PariPassu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-in Progress														
Right of Use Assets						**NOT APPLICABLE**								
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

P.A. & ASSOCIATES SHUBANESWAR 313095E Chartered Accountants

Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIE S														
Debt securities to which this certificate pertains					**NOT APPLICABLE**									
Other debt sharing pari-passu charge with above debt		not to be filled												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

P.A. & ASSOCIATES BHUBANESWAR 313055 Chartered Accountants

Lease Liabilities														
Provisions														
Others					**NOT APPLICABLE**									
Total														
Cover on Book Value														
Cover on Market Value[x]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O

P.A. & ASSOCIATES Chartered Accountants BHUBANESWAR 311085E

Share Department, Board & Coordination Division, HO Plot No.4 Sector 10, Dwarka,
New Delhi-110075 Tel No. : 011-28044857, E-mail: hosd@pnb.co.in

A. Statement of Utilisation of issue proceeds:

(Rs. In Crore)

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/Private Placement	Type of Instrument	Date of Raising Funds	Amount Raised	Funds Utilised	Any Deviation (Yes/No)	If 8 is Yes then specify the purpose for which the funds were utilised	Remarks, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PNB	INE160A08324	Private Placement	Long Term Bonds (Series III)	14.02.2025	2950.00	2950.00	No	NA	-

Share Department, Board & Co-Ordination Division, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel No: 011-28044857 E-mail: hosd@pnb.co.in

B. Statement of deviation/variation in use of issue proceeds :

Name of listed entity	**Punjab National Bank**
Mode of Fund Raising	**Private Placement**
Type of instrument	**Long Term Bonds Series III**
Date of Raising Funds	**As per Annexure A-1**
Amount Raised	**As per Annexure A-1**
Report filed for quarter ended	**31.03.2025**
Is there a Deviation / Variation in use of funds raised?	**No**
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	**Not applicable**
If yes, details of the approval so required?	**Not applicable**
Date of approval	**Not applicable**
Explanation for the Deviation / Variation	**Not applicable**
Comments of the audit committee after review	**Nil**
Comments of the auditors, if any	**Nil**

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/ Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any
Not applicable						

Deviation could mean:
(a) Deviation in the objects or purposes for which the funds have been raised
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

(Bikramjit Shom)
Company Secretary
07.05.2025

Share Department, Board & Co-Ordination Division, HO Plot No.4 Sector 10, Dwarka, New Delhi-110075
Tel No: 011-28044857 E-mail: hosd@pnb.co.in

Annexure A-1

Sl. No	Nature of Instrument	Date of Issue	Issue Amount (In Rs. Crore)	ISIN No
1	Long Term Bonds Series III	14.02.2025	2950.00	INE160A08324
	Total		**2950.00**	



PUNJAB NATIONAL BANK

HEAD OFFICE: NEW DELHI

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2024

(Rs. in lacs)

S.No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited	Reviewed	Audited	Audited	Audited	Audited	Reviewed	Audited	Audited	Audited
1	**Interest Earned (a+b+c+d)**	**2811343**	**2728781**	**2384861**	**10690162**	**8514411**	**2868232**	**2785171**	**2430534**	**10906458**	**8684529**
	(a) Interest / discount on advances / bills	2011370	1960488	1664350	7593931	5731923	2025687	1974901	1677336	7651579	5774167
	(b) Income on Investments	696333	701111	657034	2764480	2514286	737794	741436	688709	2918714	2640179
	(c) Interest on Balances with RBI & other inter bank funds	77789	57935	51821	277889	189039	78893	59581	52819	282285	190998
	(d) Others	25851	9247	11656	53862	79163	25858	9253	11670	53880	79185
2	Other Income	424761	267384	342034	1338354	1214253	429415	267567	382689	1332943	1223959
A	**TOTAL INCOME (1+2)**	**3236104**	**2996165**	**2726895**	**12028516**	**9728664**	**3297647**	**3052738**	**2813223**	**12239401**	**9908488**
3	Interest Expended	1775032	1699502	1434986	6681855	5065248	1820592	1744402	1468955	6853416	5181699
4	**Operating Expenses (a+b)**	**819504**	**663592**	**705266**	**2853580**	**2410541**	**827094**	**670537**	**710481**	**2880898**	**2433568**
	(a) Employees Cost	563002	416922	457072	1848631	1481001	567238	420621	460610	1864324	1494259
	(b) Other operating expenses	256502	246670	248194	1004949	929540	259856	249916	249871	1016574	939309
B	**TOTAL EXPENDITURE (3+4) (excluding provisions & contingencies)**	**2594536**	**2363094**	**2140252**	**9535435**	**7475789**	**2647686**	**2414939**	**2179436**	**9734314**	**7615267**
C	**Operating Profit (A-B) (before Provisions & Contingencies)**	**641568**	**633071**	**586643**	**2493081**	**2252875**	**649961**	**637799**	**633787**	**2505087**	**2293221**
D	Provisions (other than tax) and contingencies #	158805	273911	383058	1173660	1824049	155974	274363	370818	1171916	1807079
	of which provisions for Non Performing Assets	195799	299391	362471	1234501	1590282	192545	299638	360372	1232198	1582844
E	Exceptional items	0	0	0	0	0	0	0	0	0	0
F	**Profit / (Loss) from ordinary activities before tax (C-D-E)**	**482763**	**359160**	**203585**	**1319421**	**428826**	**493987**	**363436**	**262969**	**1333171**	**486142**
G	Tax Expenses	181736	136879	87724	494959	178106	183899	138169	88858	500280	179208
H	**Net Profit (+)/Loss(-) from ordinary activities after tax (F-G)**	**301027**	**222281**	**115861**	**824462**	**250720**	**310088**	**225267**	**174111**	**832891**	**306934**
I	Extraordinary items (net of tax expense)	0	0	0	0	0	0	0	0	0	0
J	**Net Profit / (Loss) for the period (H-I)**	**301027**	**222281**	**115861**	**824462**	**250720**	**310088**	**225267**	**174111**	**832891**	**306934**
K	Share in profit of associates						26214	18856	13518	82824	28944
L	Share of minority						2082	846	1195	4995	1033
M	**Net Profit / (Loss) after minority interest (J+K-L)**	**301027**	**222281**	**115861**	**824462**	**250720**	**334220**	**243277**	**186434**	**910720**	**334845**
5	Paid up equity Share Capital (Face value Rs. 2/- each)	220220	220220	220220	220220	220220	220220	220220	220220	220220	220220
6	Reserves excluding revaluation reserves (as per Balance sheet of previous year)				9596874	8919833				9987890	9222318
7	**Analytical Ratios**										
	(i) Share holding of Govt. of India (%)	73.15	73.15	73.15	73.15	73.15	73.15	73.15	73.15	73.15	73.15
	(ii) Capital Adequacy Ratio - Basel-III (%)	15.97	14.63	15.50	15.97	15.50	16.00	14.71	15.54	16.00	15.54
	(a) CET 1 Ratio (%)	11.04	9.86	11.22	11.04	11.22	11.08	9.93	11.24	11.08	11.24
	(b) Additional Tier 1 Ratio (%)	2.13	1.87	1.47	2.13	1.47	2.13	1.88	1.49	2.13	1.49
	(iii) Earnings per Share (EPS) not annualized (in Rs.)										
	(a) Basic and diluted EPS before extraordinary items	2.73	2.02	1.05	7.49	2.28	3.04	2.21	1.69	8.27	3.04
	(b) Basic and diluted EPS after extraordinary items	2.73	2.02	1.05	7.49	2.28	3.04	2.21	1.69	8.27	3.04
	(iv) NPA Ratios:										
	(a) Amount of Gross NPAs	5634305	6037138	7732767	5634305	7732767					
	(b) Amount of Net NPAs	679877	881588	2258504	679877	2258504					
	(c) % of Gross NPAs	5.73	6.24	8.74	5.73	8.74					
	(d) % of Net NPAs	0.73	0.96	2.72	0.73	2.72					
	(v) Return on Assets (Annualised) %	0.77	0.58	0.32	0.54	0.18					
	(vi) Outstanding redeemable preference shares (Quantity and Value)	-	-	-	-	-					
	(vii) Capital redemption reserve/debenture redemption reserve	-	-	-	-	-					
	(viii) Net Worth	7460021	7234825	6683847	7460021	6683847					
	(ix) Debt-equity ratio (Borrowings/Net Worth)	0.68	0.85	0.77	0.68	0.77					
	(x) Total Debts to Total Assets (Borrowings/Total Assets)	0.03	0.04	0.04	0.03	0.04					
	(xi) Operating Margin (%) (Operating Profit/Total Income)	19.83	21.13	21.51	20.73	23.16					
	(xii) Net Profit Margin (%) (Net Profit after tax /Total Income)	9.30	7.42	4.25	6.85	2.58					

Due to write back of NPI provision and provision on standard assets, total provisions and contingencies is appearing lower than NPA provision for the quarter ended March 31, 2024 and year ended March 31, 2024.

punjab national bank
...the name you can BANK upon !

PUNJAB NATIONAL BANK

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES

(Rs. in Lacs)

Particulars	Standalone			Consolidated		
	31.03.2024 (Audited)	31.12.2023 (Reviewed)	31.03.2023 (Audited)	31.03.2024 (Audited)	31.12.2023 (Reviewed)	31.03.2023 (Audited)
CAPITAL & LIABILITIES						
Capital	220220	220220	220220	220220	220220	220220
Reserves & Surplus	10427437	10291420	9765346	10818453	10648888	10067830
Minority Interest				56077	55230	45938
Deposits	136971281	132348550	128116310	137922524	133221229	129034707
Borrowings	5042985	6172884	5129173	7258562	8325202	7014862
Other Liabilities and Provisions	3521578	3366083	2952087	3587760	3410134	2981337
TOTAL	**156183501**	**152399157**	**146183136**	**159863596**	**155880903**	**149364894**
ASSETS						
Cash & Balances with Reserve Bank of India	6503291	6508266	7817658	6532513	6514154	7821352
Balances with Banks & Money at Call & Short Notice	6407167	4338777	7693223	6607506	4507667	7911496
Investments	42031821	41410659	39599672	44642127	43815428	41691384
Advances	93443059	91644526	83083398	94176247	92355745	83745898
Fixed Assets	1231878	1210953	1205107	1234784	1213991	1208396
Other Assets	6566285	7285976	6784078	6670419	7473918	6986368
TOTAL	**156183501**	**152399157**	**146183136**	**159863596**	**155880903**	**149364894**

Notes forming part of Audited Standalone and Consolidated Financial results for quarter and year ended March 31, 2024:

1. The above financial results have been reviewed by the Audit Committee of Board and approved by the Board of Directors in their respective meetings held on May 09, 2024. The same have been subjected to audit by the Statutory Central Auditors of the Bank, in line with the guidelines issued by the Reserve Bank of India and as per the requirements of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereafter.

2. The financial results of the Bank have been arrived at after considering provisions for non-performing assets, standard assets, restructured advances, stressed sector accounts, standard derivative exposures, direct taxes including deferred tax, unhedged foreign currency exposure, depreciation on fixed assets and investment depreciation on the basis of extant

guidelines issued by Reserve Bank of India and applicable accounting standards issued by The Institute of Chartered Accountants of India. Provisions for employee benefits pertaining to pension, gratuity, leave encashment, etc. have been made on the basis of actuarial valuation. Other usual and necessary provisions have been made on estimated basis.

3. There is no material impact of changes in significant Accounting Policies followed for preparation of financial results for the quarter and year ended March 31, 2024 as compared to those followed for the financial statements for the year ended March 31, 2023.

4. The Consolidated financial results are prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements", Accounting Standard 23 on "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 on "Financial Reporting of Interest in Joint Ventures" issued by the Institute of Chartered Accountants of India and guidelines issued by RBI.

5. The consolidated financial results of the Group comprise financial results of 5 Subsidiaries and 15 Associates listed hereunder. The consolidated results are prepared in accordance with RBI guidelines, section 133 of Companies Act, 2013 and regulation 33 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Sl. No.	Name of the Entity	Type of Association	Proportion of Ownership
1	PNB Gilts Limited	Subsidiary	74.07%
2	PNB Investment Services Ltd.	Subsidiary	100.00%
3	PNB Cards and Services Ltd.	Subsidiary	100.00%
4	Punjab National Bank (International) Ltd., UK	Subsidiary	100.00%
5	Druk PNB Bank Ltd., Bhutan	Subsidiary	51.00%
6	PNB Metlife India Insurance Company Ltd.	Associate	30.00%
7	PNB Housing Finance Limited	Associate	28.13%
8	JSC (Tengri Bank), Almaty, Kazakhstan*	Associate	41.64%
9	Canara HSBC Life Insurance Co. Ltd.	Associate	23.00%
10	India SME Asset Reconstruction Co. Ltd.	Associate	20.90%
11	Everest Bank Ltd., Nepal	Associate	20.02%
12	Dakshin Bihar Gramin Bank	Associate	35.00%
13	Himachal Pradesh Gramin Bank	Associate	35.00%
14	Punjab Gramin Bank	Associate	35.00%
15	Sarva Haryana Gramin Bank	Associate	35.00%
16	Prathama UP Gramin Bank	Associate	35.00%
17	Assam Gramin Vikas Bank	Associate	35.00%
18	Bangiya Gramin Vikas Bank	Associate	35.00%
19	Manipur Rural Bank	Associate	35.00%
20	Tripura Gramin Bank	Associate	35.00%

* Under liquidation

6. In accordance to SEBI regulations, for the purpose of quarterly/yearly consolidated financial results, minimum eighty percent of consolidated revenue, assets and profits have been subjected to audit.

Punjab National Bank Corp. Off., Plot No. 4, Sec-10, Dwarka, New Delhi-75 Finance Division

D K CHHAJER & CO Chartered Accountants KOLKATA 304138E

S C BAPNA & ASSOCIATES Chartered Accountants MUMBAI 115649W

UMMED JAIN & CO Chartered Accountants MUMBAI 119250W

N K BHARGAVA & CO Chartered Accountants DELHI 000429N

PSD & ASSOCIATES Chartered Accountants JAIPUR 004501C

7. As per RBI Letter no. DBR.No.BP.15199/21.04.048/2016-17 dated June 23, 2017 (RBI List-1) and Letter no. DBR.BP.1908/21.04.048/2017-18 dated August 28, 2017 (RBI List-2) for the accounts under the provisions of Insolvency & Bankruptcy Code (IBC), where the Bank is having exposure, the Bank is holding total provision of Rs.7991.75 Crore (Aggregate provision for RBI List 1 and List 2 accounts is 100%) as on March 31, 2024.

8. During the quarter, the Bank has not availed any dispensation in respect of frauds in terms of option available as per RBI Circular No. RBI/2023-24/06 DOR.STR.REC.3/ 21.04.048/2023-24 dated April 01, 2023. Further, there is no un-amortized amount which has been carried forward to subsequent quarters.

9. In terms of RBI Circular DBR No. BP. BC 45/21.04.048/2018-19 dated June 7, 2019 on Prudential Framework for Resolution of Stressed Assets, having total banking exposure of Rs.1500.00 Crore and above, the Bank is holding additional provision of Rs.2196.18 Crore as on March 31, 2024 in 21 accounts as summarized below:

(Rs.in Crore)

Amount of loans impacted by RBI Circular (FB+NFB)	Amount of Loans NPA as on 31.03.2024 out of (a) (FB+NFB)	Amount of loans NPA as on 31.03.2024 out of (b) (FB)	Amount of loans Standard as on 31.03.2024 out of (a)	Total Additional Provision held as on 31.12.2023	Additional Provision / (Reversal) made during quarter ended 31.03.2024	Total Provision held as on 31.03.2024
(a)	(b)	(c)	(d)	(e)	(f)	(g)
6396.95	3392.77	434.75	3004.18	2308.36	(112.18)	2196.18

10. In accordance with RBI circular no. DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 on "Micro, Small and Medium Enterprises (MSME) sector – Restructuring of Advances", the summary of MSME restructured accounts as on March 31, 2024 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
4853	545.79

11. In accordance with RBI circular no. DOR.STR.REC.12/21.04.048/2021-22 dated May 05, 2021 on "Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs)" the summary of accounts restructured as on March 31, 2024 is as under:

(Rs. in Crore)

No. of Accounts Restructured	Amount involved
24995	2147.98

12. Details of resolution plan implemented under Resolution Framework for COVID 19 related stress as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 and RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 are given below:

(Rs.in Crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30.09.2023 (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year	Of (A) amount paid by the borrowers during the half year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 31.03.2024
Personal Loans	441.88	12.62	0.00	45.95	453.86
Corporate persons*	2196.49	0.00	0.00	555.33	1863.20
* *Of which* MSMEs	313.93	0.00	0.00	107.59	214.34
Others	2.68	0.00	0.00	0.26	3.93
Total OTR 1.0	**2641.05**	**12.62**	**0.00**	**601.54**	**2320.99**
Personal Loans	4041.84	157.15	0.00	417.58	3660.87
Business Loans	130.24	5.92	0.00	22.72	128.21
Small Business	564.79	36.96	0.00	76.88	490.14
Total OTR 2.0	**4736.87**	**200.03**	**0.00**	**517.18**	**4279.22**
Grand Total	**7377.92**	**212.65**	**0.00**	**1118.72**	**6600.21**

Note: There are 249 borrower accounts having aggregate exposure of Rs.17.81 Crore to the Bank where resolution plans had been implemented and now modified under RBI's resolution framework 2.0 dated May 5, 2021.

13. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on March 31, 2024, 8 (eight) Digital Banking Units (DBUs) of the Bank have commenced operations and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

14. Provisions and Contingencies for the FY ended March 31, 2024 includes an amount of Rs.238.68 Crore (Net) towards the additional provision, on standard accounts restructured under COVID 19 Resolution Framework 1.0 and 2.0, at a higher rate of 12.50% as against the prescribed rate of 5%/10% based on the evaluation of risk and stress in these sectors, in terms of RBI Master Circular regarding Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 01, 2023.

15. During the quarter and year ended March 31, 2024, the Bank has made a floating provision of Rs.150.00 Crore in line with the Board approved policy.

16. The Bank has estimated the liability for Unhedged Foreign Currency Exposure (UFCE) in terms of Reserve Bank of India (Unhedged Foreign Currency Exposure) Directions, 2022, no. RBI/2022-23/131 DOR.MRG.REC.76/00-00-007/2022-23 dated October 11, 2022 and is holding a provision of Rs.133.05 Crore as on March 31, 2024 (Previous Year Rs.132.35 Crore).

17. The Provisioning Coverage Ratio (including Technical Written off accounts) as at March 31, 2024 works out to 95.39% (86.90% as at March 31, 2023).

18. In accordance with RBI circular no. DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021, the details of loans transferred/acquired during the year ended March 31, 2024 are given below:

    i. The Bank has not acquired any Special Mention Accounts (SMA) and also not transferred any loans not in default or Special Mention Accounts (SMA).
    ii. Details of loans not in default acquired through pool buyout via assignment:

Particulars	Values
Amount of Loan	Rs.11732.99 Crore
Weighted average maturity	69.57 months
Weighted average holding period	11.69 months
Retention of beneficial economic interest (by originator)	10%
Tangible security coverage	150.07%
Rating wise distribution of rated loans	NA

    iii. The Bank has not acquired any non-performing assets.
    iv. Details of non-performing assets (NPAs) transferred:

(all amounts in Rs. Crore)	To ARCs	To permitted transferees	To other transferees
No. of accounts	20	Nil	Nil
Aggregate principal outstanding of loans transferred	4928.70	Nil	Nil
Weighted average residual tenor of the loans transferred	Nil	Nil	Nil
Net book value of loans transferred (at the time of transfer)	0.00	Nil	Nil
Aggregate consideration	1247.66	Nil	Nil
Additional consideration realized in respect of accounts transferred in earlier years	46.99	Nil	Nil
Quantum of excess Provision reversed to the Profit & Loss account on account of sale of stressed loans	73.68	Nil	Nil

Distribution of the 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 (Rs. in Crore)
RR1+	11.72
RR1	212.06
RR2	62.78

Recovery Rating Band	Book Value (Rs. in Crore)
RR3	60.63
RR4	0.00
RR5	437.85
Unrated	502.94
Total	**1287.98**

As per RBI guidelines, post 8 years Rating is not applicable.

19. During the quarter ended March 31, 2024, the Bank has raised Basel III compliant AT1 Bonds of Rs.1859.00 Crore and during the year ended March 31, 2024, the Bank raised Basel III compliant AT1 Bonds of Rs.6012.00 Crore and Tier II Bonds of Rs.3090.00 Crore. The Bank redeemed Basel III compliant Tier II Bonds of Rs.2000.00 Crore due to maturity during the FY 2023-24.

20. The Bank is holding a provision of Rs.150 Crore towards residual liability under recently finalized Bipartite agreement on wage revision.

21. In accordance with RBI circular no. RBI/2023-24/90 DOR.STR.REC.58/21.04.048/2023-24 dated December 19, 2023, during the quarter ended December 31, 2023, the Bank had made provision of Rs.113.67 Crore in respect of investments in Alternative Investment Funds (AIFs). Based on subsequent clarification issued by the RBI, the Bank has reassessed the provision and accordingly during the quarter, the Bank has reversed provision of Rs.102.28 Crore in respect of the investments in AIFs. The Bank is holding provision of Rs.11.39 Crores as on March 31, 2024.

22. The Board of Directors has recommended a dividend of Rs.1.50 per equity share (75.00%) for the year ended March 31, 2024 subject to requisite approvals.

23. Other income includes income (including commission) from non-fund based banking activities, fees, earnings from foreign exchange, profit/loss on sale of assets, profit/loss (including revaluation) from investments, dividends from subsidiaries, recoveries from accounts written off/technically written off, etc.

24. The Bank has evaluated the options available under section 115BAA of Income Tax Act, 1961 and opted to continue to recognise the taxes on income for the year ended March 31, 2024 as per the regular provisions of Income Tax Act, 1961. Further, the Deferred Tax has also been recognised as per Accounting Standard-22.

25. In terms of RBI circular no. RBI/2023-24/31 DOR.CAP.REC.15/21.06.201/2023-24 dated May 12, 2023, banks are required to make Pillar 3 disclosures under BASEL III capital regulations. Accordingly, Pillar 3 disclosures under BASEL III capital regulations are being made available on Bank's website i.e. www.pnbindia.in. These disclosures have not been subjected to audit by the Statutory Central Auditors.

26. Details of Investors complaints for the quarter ended March 31, 2024: Pending at Beginning: Nil; Received: 07; Disposed off: 07; Closing: Nil.

27. The figures for the quarter ended on March 31, 2024 are the balancing figures between audited figures for the year ended on March 31, 2024 and the reviewed figures for the nine months ended on December 31, 2023.

28. Figures of the previous periods have been regrouped / rearranged / re-classified wherever necessary to conform to current period's classification.

Prabudh Sharma Asstt. General Manager	Mukesh Kumar Asstt. General Manager	R.K. Khichi Deputy General Manager	Praveen Kumar Sharma General Manager

Punjab National Bank Corp. Off.: Plot No. 4, Sec-10, Dwarka, New Delhi-75 Finance Division

D K Jain
Chief General Manager & CFO

Bibhu Prasad Mahapatra Executive Director	M Paramasivam Executive Director	Binod Kumar Executive Director	Kalyan Kumar Executive Director

Atul Kumar Goel
Managing Director & CEO

K G Ananthakrishnan
Chairman

For D K Chhajer & Co
Chartered Accountants
FRN: 304138E

D K CHHAJER & CO KOLKATA 304138E Chartered Accountants

CA Nand Kishore Sarraf
Partner
(M.No. 510708)

For S C Bapna & Associates
Chartered Accountants
FRN: 115649W

S C BAPNA & ASSOCIATES MUMBAI 115649W Chartered Accountants

CA Jai Prakash Gupta
Partner
(M.No. 088903)

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

UMMED JAIN & CO MUMBAI 119250W Chartered Accountants

CA Dinesh Godika
Partner
(M.No. 072738)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

N K BHARGAVA & CO DELHI 000429N Chartered Accountants

CA N K Bhargava
Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

PSD & ASSOCIATES JAIPUR 004501C Chartered Accountants

CA Abhinav Sharma
Partner
(M.No. 411219)

Place: New Delhi
Date: May 09, 2024

PUNJAB NATIONAL BANK

SEGMENT REPORTING FOR THE QUARTER/YEAR ENDED MARCH 31, 2024

PART A – BUSINESS SEGMENTS

(Rs. in lacs)

Sr. No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2024 Audited	31.12.2023 Reviewed	31.03.2023 Audited	31.03.2024 Audited	31.03.2023 Audited	31.03.2024 Audited	31.12.2023 Reviewed	31.03.2023 Audited	31.03.2024 Audited	31.03.2023 Audited
1	**Segment Revenue**										
	(a) Treasury Operations	868800	686816	706560	3159196	2680682	912271	725253	777958	3300249	2812394
	(b) Corporate/Wholesale Banking	1385221	1358310	1204614	5161387	4048223	1394206	1367018	1213089	5194745	4073273
	(c) Retail Banking	907502	895813	748537	3466813	2687266	914293	904114	753883	3497338	2707127
	1) Digital Banking	6	3	1	13	2	6	3	1	13	2
	2) Other Retail Banking	907496	895810	748536	3466800	2687266	914287	904111	753882	3497325	2707125
	(d) Other Banking Operations	74581	55226	66984	241120	312491	76877	56353	68293	247069	315694
	Total Revenue	**3236104**	**2996165**	**2726895**	**12028516**	**9728664**	**3297647**	**3052738**	**2813223**	**12239401**	**9908488**
2	**Segment Results**										
	(a) Treasury Operations	193399	119993	178440	759964	680792	199896	119075	229500	753800	718500
	(b) Corporate/Wholesale Banking	243518	181109	-13773	450580	-296667	246452	184885	-4923	463424	-281651
	(c) Retail Banking	150602	173503	141323	568910	385399	151078	175765	145012	575692	392039
	1) Digital Banking	-241	-151	-196	-639	-435	-241	-151	-196	-639	-435
	2) Other Retail Banking	150843	173654	141519	569549	385834	151319	175916	145208	576331	392474
	(d) Other Banking Operations	29348	16692	19788	74815	114912	30665	15848	20579	75103	112864
	Total	**616867**	**491297**	**325778**	**1854269**	**884436**	**628091**	**495573**	**390168**	**1868019**	**941752**
	Unallocated Expenditure	134104	132137	122193	534848	455610	134104	132137	127199	534848	455610
	Profit before Tax	**482763**	**359160**	**203585**	**1319421**	**428826**	**493987**	**363436**	**262969**	**1333171**	**486142**
	Provision for Tax	181736	136879	87724	494959	178106	183899	138169	88858	503280	179208
	Extraordinary items	-	-	-	-	-	-	-	-	-	-
	Share of Earning in Associates(Net)	-	-	-	-	-	26214	18856	13518	82824	28944
	Minority Interest	-	-	-	-	-	2082	846	1195	4995	1033
	Net profit	**301027**	**222281**	**115861**	**824462**	**250720**	**334220**	**243277**	**186434**	**910720**	**334845**
3	**Segment Assets**										
	(a) Treasury Operations	46925929	44150124	45701182	46925929	45701182	49690342	46782606	49039613	49690342	49039613
	(b) Corporate/Wholesale Banking	66470759	66314124	60070368	66470759	60070368	66880390	65697640	60451831	66880390	60451831
	(c) Retail Banking	34197464	33140517	29932450	34197464	29932450	34519268	33472873	30214546	34519268	30214546
	1) Digital Banking	230	221	186	230	186	230	221	186	230	186
	2) Other Retail Banking	34197234	33140296	29932264	34197234	29932264	34519038	33472652	30214360	34519038	30214360
	(d) Other Banking Operations	4186831	4283104	4772885	4186831	4772885	4371078	4416496	4952655	4371078	4952655
	(e) Unallocated	4402518	4511288	4706251	4402518	4706251	4402518	4511288	4706249	4402518	4706249
	Total	**156183501**	**152399157**	**146183136**	**156183501**	**146183136**	**159863596**	**155880903**	**149364894**	**159863596**	**149364894**
4	**Segment Liabilities**										
	(a) Treasury Operations	44944063	42358713	44934800	44944063	44934800	47188814	44520782	46824116	47188814	46824116
	(b) Corporate/Wholesale Banking	63663439	63823399	57798322	63663439	57798322	64194273	64078688	58227416	64194273	58227416
	(c) Retail Banking	32753171	31795826	28800313	32753171	28800313	33189260	32229382	29297842	33189260	29297842
	1) Digital Banking	2144	1522	609	2144	609	2144	1522	609	2144	609
	2) Other Retail Banking	32751027	31794304	28799704	32751027	28799704	33187116	32227860	29297233	33187116	29297233
	(d) Other Banking Operations	4010005	4109316	4592359	4010005	4592359	4026867	4123331	4605666	4026867	4605666
	(e) Unallocated	165166	263	71776	165166	71776	225709	59612	121804	225709	121804
	Total	**145535844**	**141887517**	**136197570**	**145535844**	**136197570**	**148824923**	**145011795**	**139076844**	**148824923**	**139076844**
5	**Capital Employed**										
	(a) Treasury Operations	1981866	1791411	1766382	1981866	1766382	2501528	2261824	2215497	2501528	2215497
	(b) Corporate/Wholesale Banking	2807320	2690725	2272046	2807320	2272046	2686117	2618952	2224415	2686117	2224415
	(c) Retail Banking	1444293	1344691	1132137	1444293	1132137	1330008	1243491	916704	1330008	916704
	1) Digital Banking	-1914	-1301	-423	-1914	-423	-1914	-1301	-423	-1914	-423
	2) Other Retail Banking	1446207	1345992	1132560	1446207	1132560	1331922	1244792	917127	1331922	917127
	(c) Other Banking Operations	176826	173788	180526	176826	180526	344211	293165	346989	344211	346989
	(e) Unallocated	4237352	4511025	4634475	4237352	4634475	4176809	4451676	4584445	4176809	4584445
	Total Capital Employed	**10647657**	**10511640**	**9985566**	**10647657**	**9985566**	**11038673**	**10869108**	**10288050**	**11038673**	**10288050**

PART B - GEOGRAPHICAL SEGMENTS

Sr. No.	Particulars	STANDALONE					CONSOLIDATED				
		Quarter Ended			Year Ended		Quarter Ended			Year Ended	
		31.03.2024 Audited	31.12.2023 Reviewed	31.03.2023 Audited	31.03.2024 Audited	31.03.2023 Audited	31.03.2024 Audited	31.12.2023 Reviewed	31.03.2023 Audited	31.03.2024 Audited	31.03.2023 Audited
1	Revenue										
	(a) Domestic	3133719	2901407	2658304	11663253	9527708	3176812	2937239	2727038	11798287	9653710
	(b) International	102385	94758	68591	365263	200956	120835	115499	86185	441114	254778
	Total	**3236104**	**2996165**	**2726895**	**12028516**	**9728664**	**3297647**	**3052738**	**2813223**	**12239401**	**9908488**
2	Assets										
	(a) Domestic	149162931	145611696	140062035	149162931	140062035	151642379	147952335	142093821	151642379	142093821
	(b) International	7020570	6787461	6121101	7020570	6121101	8221217	7928568	7271073	8221217	7271073
	Total	**156183501**	**152399157**	**146183136**	**156183501**	**146183136**	**159863596**	**155880903**	**149364894**	**159863596**	**149364894**

Notes :

1. Segment Liabilities are distributed in the ratio of their respective Segment Assets.
2. Figures of the previous period have been re-grouped/re-classified wherever necessary.
3. As per RBI Circular RBI/2022-23/19 DOR.AUT.REC. 12/22.01.001/2022-23 dated April 07, 2022, for the purpose of disclosure under Accounting Standard 17, Segment Reporting, Digital Banking Segment has been identified as sub-segment under Retail Banking by Reserve Bank of India (RBI). As on March 31, 2024, 8 (eight) Digital Banking Units (DBUs) of the Bank have commenced operations and the segment information disclosed as Digital Banking under Retail Banking Operations is related to the said DBUs.

Punjab National Bank * Corp. Off.: Plot No. 4, Sec-10, Dwarka, New Delhi-75 * Finance Division

D K CHHAJER & CO Chartered Accountants KOLKATA 304138E

S.C.BANSAL & ASSOCIATES Chartered Accountants MUMBAI 115649W

UMMED JAIN & CO Chartered Accountants MUMBAI 119260W

N.K.BHARGAVA & CO Chartered Accountants DELHI 000429N

PSD & ASSOCIATES Chartered Accountants JAIPUR 004501C

PUNJAB NATIONAL BANK

Statement of Standalone Cash Flow for the year ended March 31, 2024

(Rs 000's omitted)

		Year ended 31.03.2024	Year ended 31.03.2023
A. Cash Flow from Operating Activities			
Net Profit/ (Loss) after Tax		8244,61,55	2507,20,49
Provision for Tax		4949,58,97	1781,06,01
(I) Net Profit/ (Loss) before tax	(i)	**13194,20,52**	**4288,26,50**
(II) Adjustments for:			
Depreciation on Fixed Assets		895,24,94	896,55,51
Depreciation/(Release) and Provision on Investments (Net)		-742,11,83	2356,68,36
Provisions for Non Performing Assets		12345,01,25	15902,81,81
Provision on Standard Assets		87,19,80	1304,12,53
Other Provision (net)		711,72,66	860,32,69
Dividend from Subsidiary / Others		-33,44,99	-84,36,66
(Profit)/Loss on sale of Fixed Assets (net)		-6,67,30	-2,55,58
Income from investment in Subsidiaries/Joint Ventures/Associates		-137,39,47	0
Interest paid on Bonds		2956,57,66	2414,99,31
Sub Total	(ii)	**16076,12,72**	**23648,57,97**
(III) Adjustment for :			
Decrease / (Increase) in Investments		-22810,50,39	-25575,80,06
Decrease / (Increase) in Advances		-115941,62,37	-117522,17,41
Decrease / (Increase) in Other Assets		-1134,06,25	2115,18,59
Increase / (Decrease) in Deposits		88549,70,10	134944,65,49
Increase / (Decrease) in Borrowings		-7963,87,73	1126,32,15
Increase / (Decrease) in Other Liabilities & Provisions		3960,04,63	-72,86,37
Sub Total	(iii)	**-55340,32,01**	**-4984,67,61**
Cash generated from Operations	(i+ii+iii)	-26069,98,77	22952,16,87
Direct Taxes paid (net off refund)		-1824,61,17	-1172,19,62
Net Cash from/(used) Operating Activities	(A)	**-27894,59,94**	**21779,97,25**
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets (net off Sales)		-1137,10,04	-533,80,93
Dividend recd from Subsidiary/Others		33,44,99	84,36,66
Investment in Subsidiary/Others (net)		-435,68,49	-232,79,64
Net Cash from/(used) in Investing Activities	(B)	**-1539,33,54**	**-682,23,91**
C. Cash flow from Financing Activities			
Share Capital/Share Application Money/Share Premium		0	0
Issue/(Redemption) of Bonds (net)		7102,00,00	4484,00,00
Interest paid on Bonds		-2956,57,66	-2414,99,31
Dividend paid		-715,71,60	-704,70,50
Net Cash from Financing Activities	(C)	**3429,70,74**	**1364,30,19**
D. Net Change in Cash and Cash Equivalents	(A+B+C)	**-26004,22,74**	**22462,03,53**
Cash and Cash Equivalents at the beginning of the year			
Cash and Balances with Reserve Bank of India		78176,57,52	85736,11,66
Balances with Banks & Money at Call & Short Notice		76932,23,31	46910,65,64
		155108,80,83	**132646,77,30**
Cash and Cash Equivalents at the end of the year			
Cash and Balances with Reserve Bank of India		65032,91,16	78176,57,52
Balances with Banks & Money at Call & Short Notice		64071,66,93	76932,23,31
		129104,58,09	**155108,80,83**

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 period have been regrouped wherever considered necessary to conform current period classification.

4 Cash and Cash equivalents includes Cash on hand, Balance with RBI & Other Banks and Money at Call and Short Notice

Prabudh Sharma
Asst. General Manager

Mukesh Kumar
Asst. General Manager

R. K. Khichi
Deputy General Manager

Praveen Kumar Sharma
General Manager

D K Jain
Chief General Manager & CFO

Bibhu Prasad Mahapatra
Executive Director

M Paramasivam
Executive Director

Binod Kumar
Executive Director

Kalyan Kumar
Executive Director

Atul Kumar Goel
Managing Director & CEO

K G Ananthakrishnan
Chairman

Jatinder Singh Bajaj
Director

Dr. Rekha Jain
Director

Sanjeev Kumar Singhal
Director

Pankaj Joshi
Director

Uma Sankar
Director

Pankaj Sharma
Director

For D K Chhajer & Co
Chartered Accountants
FRN: 304138E

CA Nand Kishore Sarraf
Partner
(M.No. 510708)

For S C Bapna & Associates
Chartered Accountants
FRN: 115649W

CA Jai Prakash Gupta
Partner
(M.No. 088903)

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W

CA Dinesh Godika
Partner
(M.No. 072738)

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N

CA N K Bhargava
Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)

Date : May 09, 2024
Place: New Delhi

PUNJAB NATIONAL BANK

Statement of Consolidated Cash Flow for the year ended March 31, 2024

(Rs. in Cr)

Particulars		Year ended 31.03.2024 (Audited)	Year ended 31.03.2023 (Audited)
A. Cash Flow from Operating Activities			
Net Profit/(Loss) after Tax		9,107.20	3,348.45
Provision for Tax		5,002.80	1,792.08
(I) Net Profit before tax	**(i)**	**14,110.00**	**5,140.53**
(II) Adjustments for:			
Depreciation on fixed assets		905.60	904.87
Depreciation/(Release) on Investments [net]		(742.12)	1,966.77
Provisions for non performing assets		12,321.98	15,828.44
Provision on Standard Assets		91.85	1,311.62
Other Provision (net)		712.67	757.50
Shares of earning in Associates		(803.22)	(289.44)
Profit / Loss on sale of Fixed Assets (net)		(6.66)	(2.58)
Interest paid on Bonds		2,970.10	2,467.94
Sub Total	**(ii)**	**15,450.20**	**22,945.12**
(III) Adjustment for:			
Decrease/(Increase) in Investments		(27,599.32)	(29,448.23)
Decrease/(Increase) in Advances		(1,16,625.46)	(1,18,492.65)
Decrease/(Increase) in Other Assets		62.90	1,130.00
Increase/(Decrease) in Deposits		88,878.16	1,36,112.62
Increase/(Decrease) in Borrowings		(4,665.00)	6,315.23
Increase/(Decrease) in Other Liabilities & Provisions		4,323.79	93.62
Sub Total	**(iii)**	**(55,624.93)**	**(4,289.40)**
Cash generated from Operations	**(i+ii+iii)**	**(26,064.73)**	**23,796.25**
Direct Taxes paid (net off Refund)		(1,874.71)	(1,204.15)
Net Cash from Operating Activities	**(A)**	**(27,939.44)**	**22,592.10**
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets (net off Sales)		(1,143.65)	(552.39)
Investment in Subsidiaries/JV/RRBs (net)		(362.77)	(180.08)
Net Cash used in Investing Activities	**(B)**	**(1,506.42)**	**(732.47)**
C. Cash flow from Financing Activities			
Share Capital/Share Application Money/Share Premium		-	-
Issue/(Redemption) of Bonds (net)		7,102.00	4,461.72
Dividend paid		(715.72)	(704.71)
Interest paid on Bonds		(2,970.11)	(2,467.94)
Increase/ (Decrease) in Minority Interest		101.40	(14.09)
Net Cash from Financing Activities	**(C)**	**3,517.57**	**1,274.98**
D. Net Change in Cash and Cash Equivalents	**(A+B+C)**	**(25,928.29)**	**23,134.60**
Cash and Cash Equivalents at the beginning of the period			
Cash and Balances with Reserve Bank of India		78,213.52	86,127.84
Balances with Banks & Money at Call & Short Notice		79,114.96	48,066.04
		1,57,328.48	**1,34,193.88**
Cash and Cash Equivalents at the end of the period			
Cash and Balances with Reserve Bank of India		65,325.13	78,213.52
Balances with Banks & Money at Call & Short Notice		66,075.06	79,114.96
		1,31,400.19	**1,57,328.48**

Punjab National Bank Corp. Off. Plot No 4, Sec-10, Dwarka, New Delhi — Finance Division

DK CHHAJER & CO Chartered Accountants KOLKATA 304136E

S C BAPNA & ASSOCIATES Chartered Accountants MUMBAI 115649W

UMMED JAIN & CO Chartered Accountants MUMBAI 119280W

N K BHARGAVA & CO Chartered Accountants DELHI 000429N

PSD & ASSOCIATES Chartered Accountants JAIPUR 004501C

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 period have been regrouped wherever considered necessary to conform current period classification.
4 Cash and Cash equivalents includes Cash on hand, Balance with RBI & Other Banks and Money at Call and Short Notice

Prabudh Sharma
Asstt. General Manager

Mukesh Kumar
Asstt. General Manager

R K Khichi
Deputy General Manager

Praveen Kumar Sharma
General Manager

D K Jain
Chief General Manager & CFO

Bibhu Prasad Mahapatra
Executive Director

M Paramasivam
Executive Director

Binod Kumar
Executive Director

Kalyan Kumar
Executive Director

Atul Kumar Goel
Managing Director & CEO

K G Ananthakrishnan
Chairman

Jatinder Singh Bajaj
Director

Dr. Rekha Jain
Director

Sanjeev Kumar Singhal
Director

Pankaj Joshi
Director

Uma Sankar
Director

Pankaj Sharma
Director

For D K Chhajer & Co.
Chartered Accountants
FRN: 304138E

CA Nand Kishore Sarraf
Partner
(M.No. 510708)

For S C Bapna & Associates
Chartered Accountants
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CA Jai Prakash Gupta
Partner
(M.No. 088903)

For For Ummed Jain & Co.
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FRN: 119250W

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Partner
(M.No. 080624)

For P S D & Associates
Chartered Accountants
FRN: 004501C

CA Abhinav Sharma
Partner
(M.No. 411219)

Place: New Delhi
Date: May 09, 2024

D K Chhajer & Co.	**S C Bapna & Associates**	**Ummed Jain & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
N K Bhargava & Co.	**P S D & Associates**	
Chartered Accountants	Chartered Accountants	

INDEPENDENT AUDITOR'S REPORT ON AUDITED STANDALONE FINANCIAL RESULTS OF PUNJAB NATIONAL BANK FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2024

To,
The Board of Directors
Punjab National Bank,
New Delhi

Report on the Audit of Standalone Financial Results

Opinion

1. We have audited the accompanying Statement of Standalone Financial Results of Punjab National Bank (**"the Bank"**) for the Quarter and Year Ended **March 31, 2024,** the Standalone Statement of Assets and Liabilities as on that date and the Standalone Statement of Cash Flow for the year ended on that date (**"the Statement"**) attached herewith, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"LODR Regulations"**) except for the disclosures relating to Pillar 3 disclosure as at **March 31, 2024** under Basel III Capital Regulations issued by Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Financial Results and have not been audited by us.

   The Statement includes returns for the year ended on that date of:
   i. 20 Domestic branches, Treasury division, Credit Card division and 37 other offices audited by us.
   ii. 1629 Indian branches and other offices audited by Statutory Branch Auditors.
   iii. 1 foreign branch audited by local auditor.
   iv. 1 International Banking Unit situated at Gujarat International Finance Tec-City (Gift City) audited by Statutory Branch Auditor.

   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 ("**RBI**"). Also incorporated in the Statements are the returns from 9638 Indian branches and other offices which have not been subjected to audit. These Unaudited Branches and other offices account for 26.68 % of advances, 66.60 % of deposits, 20.53 % of interest income and 60.27 % of interest expenses.

   In our opinion and to the best of our information and according to the explanations given to us, the Statements:

i. are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the LODR Regulations except for the disclosures relating to Pillar 3 disclosures as at March 31, 2024 under Basel III Capital Regulations as have been disclosed on the Bank's website and in respect of which a link has been provided in the standalone financial results and have not been audited by us; and

ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provision of the Banking Regulation Act, 1949, 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, of the standalone net profit and other financial information for the quarter and year ended March 31, 2024.

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 Results 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 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.

Board of Directors' Responsibility for the Standalone Financial Results

3. The Statement has been compiled from the audited annual Standalone Financial Statements and approved by Board of Directors. The Bank's Board of Directors are responsible for the preparation and presentation of these standalone Financial Results that give a true and fair view of the financial positions, financial performance and cash flows of the bank in accordance with the accounting principle generally accepted in India including Accounting Standards issued 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 in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Banking Regulations Act, 1949 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

4. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results 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 Results.

   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 Results, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. In terms of RBI Directions, we are also responsible for expressing our opinion through a separate report on whether the Bank has adequate internal financial controls with reference to the Standalone Financial Results 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 in the Standalone Financial Results 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 Statement 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 Statement, including the disclosures and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

  Materiality is the magnitude of the misstatements in the Standalone Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

Other Matters

5. These Standalone Financial Results incorporate the relevant financial statements/ financial information of 1629 branches audited by Statutory Branch Auditors, 1 international banking unit situated in Gujarat International Finance Tec-City (GIFT City) audited by an audit firm specifically appointed for this purpose, and 1 foreign branch in Dubai audited by the other auditors specially appointed for this purpose. These branches audited by other auditors cover 22.61 % of advances, 26.43 % of deposits and 31.10 % of non-performing assets as on March 31, 2024, 15.85 % of revenue for the year ended March 31, 2024. In conduct of our audit, we have taken note of the unaudited returns in respect of 9638 branches and other offices certified by the respective branch's management. These unaudited branches cover 26.68 % of advances, 66.60 % of deposits and 23.41 % of non-performing assets as on March 31, 2024 and 20.76 % of revenue for the year ended March 31, 2024.

6. We report that the figures for the quarter ended March 31, 2024 represent the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to December 31, 2023 being the date of the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under LODR Regulations.

7. The Standalone Financial results of the Bank for the previous year ended 31st March, 2023 were audited by the joint auditors, three of them are predecessor audit firms and have expressed unmodified opinion on such financial results vide report dated May 19, 2023.

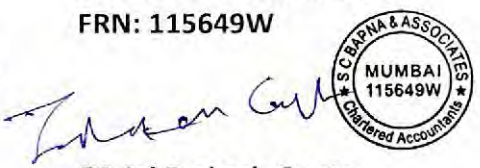
Our opinion is not modified in respect of above matters.

For D K Chhajer & Co
Chartered Accountants
FRN: 304138E



CA Nand Kishore Sarraf
Partner
(M. No. 510708)
UDIN: 24510708BKBMOX6599

For S C Bapna & Associates
Chartered Accountants
FRN: 115649W



CA Jai Prakash Gupta
Partner
(M. No. 088903)
UDIN: 24088903BKGPWK5771

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W



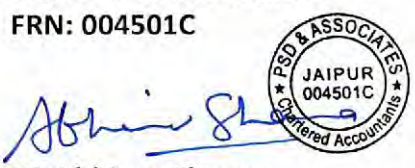
CA Dinesh Godika
Partner
(M. No. 072738)
UDIN: 24072738BKEGTN4937

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N



CA N K Bhargava
Partner
(M. No. 080624)
UDIN: 24080624BKEJVY3610

For P S D & Associates
Chartered Accountants
FRN: 004501C



CA Abhinav Sharma
Partner
(M. No. 411219)
UDIN: 24411219BKFXEI6882

Place: New Delhi
Date: 09 May, 2024

D K Chhajer & Co.	**S C Bapna & Associates**	**Ummed Jain & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
N K Bhargava & Co.	**P S D & Associates**	
Chartered Accountants	Chartered Accountants	

INDEPENDENT AUDITOR'S REPORT ON AUDITED CONSOLIDATED FINANCIAL RESULTS OF PUNJAB NATIONAL BANK FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2024

To,
The Board of Directors
Punjab National Bank,
New Delhi

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of Consolidated Annual Financial Results of Punjab National Bank (**"the Bank"**) and its subsidiaries (the parent and its subsidiaries together referred to as **"the Group"**) and its associates for the Quarter and Year Ended 31 March, 2024, the Consolidated Statement of Assets and Liabilities as on date and the Consolidated Statement of Cash Flow for the year ended on that date (**"the Statement"**) attached herewith, being prepared and submitted by the Bank pursuant to the requirement of Regulation 33 and Regulation 52 read with regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"LODR Regulations"**) except for the disclosures relating to Pillar 3 disclosure as at 31 March, 2024, under Basel III Capital Regulations issued by the Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Consolidated Financial Results and have not been audited by us.

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 other auditors on separate audited financial statements/financial results/financial information of other subsidiaries and associates as furnished by the management, referred to in Other Matters section below.

a. the aforesaid Consolidated Financial Results include the financial results of the following entities:

Parent: Punjab National Bank

Subsidiaries:

i. PNB Gilts Ltd
ii. PNB Investment Services Ltd
iii. PNB Cards and Services Ltd
iv. Punjab National Bank (International) Ltd, UK
v. Druk PNB Bank Ltd, Bhutan

Associates:

i. PNB Metlife India Insurance Company Ltd.
ii. PNB Housing Finance Limited
iii. JSC (Tengri Bank) Almaty, Kazakhstan (Under Liquidation)*
iv. Canara HSBC Life Insurance Co. Ltd.
v. India SME Asset Reconstruction Co. Ltd.
vi. Everest Bank Limited, Kathmandu, Nepal
vii. Dakshin Bihar Gramin Bank
viii. Himachal Pradesh Gramin Bank
ix. Punjab Gramin Bank
x. Sarva Haryana Gramin Bank
xi. Prathama UP Gramin Bank
xii. Assam Gramin Vikas Bank
xiii. Bangiya Gramin Vikas Bank
xiv. Manipur Rural Bank
xv. Tripura Gramin Bank

*Due to revocation of license of JSC Tengri Bank w.e.f., 18 September 2020 and is under liquidation. So the same is not considered in Consolidated Financial Statements.

b. are presented in accordance with the requirements of Regulation 33 and Regulation 52 of the Listing Regulations in this regard except for the disclosures relating to Pillar 3 disclosure as at 31 March, 2024, under Basel III Capital Regulations issued by the Reserve Bank of India as have been disclosed on the Bank's website and in respect of which a link has been provided in the aforesaid Consolidated Financial Results and have not been audited by us; and

c. give a true and fair view, in conformity with the recognition and measurement principles laid down in the applicable accounting standards, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and other directions issued by the Reserve Bank of India from time to time (**"RBI Guidelines"**) and other accounting principles generally accepted in India, of the consolidated net profit and other financial information of the Group for the quarter and year ended 31 March, 2024.

Basis for Opinion

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 Consolidated Financial Results section of our report. We are independent of the Group, its associates in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibility for the Consolidated Financial Results

The Statement has been compiled from the Consolidated Annual Audited Financial Statements approved by the Board of Directors.

The Bank's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Results that give a true and fair view of the consolidated net profit and other financial information of the Group including its associates in accordance with the recognition and measurement principal laid down in the Accounting Standards issued by the ICAI, the relevant provisions of the Banking Regulation Act, 1949, RBI Guidelines and other accounting principles generally accepted in India and in compliance with LODR Regulations. The respective Board of Directors of the entities included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act / Banking Regulations Act, 1949 for safeguarding of the assets of the Group, and its associates 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Consolidated Financial Results by the Directors of the Bank, as aforesaid.

In preparing the Statement, the respective Board of Directors of the entities included in the Group, and its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its associates or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and its associates are responsible for overseeing the financial reporting process of the Group and its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results 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 Consolidated Financial Results.

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 Consolidated Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control on the Consolidated Financial Results.

- 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 ability of the Group and its associates 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 Consolidated Financial Results 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 Group and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial results/financial information of the entities within the Group and its associates to express an opinion on the Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Financial Results of which we are the independent auditors. For the other entities included in the Consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of the misstatements in the Consolidated Financial Statements that, individually or aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Bank and such other entities included in the Consolidated Financial Results of which we are the independent auditors 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

i. The Consolidated Financial Results include the audited financial results of 04 subsidiaries, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 27,767.78 crores as at 31 March 2024, Group's share of total revenue of Rs. 1,875.97 crores and Group's share of total net profit/(loss) after tax of Rs. 105.66 crores for the year ended 31 March 2024 not audited by us. Further, the Consolidated Financial Results include the audited financial results of 8 associates whose financial statements/financial results/financial information reflects Group's share of total net profit after tax of Rs. 777.85 crores for the year ended 31 March 2024, as considered in the Consolidated Financial Results, which have been audited by their respective independent auditors. The independent auditors' reports on the financial statements/financial results/financial information of these entities have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

ii. The Consolidated Financial Results include the unaudited financial results of 01 subsidiary, whose financial statements/financial results/financial information reflect Group's share of total assets of Rs. 8388.94 crores as at 31 March 2024, Group's share of total revenue of Rs. 532.53 crores and Group's share of total net profit after tax of Rs. 89.19 crores for the year ended 31 March 2024. Further, the unaudited financial results of 6 associate whose financial statements/financial results/financial information reflect Group's share of total net profit/(loss) after tax of Rs. 126.17 crores for the year ended 31 March 2024, as considered in the Consolidated Financial Results. These unaudited financial statements/financial results/financial information have been furnished to us by the Board of Directors and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on such unaudited financial statements/financial results/ financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/financial results/financial information are not material to the Group.

iii. The Consolidated Financial results of the Bank for the previous year ended 31st March, 2023 were audited by the joint auditors, three of them are predecessor audit firms and have expressed unmodified opinion on such financial results vide report dated May 19, 2023.

Our opinion on the Consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Results/financial information certified by the Board of Directors.

The Consolidated Financial Results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year ended 31st March 2024 and the published unaudited year-to-date figures up to the 31st December 2023, being the date

of the end of the third quarter of the current financial year which were subject to limited review by us, as required under the LODR Regulations.

For D K Chhajer & Co
Chartered Accountants
FRN: 304138E



CA Nand Kishore Sarraf
Partner
(M. No. 510708)
UDIN: 24510708BKBMOY8918

For S C Bapna & Associates
Chartered Accountants
FRN: 115649W



CA Jai Prakash Gupta
Partner
(M. No. 088903)
UDIN: 24088903BKGPWM6526

For Ummed Jain & Co.
Chartered Accountants
FRN: 119250W



CA Dinesh Godika
Partner
(M. No. 072738)
UDIN: 24072738BKEGTO7152

For N K Bhargava & Co.
Chartered Accountants
FRN: 000429N



CA N K Bhargava
Partner
(M. No. 080624)
UDIN: 24080624BKEJVZ6375

For P S D & Associates
Chartered Accountants
FRN: 004501C



CA Abhinav Sharma
Partner
(M. No. 411219)
UDIN: 24411219BKFXEJ6094

Place: New Delhi
Date: 09 May, 2024

...the name you can BANK upon!

Azadi Ka Amrit Mahotsav

pnb one #JustOneApp

Share Department, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel No.: 011-28044857 E-mail: hosd@pnb.co.in

Scrip Code : PNB	**Scrip Code : 532461**
National Stock Exchange of India Limited "Exchange Plaza", Bandra – Kurla Complex, Bandra (E), Mumbai – 400 051	Bombay Stock Exchange Limited 1st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001

09.05.2024

Dear Sir(s),

Reg.: Declaration under Regulation 33 & 52 of SEBI (LODR) Regulations, 2015

Pursuant to Regulation 33 & 52 of SEBI (LODR) Regulations 2015, we hereby confirm and declare that the statutory auditors of the Bank M/s D K Chhajer & Co., M/s S C Bapna & Associates, M/s Ummed Jain & Co., M/s N K Bhargava & Co. and M/s P S D & Associates, have issued audit report on the Standalone and Consolidated financial results of the Bank for year ended March 31, 2024 with unmodified opinion.

(D. K. Jain)
Chief General Manager & CFO

(Atul Kumar Goel)
Managing Director & CEO

UMMED JAIN & CO.
CHARTERED ACCOUNTANTS

51, Snehadhara, Jeevan Vikas Kendra Marg,
Andheri (E), Mumbai-400 069
PHONES : 022-2682749
9323600966,8890033333
ujc1981@gmail.com
audit@ujco.in

To,

BSE Ltd / NSE Ltd / Debenture Trustees

Sub: Security Cover Certificate for the quarter ended on March 31, 2024.

Based on examination of books of accounts and other relevant records/documents, we hereby certify that:

a) **Punjab National Bank has vide its Board Resolution and information memorandum/ offer document and under various Debenture Trust Deeds, has issued the following listed debt securities:**

Sno	ISIN	Private Placement/ Public Issue	Secured/ Unsecured	Amount (in Crores)
1	INE160A08035	Private Placement	Unsecured	500.00
2	INE160A08043	Private Placement	Unsecured	500.00
3	INE160A08050	Private Placement	Unsecured	1000.00
4	INE160A08092	Private Placement	Unsecured	1500.00
5	INE160A08142	Private Placement	Unsecured	1500.00
6	INE160A08159	Private Placement	Unsecured	994.00
7	INE160A08167	Private Placement	Unsecured	1500.00
8	INE160A08175	Private Placement	Unsecured	1500.00
9	INE160A08076	Private Placement	Unsecured	1500.00
10	INE160A08183	Private Placement	Unsecured	495.00
11	INE160A08068	Private Placement	Unsecured	1000.00
12	INE160A08084	Private Placement	Unsecured	1800.00
13	INE141A08019	Private Placement	Unsecured	1000.00
14	INE141A08035	Private Placement	Unsecured	1000.00
15	INE160A08191	Private Placement	Unsecured	1919.00
16	INE160A08209	Private Placement	Unsecured	2000.00
17	INE160A08217	Private Placement	Unsecured	1971.00
18	INE160A08225	Private Placement	Unsecured	2000.00
19	INE160A08233	Private Placement	Unsecured	658.00
20	INE160A08241	Private Placement	Unsecured	4,000.00
21	INE160A08258	Private Placement	Unsecured	582.00
22	INE160A08266	Private Placement	Unsecured	974.00
23	INE160A08274	Private Placement	Unsecured	3090.00
24	INE160A08282	Private Placement	Unsecured	3000.00
25	INE160A08290	Private Placement	Unsecured	1153.00
26	INE160A08308	Private Placement	Unsecured	1859.00
Total				**38,995.00**

UMMED JAIN & CO. MUMBAI 119150W Chartered Accountants

b) **Security cover for listed unsecured debt securities:**

i. The financial information for the period ended 31-03-2024 has been extracted from the books of accounts for the period ended 31-03-2024 and other relevant records of Punjab National Bank;

ii. The Security Cover in the format as specified by SEBI vide its Circular No.SEBI/IOA4/IRSD/MIRSD CRADT/CIR/P/2022167 dated May 19,2022 is herein given as **Annexure I.**

The Security Cover certificate is being issued in consonance with SEBI regulations and shall have no effect on the seniority of such instruments and all other terms and conditions applicable for the issue of the bonds as specified by RBI master circular no. DBR.No.BP.BC.I/21.06.201/2015-16 dated July 01,2015 for BASEL III Compliant bondsand RBI master circular no. DBR.No.BP.BC.4/21.06.001/2015-16 dated July 01, 2015 for BASEL II Compliant bonds, as amended from time to time, and the terms of Issue.

c) **Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity**

We have examined the compliances made by the listed entity in respect of the covenants/terms of the issue of the listed debt securities (NCD's) and certify that the such covenants/terms of the issue have been complied by the listed entity except as stated below: -

NIL

For **UMMED JAIN & CO.**
Chartered Accountants
FRN No. 119250W

UMMED JAIN & CO. MUMBAI 119250W Chartered Accountants

Akhil Jain
Partner
Mem. No. 137970
UDIN: 24137970BKFJBU3410

Date : 09.05.2024
Place: New Delhi

Column A	Column B	Column C [i]	Column D[ii]	Column E[iii]	Column F[iv]	Column G[v]	Column H[vi]	Column I[vii]	Column J	Column K	Column L	Column M	Column N	Column O
Particulars		Exclusive Charge	Exclusive Charge	PariPassu Charge	PariPassu Charge	PariPassu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with paripassu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets[viii]	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+N)
												Relating to Column F		
		Book Value	Book Value	Yes/ No	Book Value	Book Value								
ASSETS														
Property, Plant and Equipment														
Capital Work-inProgress														
Right of Use Assets						NOT APPLICABLE								
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														

UMMED JAIN & CO. MUMBAI 142500W Chartered Accountants

Loans														
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total														
LIABILITIES														
Debt securities to which this certificate pertains					**NOT APPLICABLE**									
Other debt sharing pari-passu charge with above debt		not to be filled												
Other Debt														
Subordinated debt														
Borrowings														
Bank														
Debt Securities														
Others														
Trade payables														

UMMED JAIN & CO. MUMBAI 119250W Chartered Accountants

Lease Liabilities														
Provisions														
Others					**NOT APPLICABLE**									
Total														
Cover on Book Value														
Cover on Market Value[ix]														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

i This column shall include book value of assets having exclusive charge and outstanding book value of debt for which this certificate is issued.

ii This column shall include book value of assets having exclusive charge and outstanding book value of all corresponding debt other than column C.

iii This column shall include debt for which this certificate is issued having any pari passu charge - Mention Yes, else No.

iv This column shall include a) book value of assets having pari-passu charge b) outstanding book value of debt for which this certificate is issued and c). other debt sharing pari- passu charge along with debt for which certificate is issued.

v This column shall include book value of all other assets having pari passu charge and outstanding book value of corresponding debt.

vi This column shall include all those assets which are not charged and shall include all unsecured borrowings including subordinated debt and shall include only those assets which are paid-for.

vii In order to match the liability amount with financials, it is necessary to eliminate the debt which has been counted more than once (included under exclusive charge column as also under pari passu). On the assets side, there shall not be elimination as there is no overlap.

viii Assets which are considered at Market Value like Land, Building, Residential/ Commercial Real Estate to be stated at Market Value. Other assets having charge to be stated at book value/Carrying Value.

ix The market value shall be calculated as per the total value of assets mentioned in Column O



Share Department, Board & Co-Ordination Division, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel No: 011-28044857 E-mail: hosd@pnb.co.in

A. Statement of Utilisation of issue proceeds:

(Rs. in Crore)

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/Private Placement	Type of Instrument	Date of Raising Funds	Amount Raised	Funds Utilised	Any Deviation (Yes/No)	If 8 is Yes then specify the purpose for which the funds were utilised	Remarks, if any
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Punjab National Bank	INE160A08308	Private Placement	Basel III Compliant Additional Tier I Bonds Series XXI	22.03.2024	1859.00	1859.00	No	NA	-



Share Department, Board & Co-Ordination Division, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel No: 011-28044857 E-mail: hosd@pnb.co.in

B. Statement of deviation/variation in use of issue proceeds:

Name of listed entity	**Punjab National Bank**
Mode of Fund Raising	**Private Placement**
Type of instrument	**Non - Convertible Securities**
Date of Raising Funds	**As per Annexure A-1**
Amount Raised	**As per Annexure A-1**
Report filed for quarter ended	**31.03.2024**
Is there a Deviation / Variation in use of funds raised?	**No**
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	**Not applicable**
If yes, details of the approval so required?	**Not applicable**
Date of approval	**Not applicable**
Explanation for the Deviation / Variation	**Not applicable**
Comments of the audit committee after review	**Nil**
Comments of the auditors, if any	**Nil**

Objects for which funds have been raised and where there has been a deviation, in the following table

Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilized	Amount of Deviation/ Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any
Not applicable						

Deviation could mean:
(a) Deviation in the objects or purposes for which the funds have been raised
(b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

(Ekta Pasricha)
Company Secretary
09.05.2024

Share Department, Board & Co-Ordination Division, HO Plot No.4 Sector 10, Dwarka, New Delhi–110075
Tel No: 011-28044857 E-mail: hosd@pnb.co.in

Annexure A-1

Sl. No	Nature of Instrument	Date of Issue	Issue Amount (In Rs. Crore)	ISIN No
1	Basel III Compliant AT 1 Bonds Series XXI	22.03.2024	1859.00	INE160A08308
	Total		**1859.00**	



THE ISSUER

Punjab National Bank
Plot No. 4
Sector 10 Dwarka
Delhi 110075
India

Punjab National Bank International Financial Service Centre Banking Unit at GIFT City Branch
Unit 601, 6th Floor
Brigade International Financial Centre GIFT City
Gandhinagar, Gujrat
India 382355

TRUSTEE

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Central
Hong Kong

PRINCIPAL PAYING AGENT, CALCULATION AGENT AND TRANSFER AGENT

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Canary Wharf, London E14 5LB
United Kingdom

REGISTRAR

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83 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

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