

## IMPORTANT NOTICE

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

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S (AS DEFINED BELOW).**

**IMPORTANT: You must read the following before continuing.** The following applies to the offering circular following this page (the "**Offering Circular**"), 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 SECURITIES 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 UNITED STATES OR ANY OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. IN THE CASE OF SECURITIES IN BEARER FORM, SUCH SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ANY OFFERING PURSUANT HERETO IS MADE SOLELY IN OFFSHORE TRANSACTIONS AS DEFINED IN, AND IN RELIANCE ON, REGULATION S.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED, ELECTRONICALLY OR OTHERWISE, 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. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THIS OFFERING CIRCULAR.

**Confirmation of your Representation:** In order to be eligible to view the Offering Circular or make an investment decision with respect to the securities, the investors must be located outside the United States. The Offering Circular is being sent at your request and by accepting the e-mail and accessing the Offering Circular, you shall be deemed to have represented to us (1) that you and any customers you represent are, and the electronic mail address that you provided us and to which this e-mail has been delivered is not located in the United States, its territories, or possessions, and (2) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission. The attached Offering Circular is being furnished in connection with an offshore transaction as defined in the Securities Act in compliance with Regulation S.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in this Offering Circular.

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 licenced broker or dealer and the underwriters or any affiliate of the underwriters is a licenced 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 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.

The Offering Circular has not been and will not be registered or filed, produced or made available to all as an offer document (whether a prospectus in respect of a public offer or an information memorandum or private placement offer letter or general information document or key information document or other offering material in respect of any private placement or public issue under the Companies Act, 2013 as amended from time to time, or any other applicable Indian laws) with the RoC or the SEBI or the Reserve Bank of India (**RBI**) or any other statutory or regulatory body of like nature in India, save and except for any information from any part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including, but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or pursuant to the sanction of any regulatory and adjudicatory body in India.

In accordance with the provisions of applicable Indian regulations, only investors that are residents of Financial Action Task Force (“**FATF**”) or International Organisation of Securities Commission’s (“**IOSCO**”) compliant jurisdictions are eligible to purchase the Notes (defined below) issued by the Issuer. Indian banks are permitted to participate, inter alia, as arrangers, market makers or traders in Notes denominated in INR issued overseas, subject to applicable prudential norms as per the ECB Guidelines. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us that you are a resident of an FATF or an IOSCO compliant jurisdiction.

You are responsible for protecting against viruses and other destructive items. Your use of this e-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.

In addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Notes denominated in INR or any other currency as may be applicable imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes denominated in INR or any other currency as may be applicable shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes denominated in INR or any other currency as may be applicable under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes denominated in INR or any other currency as may be applicable. Potential investors should seek independent advice and verify that they are residents of an FATF or an IOSCO compliant jurisdiction prior to any purchase of Notes denominated in INR.

**The holders and beneficial owners of Notes denominated in INR shall be deemed to confirm that for so long as they hold any Notes denominated in INR, they will meet the FATF and IOSCO requirements in all respects.**



(Incorporated with limited liability in the Republic of India under the Indian Companies Act, 1956  
with Registration No. 04-20769)

## U.S.\$5,000,000,000 Global Medium Term Note Programme

On 19 June 2006, Axis Bank Limited (formerly known as UTI Bank Limited) (the **Issuer** or the **Bank**), acting through its Singapore Branch, or other foreign branch, as the case may be, established a €1,000,000,000 Medium Term Note Programme (the **Programme**, as amended, supplemented or restated) and prepared an offering circular dated 19 June 2006, as supplemented by a supplemental offering circular dated 21 September 2006. A further offering circular was issued on 31 May 2007 pursuant to an update of the Programme and an increase in the size of the Programme from €1,000,000,000 to €2,000,000,000 in accordance with the terms of the Programme. The Programme was updated on 3 July 2008 and 28 July 2009 pursuant to which the Issuer issued an offering circular dated 3 July 2008 and 28 July 2009, respectively. The Programme was updated on 30 June 2010 and further supplemented on 26 October 2010 pursuant to which the Issuer issued a supplemental offering circular dated 26 October 2010. The Programme was updated on 18 May 2011 and further supplemented on 30 December 2011 pursuant to which the Issuer issued a supplemental offering circular dated 30 December 2011. The Programme was updated on 13 August 2012 pursuant to which the Issuer issued an offering circular dated 13 August 2012. A further offering circular was issued on 17 September 2013 pursuant to an update of the Programme and the size of the Programme was increased from €2,000,000,000 to €3,000,000,000 in accordance with the terms of the Programme. The Programme was further updated pursuant to an offering circular dated 19 September 2014 and thereafter on 16 September 2015. The offering circular dated 16 September 2015 increased the size of the Programme from €3,000,000,000 to U.S.\$5,000,000,000 and thereafter the Programme was further updated pursuant to offering circulars dated 17 May 2016, 28 July 2017, 1 October 2018, 18 September 2020 and 19 August 2021. This Offering Circular is issued pursuant to a further update of the Programme and supersedes any previous offering circular describing the Programme. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Offering Circular.

Under this U.S.\$5,000,000,000 Programme, the Issuer, acting through its Corporate Office, Singapore Branch, Dubai International Financial Centre (**DIFC Branch**), GIFT City IBU or other foreign branch, as the case may be, may from time to time issue notes (the **Notes**) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). The Bank issues Notes under the Programme through a foreign branch for certain legal, administrative and regulatory reasons, including (without limitation) to facilitate timely access to funding markets. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity. The obligations under the Notes issued by the Bank acting through a foreign branch are of the Bank only, and investors' claims under such Notes are only against the Bank.

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.\$5,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

Application will be made to the Global Securities Market of the India International Exchange IFSC Limited (the "**India INX**") for the Notes to be admitted to trading on Global Securities Market of the India INX. The India INX has not approved or verified the contents of the listing particulars. Application will be made to the NSE IFSC Limited (the "**NSE IX**") for the Notes to be admitted to trading on the Debt Securities Market of the NSE IX. The NSE IX has not approved or verified the contents of the listing particulars.

Application has been made to the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for permission to deal in, and quotation of any 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 SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST (the **Official List**). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or the Notes. 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**) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Tranche.

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 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 SGX-ST or the Global Securities Market of the India INX or the Debt Securities Market of NSE IX) a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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

Each Tranche (as defined in "Form of the Notes") of Bearer Notes of each series (a **Series**) 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 Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**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 date on which 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.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable for definitive Bearer Notes in certain limited circumstances.

Registered Notes of each Tranche sold in an "offshore transaction" within the meaning of Regulation S (**Regulation S**) under the United States Securities Act of 1933, as amended (the **Securities Act**) outside the United States (**U.S.**) will initially be represented by a global note in registered form, without receipts or coupons, (a **Regulation S Global Note**), which will be delivered on or prior to the original issue date of the Tranche to the Common Depositary for Euroclear and Clearstream, and registered in the name of a nominee of the Common Depositary.

Registered Notes of each Tranche may only be offered and sold in the U.S. to QIBs (as defined in "Form of the Notes") in transactions exempt from registration in reliance on Rule 144A under the Securities Act (**Rule 144A**) or any other applicable exemption. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form, without receipts or interest coupons (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**, and each a **Registered Global Note**), which will be deposited with a custodian for, and registered in the name of, The Depository Trust Company (**DTC**) or a nominee of DTC.

This Offering Circular has not been and will not be registered or filed as a prospectus or a statement in lieu of a prospectus in respect of a public offer, information memorandum or private placement offer cum application letter or general information document or key information document 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 Securities and Exchange Board of India, any Registrar of Companies, the Reserve Bank of India or any stock exchange in India. This Offering Circular and the Notes 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 applicable Indian regulations, only investors that are residents of Financial Action Task Force ("**FATF**") or International Organisation of Securities Commission's ("**IOSCO**") compliant jurisdictions are eligible to purchase the Notes (defined below) issued by the Issuer. Indian banks are permitted to participate, inter alia, as arrangers, market makers or traders in Notes denominated in INR issued overseas, subject to applicable prudential norms as per the ECB Guidelines. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us that you are a resident of an FATF or an IOSCO compliant jurisdiction.

For Indian regulatory purposes, Notes denominated in INR constitute "Rupee denominated bonds" under the terms of the RBI Master Direction External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019 as amended and updated from time to time, and any other applicable regulations, notifications, circulars or guidelines issued by the authorities in India, including the Reserve Bank of India ("**RBI**") in respect of Notes denominated in INR. If any Notes denominated in INR are purchased by investors, such investors will be deemed to have acknowledged, represented and agreed that they are eligible to purchase Notes denominated in INR under applicable laws and regulations and that they are residents of an FATF or IOSCO compliant jurisdiction and are not an overseas branch or subsidiary of an Indian bank or otherwise prohibited under any applicable law or regulation from acquiring, owning or selling the Notes denominated in INR. The Notes denominated in INR 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 addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Notes denominated in INR imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes denominated in INR shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes denominated in INR under applicable laws and regulations and are

not prohibited under any applicable law or regulation from acquiring, owning or selling the Notes denominated in INR. Potential investors should seek independent advice and verify that they are residents of an FATF or an IOSCO compliant jurisdiction prior to any purchase of Notes denominated in INR.

The Notes have not been and will not be registered under the Securities Act or any U.S. state securities laws and may not be offered or sold in the United States 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 “*Transfer Restrictions*”.

Any Additional Tier 1 Notes issued under the Programme are not intended to be sold and should not be sold to retail clients in the European Economic Area (the “**EEA**”), as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed “*Important Notices — Restrictions on Marketing and Sales to Retail Investors*” on page 16 of this Offering Circular for further information.

The Programme has been rated BBB by S&P Global Ratings and Baa3 by Moody’s Investors Service Singapore Pte. Ltd. Notes may be rated or unrated by any of these rating agencies. Where a Tranche of Notes is rated, such rating will be disclosed in the Pricing Supplement. 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*

**HSBC**

**Axis Bank Limited, Singapore Branch**

*Dealers*

**HSBC**

**Axis Bank Limited, Singapore Branch**

The date of this Offering Circular is 26 December 2025.

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Offering Circular is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Issuer accepts responsibility for the information contained in this Offering Circular. 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.

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 (as defined herein), the Dealers, the Trustee or the Agents (as defined in “*Terms and Conditions of the Notes*”), or any director, officer, employee, adviser, agent or affiliate of any such persons.

This Offering Circular is highly confidential and has been prepared by us solely for use in connection with the Programme and the proposed offering of the Notes under the Programme as described herein. We have not authorized its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only, and its contents may be disclosed only, to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular, each investor agrees to these restrictions.

Neither the Arrangers, the Dealers, the Trustee nor the Agents have independently verified all the information contained herein or incorporated by reference and can give no assurance that this information is accurate, truthful or complete. To the fullest extent permitted by law, neither the Arrangers nor any Dealers, or any director, officer, employee, agent or affiliate of any such persons make any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy, completeness or sufficiency of any of the information contained or incorporated in this Offering Circular or any other information provided by us in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons. To the fullest extent permitted by law, neither the Arrangers nor the Dealers, nor any director, officer, employee, agent or affiliate of any such persons, accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by any of the Arrangers, the Dealers, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with us or the issue and offering of the Notes. Each Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Offering Circular or any such statement.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of the Arrangers, the Dealers, the Trustee, the Agents or any of them as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Programme. Neither the Arrangers, the Dealers, the Trustee nor the Agents accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

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

Certain information under the heading “*Book-entry Clearance Systems*” has been extracted from information provided by the clearing systems referred to therein. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

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, the Dealers, the Trustee or the Agents 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, the Dealers, the Trustee or the Agents to any person to subscribe for or to purchase any Notes.

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 of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Trustee and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, among other things, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

In accordance with applicable provisions of Indian regulations, only investors from jurisdictions that are FATF/IOSCO compliant are eligible to purchase or subscribe to Notes denominated in INR. Indian banks are permitted to participate, *inter alia*, as arrangers, market makers or traders in Notes denominated in INR issued overseas, subject to applicable prudential norms as per RBI’s Circular RBI/2018-19/48 A.P. (DIR Series) Circular No. 9 dated 19 September 2018 read with RBI’s Circular RBI/2018-19/109 A.P. (DIR Series) Circular No. 17 dated January 16, 2019. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks will not be allowed. By purchasing Notes denominated in INR, each investor shall be deemed to have acknowledged, represented and agreed that such investor is eligible to purchase Notes denominated in INR under applicable laws and regulations and is a resident of an FATF or IOSCO compliant jurisdiction and is not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling Notes denominated in INR and that so long as it holds any Notes denominated in INR, it will continue to be a resident of an FATF or IOSCO compliant jurisdiction. Potential investors should seek independent advice and verify compliance with the requirements under the ECB Guidelines (as defined in this Offering Circular) prior to any purchase of Notes denominated in INR.

In this Offering Circular, “**ECB Guidelines**” means (i) the Foreign Exchange Management (Borrowing or Lending) Regulations 2018, as amended from time to time, and circulars or notifications issued thereunder by the RBI, from time to time including (ii) the Master Direction on External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019, as amended and updated from time to time, (iii) the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated 1 January 2016, as amended, supplemented, modified, revised, and updated from time to time, and any other applicable regulations,

notifications, circulars or guidelines issued in respect of external commercial borrowings, as construed in accordance with the Foreign Exchange Management Act, 1999, as amended from time to time.

**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. The Issuer, the Arrangers, the Dealers, the Trustee and the Agents do 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, the Trustee or the Agents which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom and the Netherlands), India, Singapore, Japan, Hong Kong, the United Arab Emirates (UAE) and the DIFC.**

**None of the Issuer, the Arrangers, the Dealers, the Trustee and the Agents 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.**

**MIFID II product governance / target market** – The Pricing Supplement in respect of any Notes may 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 may 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 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**). 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 – 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 or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (**FSMA**) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as 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 EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) 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.

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. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or



other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

The market information in this Offering Circular has been obtained by the Issuer from publicly available sources deemed by the Issuer to be reliable, including the RBI, the Government and its various ministries. Notwithstanding any investigation that the Issuer may have conducted with respect to the information contained herein, the Issuer does not accept any liability in relation to the information contained in this Offering Circular or its distribution or with regard to any other information supplied by or on its behalf.

The Issuer confirms that, (i) after having made all reasonable inquiries, this Offering Circular contains all information with regard to the Issuer and the Notes which is material to the Offering and sale of the Notes, (ii) that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect and that there are no omissions of any other facts from this Offering Circular which, by their absence herefrom, make this Offering Circular misleading in any material respect; (iii) any opinions, predictions or intentions expressed in this Offering Circular were as of such date honestly held or made and are not misleading; (iv) this Offering Circular as of this date does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme or the issue, offering and sale of the Notes) not misleading; (v) and all proper enquiries have been made to ascertain or verify the foregoing; and (vi) the Offering Circular as of such date did not contain any untrue statement of a material fact nor does it omit to state any material fact necessary to make the statements therein not misleading. The information presented in the section entitled “*Supervision and Regulation*” has been accurately extracted from publicly available documents from various sources, including officially prepared materials from the Government of India and its various ministries and the RBI, and has not been independently verified by the Issuer.

## U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs (each as defined under “*Form of the Notes*”) for informational use solely in connection with the consideration of the purchase of certain Notes issued under the Programme. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the Treasury regulations promulgated thereunder.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act in reliance on Rule 144A or any other applicable exemption. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together **Legended Notes**) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “*Transfer Restrictions*”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “*Form of the Notes*”.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

#### AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer has undertaken in the Trust Deed (as defined under “*Terms and Conditions of the Notes*”) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the **Exchange Act**) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

#### SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a corporation organised under the laws of India. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside India upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside India predicated upon civil liabilities of the Issuer or such directors and officers under laws other than Indian law, including any judgment predicated upon United States federal securities laws.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The Issuer understands that the statutory basis for recognition and enforcement of foreign judgments is provided for under sections 13 and 44A of the Indian Code of Civil Procedure, 1908 (the **Civil Procedure Code**). A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India: (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment. Foreign judgments may be enforced by proceedings in execution in certain cases. Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Indian Government (as defined herein) 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 Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards, even if such awards are enforceable as a decree or judgment. Furthermore, the execution of the foreign decree under Section 44A of the Civil Procedure Code is also subject to the exceptions under Section 13 of the Civil Procedure Code, as mentioned above.

The United Kingdom, Singapore, United Arab Emirates and Hong Kong, amongst other jurisdictions, have been declared by the Indian Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, and the High Courts in England as the relevant superior courts. Accordingly, a judgment of a superior court in the United Kingdom may be enforceable by proceedings in execution. A foreign judgment which is not passed by any reciprocating country or by any superior court of reciprocating country can be executed after obtaining a fresh decree by filing a suit upon judgment in accordance with Section 13 of the Civil Procedure Code and not directly by proceedings in execution. A Noteholder may also file a suit against the Issuer, its directors and executive officers on the original cause of action before a competent court in India. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except: (i) where it has not been pronounced by a court of competent

jurisdiction; (ii) where it has not been given on the merits of the case; (iii) where it 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 it has been obtained by fraud; or (vi) where it sustains a claim founded on a breach of any law in force in India.

Under the Section 14 of the Civil Procedure Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on record and such presumption may be displaced by proving want of jurisdiction.

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 a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 (**FEMA**) to execute such a judgment or to repatriate outside India any amount recovered pursuant to execution and there can be no assurance that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, any such amount may be subject to income tax 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.

## **PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

Unless otherwise specified, the financial information contained in this Offering Circular (i) as of and for the financial year ended 31 March 2023 has been derived from the audited standalone financial statements of the Issuer as of and for the financial year ended 31 March 2023; (ii) as of and for the financial year ended 31 March 2024 has been derived from the audited standalone financial statements of the Issuer as of and for the financial year ended 31 March 2024; (iii) as of and for the financial year ended 31 March 2025 has been derived from the audited standalone financial statements of the Issuer as of and for the financial year ended 31 March 2025; and (iv) as of and for the six months period ended 30 September 2025 have been derived from the reviewed interim standalone financial statements as of and for the six months period ended 30 September 2025 (together, the **Financial Statements**). The Issuer's financial year ends on 31 March and references to any specific year are to the 12-month period ended on 31 March of such year. Interim financial results are not necessarily indicative of results that may be expected for the full fiscal year or any future reporting period.

The Issuer maintains its financial books and records and prepares its financial statements in Rupees in accordance with generally accepted accounting principles in the Republic of India (**Indian GAAP**), as applicable to banks, which differ in certain important respects from the generally accepted accounting principles in the United States of America (**U.S. GAAP**). For a discussion of the principal differences between Indian GAAP and U.S. GAAP as they relate to the Issuer, see "*Summary of Significant Differences between Indian GAAP and U.S. GAAP*". Unless otherwise stated, all financial data contained herein relating to the Issuer is stated on a standalone basis.

In addition, MCA, in its press release dated 18 January 2016, issued a roadmap for implementation of IND-AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated 11 February 2016. This circular required the Bank to prepare IND-AS based financial statements for the accounting period commencing 1 April 2018 with comparative financial statements for the accounting period on ending 31 March 2018. The implementation of IND-AS by banks requires certain legislative changes in the format of financial

statements to comply with disclosures required by IND-AS. In April 2018, the RBI deferred the effective date for implementation of IND-AS by one year, by which point the necessary legislative amendments are expected to have been completed. By way of its notification dated 22 March 2019, the RBI further deferred the effective date for implementation of IND-AS until further notice, pending necessary legislative amendments to the Banking Regulation Act. The Bank shall be required to begin preparing financial statements in accordance with IND-AS in the future once the RBI notifies that the implementation of IND-AS will be mandatory for banks.

Unless otherwise stated, the Bank's financial information included in this Offering Circular has been presented on a standalone basis, which does not reflect the financial performance or financial condition of the Bank's subsidiaries. Although the Bank possesses certain subsidiaries, it believes that the impact of those entities on the Bank's consolidated financial statements is not significant. Accordingly, the Bank's management primarily utilizes the Bank's standalone financial information to monitor the operational strength and performance of the Bank's business. For more information on the Bank's financial information on a consolidated basis, see the Bank's consolidated financial statements, which have been included in this Offering Circular. For more information on the Bank's subsidiaries, see "*Description of the Bank – Overview and brief summary of the business / activities of the subsidiaries of the Bank*".

Certain comparative financial data as of and for the fiscal year ended 31 March 2024 presented in the audited standalone and consolidated financial statements as of and for the year ended 31 March 2025 (**Fiscal 2025 Financial Statements**) were reclassified from their previous presentation in the audited standalone and consolidated financial statements as of and for the fiscal year ended 31 March 2024 (**Fiscal 2024 Financial Statements**) to conform to the presentation of the Fiscal 2025 Financial Statements. The financial data as of and for the fiscal year ended 31 March 2024 presented in the Fiscal 2024 Financial Statements are based on the financial statements as approved by the Bank's board of directors and are not required to be revised to account for the aforementioned changes. Therefore, the comparative financial data as of and for the fiscal year ended 31 March 2024 presented in the Fiscal 2025 Financial Statements may not be comparable to the financial data as of and for the fiscal year ended 31 March 2024 presented in the Fiscal 2025 Financial Statements.

All numerical and financial information as set out and presented in this Offering Circular for the sake of consistency and convenience have been rounded off or expressed in whole figures. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

The fiscal year of the Bank commences on 1 April of each calendar year and ends on 31 March of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular 'Financial Year', 'Fiscal Year' or 'Fiscal' or 'FY' are to the twelve month period ended on 31 March of that year.

### **Non-GAAP Financial Measures**

The Bank uses a variety of financial and operational performance indicators to measure and analyze its operational performance from period to period, and to manage its business. The Bank's management also uses other information that may not be entirely financial in nature, including statistical and other comparative information commonly used within the Indian banking industry to evaluate our financial and operating performance. The key financial and operational performance indicators and ratios are defined along with a brief explanation in the section, "*Selected Statistical Information*".

These financial and operational performance indicators have limitations as analytical tools. As a result, these financial and operational performance indicators should not be considered in isolation from, or as a substitute for, analysis of the Bank's historical financial performance, as reported and presented in its financial statements. Further, these financial and operational performance indicators are not defined under Indian GAAP, and therefore, should not be viewed as substitutes for performance or profitability measures under Indian GAAP. While these financial and operational performance indicators may be used by other banks and financial

institutions operating in the Indian banking industry, they may not be comparable to similar financial or performance indicators used by other banks or financial institutions. Other banks or financial institutions may use different financial or performance indicators or calculate these ratios differently, and similarly titled measures published by them may therefore not be comparable to those used by 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.

Unless otherwise specified, all references to **India** are to the Republic of India and all references to the **Government** are to the Government of India and to the **State Government** are to the relevant State Government entity of India. All references to **fiscal** or **fiscal year** are to the year ended 31 March.

All references in this document 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, to **S\$** refer to Singapore dollars and to **Rupee, Rupees** and **₹** refer to Indian Rupees. In addition, references to **Sterling** and **£** refer to pounds sterling, to **U.S. dollars, U.S.\$** and **\$** refer to United States dollars and to **RMB** and **Renminbi** refer to the lawful currency of the People’s Republic of China (the **PRC**).

For convenience only, certain Rupee amounts in this Offering Circular have been translated into U.S. dollars. Unless otherwise specified, all such conversions were made at the exchange rate published by the U.S. Federal Reserve as at 31 March 2025, which was U.S.\$1.00 = ₹85.43 and as at 30 September 2025 was U.S.\$1.00 = ₹88.78. Other Rupee amounts in this Offering Circular where translated into U.S. dollars have been converted at the 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 **Group** refer to the Bank and its subsidiaries.

Any discrepancies in any table between totals and the sums of the amounts listed are due to rounding.

References to **crores** and **lakhs** in the Issuer’s financial statements are to the following:

One 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)

For the purposes of this Offering Circular, the following definitions shall apply throughout, unless the context otherwise requires:

“ <b>Companies Act</b> ”.....	The Companies Act, 2013 and/or the Companies Act, 1956, as applicable.
“ <b>Companies Act, 1956</b> ”.....	The (Indian) Companies Act, 1956, as amended, read with the rules, regulations, clarifications and modifications thereunder.
“ <b>Companies Act, 2013</b> ”.....	The (Indian) Companies Act, 2013, as amended, read with the rules, regulations, clarifications and modifications thereunder.
“ <b>Expected Credit Loss (ECL)</b> ” .....	ECL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an

	entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate.
“FEMA” .....	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder.
“RBI Guidelines” .....	means in respect of any Series of Notes, the Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, No. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated 28 November 2025 read together with Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025 , No. RBI/DOR/2025-26/163 DOR.LRG.No.82/13-10-001/2025-26 dated November 28, 2025 in relation to capital charge for market risk for banks investing in debt mutual funds or exchange traded funds, each as amended from time to time, as amended or updated or replaced / superseded at any time prior to the earliest date on which any Note of such Series was issued.

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 obtained or derived from data of the RBI or the Director General of Commercial Intelligence and Statistics or publicly available information. 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 by the Bank 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, neither the Bank, the Arrangers, the Dealers, the Trustee nor the Agents 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 neither the Bank, the Arrangers, the Dealers, the Trustee nor the Agents can assure potential investors as to their accuracy.

## FORWARD-LOOKING STATEMENTS

This Offering Circular includes statements which contain words or phrases such as “will”, “would”, “aim”, “aimed”, “will likely result”, “is likely”, “are likely”, “believe”, “expect”, “expected to”, “will continue”, “will achieve”, “anticipate”, “estimate”, “estimating”, “intend”, “plan”, “contemplate”, “seek to”, “seeking to”, “trying to”, “target”, “propose to”, “future”, “objective”, “goal”, “project”, “should”, “can”, “could”, “may”,

“will pursue”, “in management’s judgement” 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 management’s expectations with respect to, but not limited to, the actual growth in demand for banking and other financial products and services, the management’s ability to successfully implement its strategy, future levels of impaired loans, the Bank’s growth and expansion, the adequacy of the Bank’s allowance for credit and investment losses, technological changes, investment income, the Bank’s ability to market new products, cash flow projections, the outcome of any legal or regulatory proceedings the Bank is or may become a party to, the future impact of new accounting standards, management’s ability to implement its dividend policy, the impact of Indian banking regulations on it, the Bank’s ability to roll over its short-term funding sources, the Bank’s exposure to market risks and the market acceptance of and demand for Internet banking services. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated.

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 the impact of any outbreak of contagious diseases (including the prolonged outbreak of COVID-19), general economic and political conditions in India, southeast Asia, and the 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 the border conflicts between India and China, tensions between India and Pakistan related to the Kashmir region or military armament or social unrest in any part of India, inflation, deflation, unanticipated turbulence in interest rates, 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.

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## IMPORTANT NOTICES

**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 trading price of the Notes of the Series (as defined below) of which such Tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the date of the relevant Tranche of Notes. However, stabilisation may not necessarily occur. Any stabilisation action 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 stabilising, if commenced, may be discontinued at any time after a limited period. 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.**

### *Agreements and acknowledgments of investors, including holders and beneficial owners*

In respect of any Subordinated Notes issued under this Programme, by its acquisition of such Subordinated Notes, each holder and beneficial owner acknowledges and agrees among other things that upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event (in the case of Additional Tier 1 Notes only), all or some of the rights of holders of Subordinated Notes and the Coupons and/or Receipts relating to them shall be subject to Write-Down, write-off or conversion (as defined in the Terms and Conditions of the Notes) and the right to receive interest on any portion of nominal amount Written-Down, written-off or converted will cease and all unpaid interest amounts whether or 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. See "*Risk Factors — Risks Relating to the Subordinated Notes*".

### *Restrictions on Marketing and Sales to Retail Investors*

Any Additional Tier 1 Notes issued under this Programme and discussed in this Offering Circular are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Additional Tier 1 Notes to retail investors.

In the United Kingdom (the "UK"), the FCA Conduct of Business Sourcebook (the "COBS") requires, in summary, that Additional Tier 1 Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a retail client) in the UK. The Dealers are required to comply with the COBS. By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or a beneficial interest in such Additional Tier 1 Notes) from the Bank and/or the Dealers, each prospective investor represents, warrants, agrees with and undertakes to the Bank and each of the Dealers that:

1. it is not a retail client in the UK;
2. it will not sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of the Base Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Additional Tier 1 Notes

(or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

In selling or offering the Additional Tier 1 Notes or making or approving communications relating to the Additional Tier 1 Notes you may not rely on the limited exemptions set out in COBS.

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes (or any beneficial interests therein), whether or not specifically mentioned in this Offering Circular, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Additional Tier 1 Notes (or any beneficial interests therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes (or any beneficial interests therein) from the Bank and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

### ***Important Notice to Prospective Investors***

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to this Program (each such offering, a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the 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” (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 (the “**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 CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should

indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant 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 the 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.

## 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:

The most recently published audited consolidated and standalone annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, interim standalone financial results (if any) of the Issuer, (see “*General Information*” for a description of the financial statements currently published by the Issuer) published from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this Offering Circular.

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.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified office of the Paying Agents for the time being in London and will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

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 corporate 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 in London (which for the time being is The Bank of New York Mellon, London Branch (the **Principal Paying Agent**) for the Notes listed on the SGX-ST or the Global Securities Market of the India INX or the Debt Securities Market of NSE IX).

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 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 Global Securities Market of the India INX, Debt Securities Market of NSE IX or the SGX-ST 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.\$5,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- 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 as at the date on which agreement is reached for the issue of Notes;
- 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 amount of subscription price paid); and
- 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 nominal amount of those Notes.

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.

## 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 .....	Axis Bank Limited, acting through its Corporate Office, Singapore Branch, DIFC Branch, GIFT City IBU or other foreign branches (as specified in the relevant Pricing Supplement).
Risk Factors .....	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below. 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 “ <i>Risk Factors</i> ” and include certain risks relating to the structure of particular Series of Notes and certain market risks.
Description .....	Global Medium Term Note Programme.
Arrangers .....	Axis Bank Limited, Singapore Branch The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch
Dealers.....	Axis Bank Limited, Singapore Branch The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch  and any other Dealers appointed in accordance with the Programme Agreement (as defined under “ <i>Subscription and Sale</i> ”).
Certain Restrictions .....	Each issue of Notes 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 “ <i>Transfer Restrictions</i> ” and “ <i>Subscription and Sale</i> ”) including the following restrictions applicable at the date of this Offering Circular.

### **Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent (see “*Transfer Restrictions*” and “*Subscription and Sale*”).

Trustee .....	The Bank of New York Mellon, London Branch.
Principal Paying Agent and Calculation Agent .....	The Bank of New York Mellon, London Branch in respect of Notes cleared through Euroclear and Clearstream.
Registrar and Transfer Agent .....	The Bank of New York Mellon SA/NV, Luxembourg Branch in respect of Notes cleared through Euroclear and Clearstream.
Paying Agent, Exchange Agent, Calculation Agent, Registrar and Transfer Agent	The Bank of New York Mellon in respect of Notes cleared through DTC.
Programme Size.....	U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as described under “ <i>General Description of the Programme</i> ”) 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.
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.
Issue Price.....	Notes may be issued on a fully-paid or (in the case of Notes other than Subordinated Notes) a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes.....	The Notes will be issued in bearer or registered form as set out in the applicable Pricing Supplement. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
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: 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 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



	<p>on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or</p> <p>on such other basis as may be agreed between the Issuer and the relevant Dealer.</p> <p>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.</p> <p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>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.</p>
Index Linked Notes .....	<p>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.</p>
Partly Paid Notes .....	<p>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.</p>
Notes redeemable in instalments .....	<p>The Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.</p>
Other provisions in Floating Rate Notes and Index Linked Interest Notes .....	<p>Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>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.</p>
Dual Currency Notes .....	<p>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.</p>
Zero Coupon Notes.....	<p>Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.</p>
Other Notes.....	<p>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.</p>

Redemption .....	<p>The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (if any) or that such Notes will be redeemable at the option of the Issuer (in the case of Subordinated Notes, only upon the expiry of five years from the Issue Date and subject to the Conditions for Redemption as set forth in Condition 6.12) and/or (except in the case of Subordinated Notes) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in “Terms and Conditions of the Notes” as may be agreed between the Issuer and the relevant Dealer.</p> <p>Notes may also be redeemed prior to their stated maturity (i) in specified instalments, if applicable, (ii) for taxation reasons, (iii) in the case of Subordinated Notes, for certain regulatory reasons or (iv) (in the case of Senior Notes) following an Event of Default (as defined in Condition 10.1). The Subordinated Notes shall not be redeemed at the initiative of Noteholders or without the consent of the RBI.</p> <p>The applicable Pricing Supplement may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.</p> <p>Notes having a maturity of less than one year are/may be subject to restrictions on their denomination and distribution (see “– <i>Certain Restrictions – Notes having a maturity of less than one year</i>” above).</p>
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 (see “– <i>Certain Restrictions – Notes having maturity of less than one year</i> ” above).
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 8.2), subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge.....	The terms of the Notes (other than Subordinated Notes) will contain a negative pledge provision as further described in Condition 3.

Cross Default .....	The terms of the Notes (other than Subordinated Notes) will contain a cross default provision as further described in Condition 10.
Status of the Senior Notes .....	The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 3, unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Status, Rights of Enforcement and other terms of, or relating to, the Subordinated Notes.....	Subordinated Notes will be Additional Tier 1 Notes or Tier 2 Notes, as indicated in the applicable Pricing Supplement. The status of the Tier 2 Notes and the Additional Tier 1 Notes are set out in Conditions 2.2 and Condition 2.3, respectively. The rights of enforcement relating to Subordinated Notes are set out in Condition 10.2. Subordinated Notes will not have the benefit of a negative pledge or a cross default provision.
Limited Right of Enforcement in respect of Subordinated Notes .....	<p>If any order of the Government is made for the liquidation or winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended) of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the Reserve Bank of India having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 6.6.</p> <p>The Trustee may only accelerate the Subordinated Notes in the circumstances set out in Condition 10.2.</p> <p><b>Neither the Terms and Conditions of the Subordinated Notes nor the Trust Deed (as defined under “<i>Terms and Conditions of the Notes</i>”) will contain any provision whereby the Subordinated Notes will become due and payable upon a default in the payment of principal of or interest on the Subordinated Notes or on the non-performance of any covenant of the Issuer or upon the happening of any event other than the events set forth in Condition 10.2; principally, the winding up or liquidation of the Issuer.</b></p>
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 2.3 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 2.3(c). See Condition 2.3(c) for further details.

#### Subordinated Notes – Loss Absorption ...

In the event of a PONV Trigger Event, Subordinated Notes will be subject to interest cancellation and Write-Down (as defined in Condition 7.1(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 7.2(b)) being at the Issuer's option and subject to regulation. See Condition 7 and "*Risk Factors — Risks Relating to the Subordinated Notes*" for further details.

#### Listing.....

Application will be made to the Global Securities Market of the India International Exchange IFSC Limited (the "India INX") for the Notes to be admitted to trading on Global Securities Market of the India INX. The India INX has not approved or verified the contents of the listing particulars. Application will be made to the NSE IFSC Limited (the "NSE IX") for the Notes to be admitted to trading on the Debt Securities Market of the NSE IX. The NSE IX has not approved or verified the contents of the listing particulars.

In addition, application has been made to the SGX-ST for permission to deal in, and quotation of any 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 SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. If the application to the SGX-ST to list a particular series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S\$200,000 (or its equivalent in other currencies), for so long

	<p>as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets as may be agreed between the Issuer and the relevant Dealer in relation to the relevant Series. 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).</p>
Use of Proceeds .....	The proceeds from each issue of Notes shall be utilised by the Issuer for its overseas operations or such other activities as are permitted under applicable laws in India. If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.
Rating .....	The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Pricing Supplement.
Governing Law .....	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law except that Clause 2.7 of the Trust Deed, in the case of Tier 2 Notes, Condition 2.2 and, in the case of Additional Tier 1 Notes, Condition 2.3 will be governed by Indian law.
Clearing System.....	Euroclear, Clearstream, DTC and/or any other clearing system, as specified in the applicable Pricing Supplement (see “ <i>Form of the Notes</i> ”).
Terms and Conditions .....	Pricing Supplements will be prepared in respect of each Tranche of the Notes. The terms and conditions applicable to each Tranche will be those set out herein under “ <i>Terms and Conditions of the Notes</i> ” as supplemented, modified or replaced by the Pricing Supplement.
Selling Restrictions.....	There are restrictions on the offer, sale and transfer of the Notes in the United States, the United Kingdom, the European Economic Area (including the Sweden, Norway, Denmark and the Netherlands), Japan, India, Hong Kong, Singapore, UAE and DIFC and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see “ <i>Subscription and Sale</i> ”).
United States Selling Restrictions .....	Regulation S, Category 1 or 2 and Rule 144A, TEFRA C or D (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended)/TEFRA not applicable as specified in the applicable Pricing Supplement.
Legal Entity Identifier Code .....	549300HVNWMJPOFVNI41.

## FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons (**Coupons**) attached, or registered form, without Coupons attached. Bearer Notes will be issued outside the U.S. in reliance on Regulation S, and Registered Notes will be issued both outside the U.S. in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in a private transaction that is exempt from the registration requirements of the Securities Act.

### **Bearer Notes**

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 depository (the **Common Depository**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking S.A. (**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 Bearer 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 the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person or to a person within the United States, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

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 date on which 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 Notes of the same Series with, where applicable, receipts, Coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive 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. While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest due before the Exchange Date will be made (i) only outside the United States, and (ii) only if the certification of beneficial ownership described above has been received.

The option for an issue of Bearer Notes to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency).

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 Notes with, where applicable, receipts, Coupons and talons attached upon the occurrence of an Exchange Event.

For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9.1) has occurred and is continuing, or (ii) 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 case, no successor or alternative clearing system satisfactory to the Trustee is available, or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect from an authorised officer of the Issuer has been given to the Trustee. The Issuer will promptly give notice to the Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream or the Common Depositary on their behalf (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Bearer Notes, 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 Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes, receipts or 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, will initially be represented by a global note in registered form (a **Regulation S Global Note**).

The Registered Notes of each Tranche offered and sold in the United States may only be offered and sold in private transactions to “qualified institutional buyers” within the meaning of Rule 144A (**QIBs**). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**, and each a **Registered Global Note**).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**), or (ii) be deposited with the Common Depositary for Euroclear and Clearstream, and registered in the name of a common nominee of Euroclear and Clearstream, as specified in the applicable Pricing Supplement.

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

6.4) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent, the Trustee 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 5.4) 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, Coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no successor or alternative clearing system satisfactory to the Trustee is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor or alternative clearing system satisfactory to the Trustee is available, or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to that effect from an authorised officer of the Issuer is given to the Trustee. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note) or the Trustee may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also 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 DTC, 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 “*Transfer Restrictions*”.

## **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 and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.



Any reference herein to Euroclear and/or Clearstream and/or DTC 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 otherwise approved by the Issuer, the Trustee and the Principal Paying Agent.

No Noteholder, Receipholder or Couponholder (as defined below) shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so 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, 4, 5, 6 (except Condition 6.2), 11, 12, 13, 14 (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 17, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

## FORM OF 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]

**Axis Bank Limited**  
**acting through its [Corporate Office/Singapore/Dubai International Financial Centre/GIFT City**  
**IBU/specify**  
**other foreign branch] Branch**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.\$5,000,000,000**  
**Global Medium Term Note Programme**

### PART A – CONTRACTUAL TERMS

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 26 December 2025 [and the supplement[s] to it dated [●] and [●]] (the **Offering Circular**). This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with such Offering Circular.

*[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] which are incorporated by reference in the Offering Circular dated [original date] [and the Supplement dated [date] and are attached hereto. This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date].]

**[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**); 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.]

**[PRIIPs REGULATION - 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; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). 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.]<sup>1</sup>

**[UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK 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 United Kingdom (**UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (**FSMA**) to implement Directive (EU) 2016/97, where that customer would not qualify as 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 EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**[Singapore SFA Product Classification** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), 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] / [capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)<sup>3</sup>

*[The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.*

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the **Income Tax Act**), shall

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<sup>1</sup> Include if item 39 (Prohibition of Sales to EEA Retail Investors) is stated to be applicable.

<sup>2</sup> Include if item 40 (Prohibition of Sales to UK Retail Investors) is stated to be applicable.

<sup>3</sup> For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

*[Include whichever of the following apply or specify as "Not Applicable". 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.]*

*[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

1. Issuer: Axis Bank Limited, acting through its [Corporate Office/Singapore/Dubai International Financial Centre/GIFT City IBU/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)*
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:  
(a) Series: [●]  
(b) Tranche: [●]  
(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/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]
5. Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: [●] *(N.B. Notes must have a minimum denomination of €100,000 or equivalent (in the case of Registered Notes this means the minimum integral amount in which transfers can be made))*

*(Note – 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].")*

*(N.B. If an 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, the €100,000 minimum denomination is not required.) (In the case of Registered Notes, this means the minimum integral amount in which transfers can be made.)*

- (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. N.B. There must be a common factor in the case of two or more Specified Denominations)*
7. (a) Issue Date: [●]  
 (b) Trade Date: [●]  
 (c) 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. The maturity date of the Notes will be subject to the guidelines issued by the RBI from time to time.)*
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]  
 [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. Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.)*
12. Put/Call Options: [Investor Put]

- [Change of Control Put]  
*(N.B. Investor Put is not possible for Subordinated Notes)*  
 [Issuer Call]  
*(N.B. Conditions related to the maturity, redemption, put/call and similar features of Notes qualifying as regulatory capital will be subject to the guidelines issued by the RBI from time to time.) [(further particulars specified below)]*
13. Status of the Notes: [Senior/Subordinated]  
*(If “Subordinated”, specify either “Tier 2 Notes” or “Additional Tier 1 Notes”)*
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: [Global Securities Market of the India INX/Debt Securities Market of NSE IX/SGX-ST/specify other/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/Applicable from] and including the [Issue Date/Interest Payment Date] falling on [●] to but excluding the [Interest Payment Date falling on [●]]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest:
- (i) [Interest Rate] / [Initial Interest Rate]: [●] per cent. per annum payable in arrear on each Interest Payment Date]  
*(If payable other than annually, consider amending Condition 4)*
- (ii) Reset: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (A) First Reset Date: [●]
- (B) Reset Date(s): The First Reset Date and each date falling every [●] after the First Reset Date

- (C) Reference Rate: [●]
- (D) Initial Spread: [●]
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date  
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) [●] per Calculation Amount  
for Notes in definitive form (and in relation to Notes in Global form, see Conditions:
- (d) Broken Amount(s) [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not applicable]  
for Notes in definitive form (and in relation to Notes in Global form, see Conditions:
- (e) Day Count Fraction: [Actual/Actual (ICMA)] [30/360]  
[Actual/365(Fixed)] or [specify other]
- (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)  
(N.B. Subordinated Notes with a floating rate of interest will be required to be referenced to a market determined benchmarked rate under the guidelines issued by the RBI)
- (a) Specified Period(s)/Specified Interest Payment Dates: [●]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ [specify other]][Adjusted/Unadjusted]  
[Not applicable]
- (c) Additional Business Centre(s): [●](Insert [New York] for U.S. dollar denominated Notes to be held through DTC and for non-U.S. dollar denominated Notes where exchange into U.S. dollars is contemplated for DTC participants holding through Euroclear and Clearstream/[Hong Kong]/[Singapore]/[London])

- (d) Manner in which the Rates of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): [●]
- (f) Screen Rate Determination: Reference Rate: [●] month
- Reference Rate: [●] month  
[EURIBOR/SOFR Benchmark/SONIA Benchmark/specify other Reference Rate]
  - Interest Determination Date(s): [●]  
(N.B. To be a minimum of 5 Business Days lookback period for any backward-looking rate)
  - Relevant Screen Page: [●]  
(In the case of EURIBOR, if not Reuters EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (g) SOFR: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- SOFR Benchmark: [Compounded Daily SOFR/SOFR Index/Term SOFR/specify other]
  - Compounded Daily SOFR: [SOFR Lookback/Not Applicable/specify other]  
(Only applicable in the case of Compounded Daily SOFR)
  - Lookback Days [Not Applicable/[●] U.S. Government Securities Business Day(s)/specify other]  
(Only applicable in the case of Compounded Daily SOFR (SOFR Lookback). Note that Interest Determination Date should fall at least 5 U.S. Government Securities Business Days prior to the Interest Payment Date unless otherwise agreed with the Calculation Agent)
  - SOFR Observation Shift Days [5/specify other larger number] U.S. Government Securities Business Days
  - SOFR Index<sub>Start</sub> [Not Applicable/[●] U.S. Government Securities Business Day(s)]  
(Only applicable in the case of SOFR Index)
  - SOFR Index<sub>End</sub> [Not Applicable/[●] U.S. Government Securities Business Day(s)]  
(Only applicable in the case of SEFR Index)
  - Term SOFR Rate [Not Applicable/[●] Month Term SOFR/specify other]



*(Only applicable in the case of Term SOFR)*

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

- Interest Determination Date [In accordance with the Condition 4.2(c)(iii)/specify other]
  - Reference Time [In accordance with the Condition 4.2(c)(iii)(C)/specify other]
  - Term SOFR Covenants [•]  
*(Include any Term SOFR Conventions recommended by the ARRC or otherwise used by the market generally regarding the determination of the Term SOFR rate)*
- (h) SONIA Benchmark: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- SONIA Benchmark: [Compounded Daily SONIA/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)*
  - SONIA Observations Period (“x”): [5/specify other larger number] London Business Days
- (i) ISDA Determination:
- 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)]]  
[Compounding with Lockout]

- Lockout: [●] Lockout Period Business Days
- Lockout Period Business Days: [[●]/[Applicable Business Days]]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISA Definitions)]
- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
  - Floating Rate Option: [●]
- (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 or Bond Basis]  
 [30E/360 or Eurobond Basis]  
 [30E/360] (ISDA)  
 [Other]
- (n) Fall back 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: [●] / [Condition 4.7 (*Benchmark Discontinuation*) applies]
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 and late payment: [Conditions 6.6(b) and 6.11 apply/specify other]  
*(Consider applicable day count fraction if not U.S. dollar-denominated)*
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 Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (e) Specified Period(s)/Specified Interest Payment Dates: [●]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (g) Additional Business Centre(s): [●]
- (h) Minimum Rate of Interest: [●] per cent. per annum
- (i) Maximum Rate of Interest: [●] per cent. per annum
- (j) Day Count Fraction: [●]
- 21. Dual Currency Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
  - (a) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
  - (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying 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. 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(s): [[●] per Calculation Amount/*specify other*/see Appendix]

- (c) If redeemable in part:
- Minimum Redemption Amount: [•]
  - Maximum Redemption Amount: [•]
- (d) Notice period (if other than as set out in the Conditions): [•]  
[•]
- (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 (Euroclear and Clearstream require a minimum of 5 clearing system 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)*
23. Investor Put: [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(s): [[•] per Calculation Amount/specify other/see Appendix]
- (c) Notice period (if other than as set out in the Conditions): [•]  
[•]
- (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 (Euroclear and Clearstream require a minimum of 15 clearing system 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)*
24. Final Redemption Amount: [[•] per Calculation Amount/specify other/see Appendix]
25. Early Redemption Amount payable on redemption for taxation or (where applicable) regulatory reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6.6): [[•] per Calculation Amount/specify other/see Appendix]  
*(N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*
26. Write-Down on the occurrence of a CET1 Trigger Event [Applicable /Not Applicable]

27. Reinstatement Conditions (if [Applicable (*specify conditions*) /Not Applicable]  
*applicable to Condition 7.2(b):* (*Applicable only for Additional Tier 1 Notes*) (if not  
*applicable, delete the remaining subparagraphs of this paragraph*)
- (a) Calculation Agent: [●]
- (b) Day Count Fraction (for Make [●]  
Whole Amount):
- (c) Applicable Spread: [[●] per cent. per annum/Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

28. Form of Notes: [Bearer Notes:  
[Temporary Bearer Global Note exchangeable for a  
Permanent Bearer Global Note which is exchangeable  
for Definitive Notes 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 upon an Exchange Event]  
\* (*Ensure that this is consistent with the wording in the  
“Form of the Notes” section in the Offering Circular and  
the Notes themselves. N.B. The option for an issue of  
Notes to be represented on issue by a Temporary Global  
Note exchangeable for Definitive Notes 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]”.*]  
[Registered Notes:  
[Regulation S Global Note (U.S.\$[●] nominal amount)  
registered in the name of a nominee for [DTC/a Common  
Depository for Euroclear and Clearstream]]  
[Rule 144A Global Note (U.S.\$[●] nominal amount)  
registered in the name of a nominee for [DTC/a Common  
Depository for Euroclear and Clearstream]]]
29. Additional Financial Centre(s) or other [Not Applicable/give details]  
special provisions relating to Payment (Note that this item relates to the date of payment  
Dates: 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)
30. Talons for future Coupons or Receipts [Yes, as the Notes have more than 27 coupon payments,  
to be attached to Definitive Notes in Talons may be required if, on exchange into definitive  
bearer form (and dates on which such form, more than 27 coupon payments are still to be  
Talons mature): made/No]
31. Details relating to Partly Paid Notes: [Not Applicable/give details] (N.B. a new form of  
amount of each payment comprising Temporary Bearer Global Note and/or Permanent

the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

*Bearer Global Note may be required for Partly Paid issues)*

32. Details relating to Instalment Notes: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Instalment Amount(s): [give details]
- (b) Instalment Date(s): [give details]
33. 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))
34. Other terms or special conditions: [Not Applicable/give details]

#### **DISTRIBUTION**

35. (a) If syndicated, names of Managers: [Not Applicable/give names]  
(b) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
36. If non-syndicated, name of relevant Dealer: [Not Applicable/give name(s)]
37. Whether TEFRA D or TEFRA C rules (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the **Code**)) applicable or TEFRA rules not applicable: [TEFRA D (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code)/TEFRA C (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code)/TEFRA not applicable]
38. U.S. Selling Restrictions: [Regulation S [Category 1/Category 2]]/[Rule 144A]
39. Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
40. Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
41. Additional selling restrictions: [Not Applicable/give details]
42. Additional U.S. federal income tax considerations: [Not Applicable/give details]  
[The Notes are [not] subject to withholding on “dividend equivalent” payments pursuant to Section 871(m) of the Code.] [Additional information regarding the application of Section 871(m) to the Notes will be available from [provide appropriate contact details or location of such information].] *(The Notes will not be subject to withholding under Section 871(m) of the Code if they (i)*

*are issued prior to 1 January 2023 and generally, provide a return that differs significantly from the return on an investment in any referenced U.S. equity (including any U.S. equity that is a component of a referenced index) or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued on or after 1 January 2023 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis would be required. If the Notes are subject to withholding under Section 871(m) of the Code, include the “Additional information” sentence and provide the appropriate contact information at the Issuer.)*

### **Hong Kong SFC Code of Conduct**

#### **43. (i) Rebates**

[A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby they are deploying their 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 CMI 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 where underlying investor information in relation to omnibus orders should be sent:**

Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide] / [Not Applicable]

#### **(iii) Marketing and Investor Targeting Strategy**

[As indicated in the Offering Circular] OR [Describe if different from the Offering Circular]

### **Operational Information**

#### **44. Any clearing system(s) other than Euroclear, Clearstream and DTC and the relevant identification number(s):**

[Not Applicable/give name(s) and number(s)]

#### **45. Delivery:**

Delivery [against/free of] payment

#### **46. Additional Paying Agent(s) (if any):**

[●]

#### **47. Address of the Issuer if the Issuer is an overseas branch of the Bank that is**

[●]

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neither the Singapore Branch, the GIFT City IBU nor the Dubai International Financial Centre Branch:

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**Other**

48. Reasons for the Offer [Use of proceeds if other than for general corporate purposes]: [●][Give details if different from “Use of Proceeds” section in the Offering Circular]/[The Issuer shall use the proceeds towards the eligible projects as described under the [Eligible Green Projects /Eligible Social Projects /Eligible Projects] set out in Annex A of the Offering Circular titled “The Bank’s Sustainable Financing Framework”]

Legal Entity Identifier Code: 549300HVNWMJPOFVNI41

ISIN: [●]

Common Code: [●]

Financial Instrument short name: [●]

Classification of Financial Instruments: [●]

(insert here any other relevant codes such as CUSIP and CINS codes)

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**LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of Axis Bank Limited, acting through its [Corporate Office/Singapore/Dubai International Financial Centre/GIFT City IBU/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



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (a) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [GSM of the India INX]/[Debt Securities Market of the NSE IX]/[SGX-ST] [other] with effect from [●].]
- (b) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

- Ratings: [The Notes [have been][are expected to be] rated]:  
[Moody's: [●]]  
[S&P: [●]]  
[Not Applicable]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [ ] (the **Dealer[s]**) no person involved in the issue of the Notes has an interest material to the offer. Dealer[s] and [its/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 the Guarantor and their affiliates in the ordinary course of business.]

### 4. YIELD (*Fixed Rate Notes only*)

- Indication of yield: [●] per cent.

### 5. OPERATIONAL INFORMATION

- (a) ISIN Code: [●]
- (b) Common Code: [●]
- (c) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream, Banking, société anonyme and the VPS and the relevant identification number(s): [●] [Not Applicable]
- (d) Delivery: Delivery [against/free of] payment
- (e) Names and addresses of additional Paying Agent(s) (if any): [●] [Not Applicable]

## 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 (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and as 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 “Applicable Pricing Supplement” 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.*

*The issuance of, and the Terms and Conditions in relation to, the Notes, once issued overseas, will be subject to applicable laws, including the Foreign Exchange Management Act, 1999 (**FEMA**), the Foreign Exchange Management (Borrowing and Lending) Regulations 2018 and circulars or notifications issued thereunder by the Reserve Bank of India (the **RBI**), from time to time, including Regulations 4 and 6 of the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (as amended, modified or replaced from time to time). As per the ECB Master Directions, any redemption of Notes prior to their stated original maturity will require the prior approval of the RBI or the Authorised Dealer Bank, as the case may be. Such approval may or may not be forthcoming.*

This Note is one of a Series (as defined below) of Notes issued by Axis Bank Limited (the **Issuer**), acting through its Corporate Office, Singapore Branch, Dubai International Financial Centre Branch, its GIFT City IBU or such other branch of the Issuer outside the Republic of India (**India**) as specified in the applicable Pricing Supplement, and constituted by an amended and restated trust deed dated 26 December 2025 (such Trust Deed as further modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between the Issuer and The Bank of New York Mellon, London Branch (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:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) in relation to any Notes represented by a Global Note, such Global Note;
- (c) any definitive Notes in bearer form (**Bearer Notes**) (whether or not issued in exchange for a Global Note in bearer form (**Bearer Global Notes**)); and
- (d) any definitive Notes in registered form (**Registered Notes**) (whether or not issued in exchange for Registered Global Notes).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 26 December 2025 (such **Agency Agreement** as amended and/or supplemented and/or restated from time to time, the Agency Agreement) made between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, London Branch and The Bank of New York Mellon, each as calculation agent (each a **Calculation Agent**, and together, the Calculation Agents, which expressions

shall include any additional or successor calculation agent(s)), The Bank of New York Mellon as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent) and The Bank of New York Mellon SA/NV, Luxembourg Branch and The Bank of New York Mellon, each as registrar (the **Registrar**, which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (the **Transfer Agents**, which expression shall include any additional or successor transfer agents). References herein to the **Agents** are to the Principal Paying Agent, the Paying Agents, the Calculation Agent, the Exchange Agent and the Transfer Agents, and any reference to an **Agent** is to any of them.

Interest-bearing definitive Bearer Notes 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. 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.

The Trustee acts for the benefit of the **Noteholders** (which expression 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), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), 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 (a) are expressed to be consolidated and form a single series and (b) 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 are available for inspection during normal business hours at the registered office for the time being of the Trustee (being, at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified office of the Principal Paying Agent and the other Paying Agents. Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of the Principal Paying Agent and the corporate office of the Issuer 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 Issuer and the relevant Agent 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 AND TRANSFERS OF NOTES**

### **1.1 Form**

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 (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 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 also 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.

This Note may also be a Senior Note, an Additional Tier 1 Note or a Tier 2 Note, as indicated in the applicable Pricing Supplement. Additional Tier 1 Note and Tier 2 Notes are collectively referred to as **Subordinated Notes**.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

### **1.2 Title**

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery, and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise ordered by a court of competent jurisdiction or required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note 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 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, the Trustee and the Paying Agents 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 Global Note shall be treated by the Issuer, the Trustee and any 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.

For so long as the DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes

represented by such Registered Global Note for all purposes under the Trust Deed and the Agency Agreement and the Notes except to the extent that, in accordance with DTC's published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants.

In determining whether a particular person is entitled to a particular nominal amount of Notes, as aforesaid, the Trustee may conclusively 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, Clearstream and DTC, as the case may be. References to Euroclear and/or Clearstream and/or 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.

### **1.3 Transfers of interests in Registered Global Notes**

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear, Clearstream or DTC, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of 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 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, Clearstream or DTC, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

### **1.4 Transfers of Registered Notes in definitive form**

Subject as provided in Conditions 1.7 and 1.9 below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer (a) the holder or holders must (i) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of 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 (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent, and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of 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 uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer

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

### **1.5 Registration of transfer upon partial redemption**

In the event of a partial redemption of Notes under Condition 6, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

### **1.6 Costs of registration**

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### **1.7 Transfers of interests in Regulation S Global Notes**

Transfers by the holder of, or a beneficial interest in, a Regulation S Global Note to a transferee in the United States will only be made:

- upon receipt by the Registrar of a written certification substantially in the form set out in Schedule 3 to the Agency Agreement, amended as appropriate (a Transfer Certificate), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- otherwise pursuant to an effective registration statement under the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require from the transferor, which may include an opinion of U.S. counsel that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

The transferee may take delivery through a Legended Note in global or definitive form. After expiry of the Distribution Compliance Period, if applicable, (a) beneficial interests in Regulation S Global Notes may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC, and (b) such certification requirements will no longer apply to such transfers.

### **1.8 Transfers of interests in Legended Notes**

Transfers of Legended Notes or beneficial interests therein may be made:

- to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and, in the case of a Regulation S Global Note registered in the name of a nominee for DTC; or
- to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

- otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

## 1.9 Exchanges of Registered Notes generally

Holders of Registered Notes in definitive form that were sold outside the United States in accordance with Regulation S may exchange such Notes for Regulation S Global Notes at any time and holders of Registered Notes in definitive form that were sold in accordance with Rule 144A may exchange such Notes for interests in a Rule 144A Global Note of the same type at any time.

## 1.10 Definitions

In this Condition, the following expressions shall have the following meanings:

**Legended Note** means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A which bear a legend specifying certain restrictions on transfer (a **Legend**);

**QIB** means a **qualified institutional buyer** within the meaning of Rule 144A;

**Regulation S** means Regulation S under the Securities Act;

**Regulation S Global Note** means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

**Rule 144A** means Rule 144A under the Securities Act;

**Rule 144A Global Note** means a Registered Global Note representing Notes sold in the United States or to QIBs; and

**Securities Act** means the United States Securities Act of 1933, as amended.

## 2 STATUS

### 2.1 Status of the Senior Notes

Notes, the status of which are 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 3) 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 unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

## 2.2 Status of the Tier 2 Notes

*This Condition 2.2 applies only to Notes specified in the applicable Pricing Supplement as Tier 2 Notes and shall, to the extent applicable, be governed by Indian law.*

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

- **Status**

The Tier 2 Notes and any relative Receipts and Coupons are direct and unsecured obligations of the Issuer and rank *pari passu* without preference among themselves. The rights and claims of Noteholders in respect of, or arising under, the Tier 2 Notes and any relative Receipts and Coupons pursuant thereto are subordinated in the manner described in Condition 2.2(b).

- **Subordination**

Tier 2 Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the liquidation or winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) of the Issuer, the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking, or expressed to rank equal to or junior to the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed. For the avoidance of doubt, the claims of holders of Tier 2 Notes and any relative Receipts and Coupons shall be senior to the claims of holders of Tier 1 capital as defined in the RBI Guidelines.

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

As used in this Condition 2.2:

**RBI Guidelines** means in respect of any Series of Notes, the Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, No. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated 28 November 2025 read together with Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025 , No. RBI/DOR/2025-26/163 DOR.LRG.No.82/13-10-001/2025-26 dated November 28, 2025 in relation to capital charge for market risk for banks investing in debt mutual funds or exchange traded funds, each as amended from time to time, as amended or updated or replaced / superseded at any time prior to the earliest date on which any Note of such Series was issued;

**RBI** means the Reserve Bank of India or any successor thereto; and

**Subordinated Indebtedness** means all indebtedness of the Issuer which by its terms is subordinated, in the event of the liquidation or winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) of the Issuer, in right of payment to the claims of unsubordinated creditors of the Issuer and so that, for



the purpose of this definition, indebtedness shall include all liabilities, whether actual or contingent, under guarantees or indemnities.

## **2.3 Status of the Additional Tier 1 Notes**

*This Condition 2.3 applies only to Notes specified in the applicable Pricing Supplement as **Additional Tier 1 Notes** and shall, to the extent applicable, be governed by Indian law.*

- **Status**

The Additional Tier 1 Notes and any relative Receipts and Coupons 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 and any relative Receipts and Coupons pursuant thereto are subordinated in the manner described in Condition 2.3(b).

*The Additional Tier 1 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates. In accordance with the RBI Guidelines, the Additional Tier 1 Notes are perpetual with no maturity date. There are no step-ups or other incentives to redeem the Additional Tier 1 Notes. Please refer to Condition 6.1 for further details. Payment of principal of the Additional Tier 1 Notes may be repaid (e.g. through repurchase or redemption) only with prior approval of RBI, which may not necessarily be forthcoming and subject to fulfilment of the conditions mentioned at Conditions 6.2, 6.3, 6.4 and 6.5.*

- **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 and any relative Receipts and Coupons 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 the event of a liquidation or winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) of the Issuer, claims of the holders of the Additional Tier 1 Notes and any relative Receipts and Coupons pursuant thereto will rank:

- (i) senior to the rights and claims of holders of equity shares and perpetual non-cumulative preference shares, if any, of the Issuer;
- (ii) *pari passu* and without preference among themselves and with any other claims in respect of subordinated debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines (other than perpetual non-cumulative preferences shares) and, to the extent permitted by the RBI Guidelines, at least *pari passu* with any subordinated obligation that was eligible for inclusion in hybrid Tier 1 capital under the Basel II guidelines of the RBI prevailing as at its issue date; and
- (iii) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Issuer (including holders of Tier 2 Notes) other than any

subordinated debt qualifying as Additional Tier 1 Capital of the Issuer (as defined under the RBI Guidelines).

*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 or liquidation 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 or related entity nor covered by any other arrangement that legally or economically enhances the seniority of the claim of holders of such Additional Tier 1 Notes vis-à-vis other bank creditors that rank *pari passu* with, or senior to, such claim.

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.

The Issuer agrees that so long as any of the Additional Tier 1 Notes remains outstanding, it will not create, issue, assume or otherwise incur any loan, debt, guarantee, instrument or other obligation which shall be, or shall purport to be, subordinated debt of the Issuer and which shall, at the time it is created, issued, assumed or otherwise incurred or at any time thereafter, be considered to be, innovative Tier 1 capital of the Issuer under applicable regulations which would rank (as regards interest, dividends or distributions on liquidation, dissolution or winding-up) senior to the Additional Tier 1 Notes.

*As a consequence of these subordination provisions, if a winding up proceeding or liquidation 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 10.3.*

*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.*

*As at 31 March 2025, the Issuer had outstanding liabilities (excluding share capital and reserve and surplus) of an amount of Rs. 14,313.13 billion. Such liabilities rank senior to the Additional Tier 1 Notes. Except as provided above, 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 Indian rupees as further described in Condition 10.3.*

*For the avoidance of doubt if the Issuer goes into liquidation or winding-up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) before any Write-Down under Condition 7, the Additional Tier 1 Notes will absorb losses in accordance with Condition 2.3(b).*

- **Payment Limitation on Additional Tier 1 Notes**

This Condition 2.3(c) applies only to Additional Tier 1 Notes.

- (i) 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.

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, coupon(s) 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 (I) and (II) to arrive at the available balances for payment of coupon(s). If the aggregate of: (a) profits in the current year; (b) profits brought forward from the previous years and (c) permissible reserves as at (II) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of the coupon(s), only then the Issuer shall make appropriation from the statutory reserves. In such cases, the Issuer is required to report to the RBI within twenty-one days from the date of such appropriation in compliance with Section 17(2) of the Banking Regulation Act 1949. However, payment of coupons on Additional Tier 1 Notes from the reserves shall be 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 and countercyclical capital buffer in terms of paragraphs 250 to 252 and 258 to 261 of the Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, No. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated 28 November 2025, forming part of RBI Guidelines).

*For the avoidance of doubt, the Issuer shall have full discretion at all times to cancel any interest or other payments under the Additional Tier 1 Notes in order to meet the eligibility criteria for the issuance of the Additional Tier 1 Notes under the RBI Guidelines.*

- (ii) 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 2.3(c), or is cancelled pursuant to Condition 7, 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 2.3(c) 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 2.3(c) or as otherwise permitted by applicable law. Accordingly, such interest shall not accumulate for the benefit of Noteholders or entitle the Noteholders to any claim in respect thereof against the Issuer.
- (iii) 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 2.3(c), the Issuer shall:
  - (A) notify or procure notification as soon as possible to the RBI;
  - (B) notify or procure notification as soon as possible and at least five Business Days prior to, but not more than 60 calendar days prior to, the relevant Interest Payment Date, to the Trustee, the 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 14) 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 or give rise to any right in favour of the Noteholder, Receiptholder or Couponholder; and
  - (C) deliver to the Trustee and the Agents a certificate signed by an authorised signatory of the Issuer stating such fact and the amount that shall not be paid (the **Payment Limitation Certificate**),

PROVIDED THAT, in the event that the Issuer determines, on the relevant Interest Payment Date, the circumstances giving rise to the Issuer's right not to pay the relevant payment pursuant to this Condition 2.3(c) as set out in the Payment Limitation Certificate no longer apply, the Issuer shall (I) notify or procure notification, no later than the day following the relevant Interest Payment Date, to the Trustee, the 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 14), of that fact, and (II) make payment of the relevant amount of interest on the Additional Tier I Notes as soon as practicable and in any event no later than two Business Days following the relevant Interest Payment Date.

- (iv) 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 any of the Trustee, the Agents or the Noteholders (a **Dividend Stopper Date**), the Issuer will not, so long as any of the Additional Tier 1 Notes are outstanding:
  - (A) 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

- (B) pay discretionary interest or any other discretionary 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.

- (v) Nothing in this Condition 2.3(c) will:
  - (A) stop payment on another instrument where the payments on such an instrument are not fully discretionary;
  - (B) 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;
  - (C) impede the normal operation of the Issuer, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or
  - (D) 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.
- (vi) As used in this Condition 2.3:

**Additional Tier 1 Capital** has the meaning given to it in the RBI Guidelines;

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

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

**Tier 1 Capital** has the meaning given to it in the RBI Guidelines.

### 3 NEGATIVE PLEDGE

So long as any of the Senior Notes remain outstanding (as defined in the Trust Deed), the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any part of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (a) 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; or

- (b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (i) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the holders of the Senior Notes, or (ii) 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, **Relevant Indebtedness** means (a) 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 which (i) by their terms are payable in a currency other than Rupees or are denominated in Rupees and more than 50 per cent. of the aggregate principal amount of which is initially distributed outside India by or with the authorisation of the Issuer and (i) are for the time being, or are intended to be, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (b) any guarantee or indemnity in respect of any such indebtedness.

## 4 INTEREST

### 4.1 Interest on Fixed Rate Notes

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

In the event that either the initial Interest Period or final Interest Period is for a period other than a Fixed Interest Period, payments of interest on the relevant Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

The Rate of Interest in respect of a Note shall be:

- (if no Reset Date is specified in the relevant Pricing Supplement), the Rate of Interest as specified in the relevant Pricing Supplement; or
- (if a Reset Date is specified in the relevant Pricing Supplement):
  - (i) for the period from, and including, the Interest Commencement Date to the First Reset Date specified in the relevant Pricing Supplement, the Initial Interest Rate; and
  - (ii) for the period from, and including, the First Reset Date and each Reset Date (as specified in the relevant Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Interest Rate.

As used in these Conditions, the **Reset Interest Rate** means the Reference Rate (as specified in the relevant Pricing Supplement) with respect to the relevant Reset Date plus the Initial Spread.

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.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to:

- 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 Subordinated Notes, Outstanding Nominal Amount); or

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

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

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- 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 (A) the number of days in such Determination Period and (B) 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 (I) the number of days in such Determination Period and (II) 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 (I) the number of days in such Determination Period and (II) the number of Determination Dates that would occur in one calendar year; or
- 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);

**Outstanding Nominal Amount** means the issued nominal amount of a Subordinated Note (the **Issued Nominal Amount**), as reduced pursuant to any Write-Down and as increased pursuant to any

Reinstatement (to the extent applicable or permitted and in respect of Additional Tier 1 Notes only), from time to time. All references in these Conditions to nominal amount will, in respect of Subordinated Notes, refer to Outstanding Nominal Amount or Issued Nominal Amount, as relevant and unless otherwise specified; 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.

#### **4.2 Interest on Floating Rate Notes and Index Linked Interest Notes**

- **Interest Payment Dates**

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up, or, if it is a Subordinated Note, on its Outstanding Nominal Amount) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

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

- **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 and provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is 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 determined by the Calculation Agent as a rate equal to the relevant ISDA Rate provided that in any circumstances where under the ISDA Definitions, the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee. For the purposes of this Condition 4.2(b)(i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent (if any is specified in the applicable Pricing Supplement) under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:



- (I) if the Pricing Supplement specifies either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions
  - (A) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
  - (B) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Pricing Supplement; and
  - (C) the relevant Reset Date (as defined in the relevant ISDA Definitions), is as specified in the applicable Pricing Supplement.
  - (D) 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:
    - (i) 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;
    - (ii) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement, (a) 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 (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Pricing Supplement; or
    - (iii) Compounding with Lockout is specified as the Compounding Method in the applicable Pricing Supplement, (a) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Pricing Supplement and (b) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement; and
  - (E) 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 (I) 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 (II) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Pricing Supplement);
  - (F) references in the relevant ISDA Definitions to:
    - (i) “**Confirmation**” shall be deemed to be references to the applicable Pricing Supplement;
    - (ii) “**Calculation Period**” shall be deemed to be references to the relevant Interest Period;

- (iii) **“Termination Date”** shall be deemed to be references to the Maturity Date; and
  - (iv) **“Effective Date”** shall be deemed to be references to the Interest Commencement Date; and
- (II) if the Pricing Supplement specifies “2021 ISDA Definitions” as the applicable ISDA Definitions:
- (A) Administrator/Benchmark Event shall be disappplied; and
  - (B) 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 Condition 4.2(b)(i), **“Floating Rate”**, **“Floating Rate Option”**, **“Designated Maturity”**, **“Reset Date”**, **“Calculation Agent”**, **“Compounding with Lookback”**, **“Compounding with Observation Period Shift”**, **“Compounding with Lockout”** 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 the Reference Rate is not specified as being SOFR Benchmark or 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 EURIBOR, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (as specified in the applicable Pricing Supplement) which appears or appear, as the case may be, 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 Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case 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 hereon as being other than EURIBOR, SOFR Benchmark or SONIA Benchmark, 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 being SOFR Benchmark*

Where Screen Rate Determination is specified hereon 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 the Margin (if any) in accordance with Condition [4.2(c)], all as determined by the Calculation Agent on the relevant Interest Determination Date.

The “**SOFR Benchmark**” will be determined based on Compounded Daily SOFR, SOFR Index or Term SOFR, as follows (subject to Condition [4.7]):

- (A) If Compounded Daily SOFR (“**Compounded Daily SOFR**”) is specified hereon 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.

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with the SOFR Lookback formula below:

$$\left( \prod_{i=1}^{d_o} \left( 1 + \frac{SOFR_{i-x \text{ USBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

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:

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

“**d<sub>o</sub>**” 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<sub>o</sub>, 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)**”);

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate to determine Compounded Daily SOFR, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

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

**“*n*”**, 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(i); and

**“SOFR<sub>*i*</sub>-xUSBD”**, for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i).

The following defined terms shall have the meanings set out below for purpose of this Condition [4.2(b)(iii)]:

**“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, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent 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 (a) above 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; or
- (3) if the reference rate specified in (a) 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 [4.7] shall apply as specified hereon;

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

- (B) If SOFR Index (“**SOFR Index**”) is specified as applicable hereon, 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 Calculation Agent as follows:

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

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) 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 Condition [4.2(b)(iii)(A)]; or
- (2) 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 [4.7] shall apply as specified hereon;

“**SOFR Index<sub>End</sub>**” means, in respect of an Interest Period, the SOFR Index value on the date that is the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Period (or in the final Interest Period, the Maturity Date);

“**SOFR Index<sub>Start</sub>**” means, in respect of an Interest Period, the SOFR Index value on the date that is the number of SOFR Observation Shift Days prior to the first day of such Interest Period;

“**SOFR Index Determination Time**” means, in respect of a 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 Period Date for such Interest Period;

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

**“*dc*”** means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition [4.2(b)(iii)(B)]:

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate and where Simple SOFR Average is specified as applicable hereon or where SOFR Index is specified as applicable hereon, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

**“SOFR Administrator’s Website”** means the website of the Federal Reserve Bank of New York, or any successor source;

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

**“SOFR Benchmark Transition Event”** means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark.

- (C) If Term SOFR is specified as applicable hereon, the SOFR Benchmark for each Interest Period shall be equal to the Term SOFR Rate as specified in the applicable Pricing Supplement that is published by the Term SOFR Administrator on the TERM SOFR Administrator’s Website at the Reference Time on the Interest Determination Date in question as determined by the Calculation Agent after giving effect to the Term SOFR Conventions.

The following defined terms shall have the meanings set out below for purpose of this Condition [4.2(b)(iii)(C)]:

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SOFR Benchmark is specified hereon as the Reference Rate and where Term SOFR is specified as applicable hereon, the fifth U.S. Government Securities Business Day prior to the start of each Interest Period;

**“Reference Time”** with respect to any determination of Term SOFR means (i) if the benchmark is Term SOFR, the time as specified in the applicable Pricing Supplement, and (ii) if the Issuer or its designee determines, in accordance with Condition [6.7], that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the time

determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes in accordance with Condition [6.7];

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

**“Term SOFR”** means the forward-looking term rate for the applicable period based on SOFR that has been selected or recommended by the Relevant Governmental Body and published by the Term SOFR Administrator;

**“Term SOFR Administrator”** means the CME Group or any other entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or any successor administrator);

**“Term SOFR Conventions”** means any determination, decision, or election with respect to any technical, administrative, or operational matter (including with respect to the manner and timing of the publication of Term SOFR Rate, or changes to the definition of “Interest Period”, timing and frequency of determining the Term SOFR Rate with respect to each Interest Period and making payments of interest, rounding of amounts or tenors, and other administrative matters) as set out in the applicable Pricing Supplement which reflect the use of the Term SOFR Rate as the SOFR Benchmark in a manner substantially consistent with market practice; and

**“Term SOFR Rate”** means, in respect of an Interest Period, the Term SOFR Rate as published on the Term SOFR Administrator’s Website at the Reference Time on the relevant Interest Determination Date, provided that:

- (1) if the value specified above does not appear and a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have not occurred, the “Term SOFR Rate” shall be calculated on any Interest Determination Date (for this purpose, such term as defined in Condition [4.2(b)(iii)(B)]) with respect to an Interest Period, in accordance with the SOFR Index formula described above in Condition [4.2(b)(iii)(B)]; or
- (2) if the value specified above does not appear and a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the provisions set forth in Condition [4.7] shall apply as specified hereon.

For the avoidance of doubt, if any of the foregoing provisions concerning the calculation of the Rate of Interest and interest payments during the Interest Period are inconsistent with any of the Term SOFR Conventions (as set out in the applicable Pricing Supplement), then the relevant Term SOFR Conventions (as set out in the applicable Pricing Supplement) will apply. Furthermore, if the Issuer or its designee determines, in accordance with Condition [4.7], that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred with respect to Term SOFR at any time when any of the Notes are outstanding, then the foregoing provisions concerning the calculation of the Rate of Interest and interest payments will be modified in

accordance with the relevant benchmark transition provisions set out in Condition [4.7].

Absent manifest error, the Calculation Agent's determination of the Rate of Interest above for an Interest Period for the Notes will be binding and conclusive on the Issuer, the Noteholders, the Trustee and the other Agents and shall not be liable to the Issuer, any Noteholder, the Trustee, any other Agent or any other person as a result of such determination. Neither the Trustee nor any other Agent shall have any obligation or duty to confirm, verify or perform any such calculation or make such determination, or to procure any of the aforesaid to be done.

- (iv) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being 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.

The “**SONIA Benchmark**” will be determined based on Compounded Daily SONIA (subject to Condition [4.7]) where “**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 Calculation Agent 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:

$$\left( \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_i \times n_i}{365} \right) - 1 \right) \times \frac{365}{d}$$

where “**Applicable Period**” means, in relation to an Interest Period:

- (I) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, such Interest Period; or
- (II) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the SONIA Observation Period relating to such Interest Period;

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

“**d<sub>o</sub>**” 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<sub>o</sub>, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in such Applicable Period (each a “**London Business Day “i”**”);

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Period, the date specified as such hereon or, if none is so specified, where SONIA Benchmark is specified in the applicable Pricing Supplement as the Reference Rate, the fifth London Business Day (or as otherwise specified in the applicable Pricing



Supplement, which shall not be later than the fifth London Business Day) prior to the last day of each Interest Period;

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

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

“**SONIA**” 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***”:

- (I) 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
- (II) 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 larger number of London Business Days as specified in the applicable Pricing Supplement).

If, subject to Condition [4.7], 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.

Notwithstanding the paragraph above, and without prejudice to Condition [4.7(a)], in the event the Bank of England publishes guidance as to:

- (a) how the SONIA Reference Rate is to be determined; or
- (b) any rate that is to replace the SONIA Reference Rate,

the Calculation Agent shall, to the extent that it is 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 Calculation Agent or exposing the Calculation Agent to any additional duties, responsibilities or liabilities, or decreasing or amending the protections or rights or exculpatory provisions, of the Calculation Agent.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition [4.2(b)(iv)] by the Calculation Agent, subject to Condition [4.7], 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).

If the relevant Series of Notes become due and payable in accordance with Condition [10], 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 Compounded Daily 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

- **Margin, Minimum and/or Maximum Rates of Interest and Rounding**

- (i) If any Margin is specified hereon (either (A) generally, or (B) in relation to one or more Interest Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Periods, in the case of (B), calculated in accordance with Condition [4.2] above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.

- (ii) 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.
- (iii) 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.
- (iv) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.

- **Determination of Rate of Interest and Calculation of Interest Amounts**

The relevant Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, but in no event later than the third Business Day thereafter, determine the Rate of Interest for the relevant Interest Period and notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. The relevant Calculation Agent shall cause the Final Redemption Amount, Early Redemption Amount, 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, the Issuer shall cause notice to be given to such stock exchange or other relevant authority as soon as practicable after calculating the same.

The relevant Calculation 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:

- (i) 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
- (ii) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount (as defined in the applicable Pricing Supplement);

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 4.2:

- (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 (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) 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<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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<sub>1</sub> is greater than 29, in which case D<sub>2</sub> 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<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” 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<sub>2</sub> 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:

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

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (A) that day is the last day of February, or (B) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D<sub>2</sub> will be 30.

“**Interest Period**” means, in this Condition [4.2], the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date; and

“**Interest Period End Date**” means, in this Condition [4.2], each Interest Payment Date unless otherwise specified hereon.

(viii) Notification of Rate of Interest and Interest Amounts

The Calculation 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 (if the Calculation Agent is not the Principal Paying Agent) the Principal Paying Agent and, if required, the Issuer shall notify any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and cause notice thereof to be published in accordance with Condition 14 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 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 14. 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.

(ix) Failure to Determine or Calculate Rate of Interest and/or Interest Amount(s)

If for any reason at any relevant time the relevant Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with paragraph (d) above, the Issuer shall appoint another financial institution to determine the Rate of Interest or, as the case may be, the Interest Amount(s) as such financial institution may, 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), deem fair and reasonable in all the circumstances.

(x) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Principal Paying Agent or the relevant Calculation Agent or the Trustee, shall (in the absence of wilful default, fraud and/or gross negligence) be binding on the Issuer, the Trustee, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, fraud and/or gross negligence) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or the relevant Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.3 Interest on Dual Currency Interest Notes**

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

#### **4.4 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.

#### 4.5 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:

- the date on which all amounts due in respect of such Note have been paid; and
- as provided in the Trust Deed.

#### 4.6 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 [4.2(a)(ii)] above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than TARGET2 System (as defined below)) specified in the applicable Pricing Supplement;

- if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer (TARGET2) System (the “**TARGET2 System**”) is open; and
- 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 the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor system (the “**TARGET2 System**”) is open.

#### **4.7 Benchmark Discontinuation**

- **Benchmark Discontinuation (General)**

Where the applicable Pricing Supplement specifies this Condition [4.7(a)] as applicable:

(A) *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 Condition [4.7(a)(B)]) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition [4.7(a)(D)]). In making such determination, the Independent Adviser appointed pursuant to this Condition [4.7] 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 Paying Agents, the Noteholders, the Receiptholders or the Couponholders for any determination made by it pursuant to this Condition [4.7].

If (x) the Issuer is unable to appoint an Independent Adviser; or (y) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition [4.7(i)(A)] prior to the date falling 10 Business Days before 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 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 relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum Rate of Interest 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 Condition [4.7(i)(A)].

(B) *Successor Rate or Alternative Rate*

If the Independent Adviser determines that:

- (x) 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 [4.7]);  
or

- (y) 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 [4.7]).

(C) *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). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) *Benchmark Adjustments*

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition [4.7] and the Independent Adviser, determines (x) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement 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 (y) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition [4.7(a)(E)], without any requirement for the consent or approval of the Trustee, the Agents or the Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement 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 signed by an Authorised Officer (as defined in the Trust Deed) of the Issuer pursuant to Condition [4.7(a)(E)], the Trustee and the Agents shall (at the request of the Issuer and 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 or document 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 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 that 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.

For the avoidance of doubt, the Trustee and the Agents shall, 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 in order to give effect to this Condition 4.8(d). Noteholders’ consent shall not be required in connection with the effecting of the Successor Rate or the Alternative Rate (as applicable) or such other

changes, including the execution of any documents or any steps by the Trustee or the Agents. Further, none of the Trustee, the Calculation Agents, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

In connection with any such variation in accordance with this Condition [4.7(a)(D)], 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 [4.7], 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 [4.7] 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.

Notwithstanding any other provision of this Condition [4.7], if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition [4.7], the Calculation Agent shall notify the Issuer thereof as soon as reasonably practicable and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction or is otherwise unable to make such calculation or determination, it shall notify the Issuer thereof and 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.

*(E) Notices, etc.*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition [4.7] will be notified promptly (in any event at least 10 business days before the relevant Interest Determination Date) by the Issuer to the Trustee and the Agents and, in accordance with Condition [14], the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

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

- (x) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate, (3) the applicable Adjustment Spread and (4) the specific terms of any Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition [4.7]; and

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

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

(F) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions [4.7(a)(A)], [4.7(a)(B)], [4.7(a)(C)] and [4.7(a)(D)], the Original Reference Rate and the fallback provisions provided for in Condition [4.2] will continue to apply unless and until each of the Trustee and the Calculation Agent has been notified of the occurrence of the Benchmark Event, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition [4.7(a)(E)].

(G) *Definitions*

As used in this Condition [4.7(a)]:

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

- (A) 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
- (B) (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
- (C) (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 Condition [4.7(a)(B)] 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 Condition [4.7(a)(D)];  
**“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) the making of 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) the making of 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) the making of 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 any Paying Agent, the Calculation 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), 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 (and at the expense of) the Issuer under Condition [4.7(a)(A)];

**“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 (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) 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.

- **Benchmark Discontinuation (ARRC)**

*This Condition [4.7(b)] shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.*

Where the Pricing Supplement specifies this Condition [4.7(b)] as applicable:

(A) *Benchmark Replacement*

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

(B) *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 signed by an Authorised Officer of the Issuer:

- (i) 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 [4.7(b)]; and
- (ii) 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 the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, Agency Agreement and these Conditions as may be required to give effect to this Condition [4.7(b)(B)], 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 that 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.

Noteholders' consent shall not be required in connection with the effecting of any such changes, including the execution of any documents or any steps by the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable 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.

(C) *Decisions and Determinations*

Notwithstanding any other provision herein, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any substitute for ARCC, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, Interest Determination Dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, each of the Trustee and the Agents will be entitled to conclusively rely on any determinations made by the Issuer or its Designee and will have no liability for such actions taken at the direction of the Issuer or its Designee.

Any determination, decision or election that may be made by the Issuer or its designee in connection with ARCC or other Benchmark Transition Event or a Benchmark Replacement pursuant to this Condition [4.7(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, will be conclusive and binding absent manifest error, may be made in the Issuer or its designee's sole discretion, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from any other party. None of the Trustee or the Agents will have any liability for any determination made by or on behalf of the Issuer or its Designee in connection with a Benchmark Transition Event or a ARCC or other Benchmark Replacement.

Notwithstanding any other provision herein, none of the Trustee or the Agents shall be required to determine what conforming changes will need to be made to the Conditions or Pricing Supplement which reference ARCC. Such changes shall be determined by the Issuer or a Designee appointed by the Issuer for such purpose.

(D) *Definitions*

As used in this Condition [4.7(b)]:

“**Benchmark**” means, initially, EURIBOR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to EURIBOR or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement;

“**Benchmark Replacement**” means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then “**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:

- (i) the sum of:

- (x) Term SOFR; and
  - (y) the Benchmark Replacement Adjustment;
- (ii) the sum of:
  - (x) Compounded SOFR; and
  - (y) the Benchmark Replacement Adjustment;
- (iii) the sum of:
  - (x) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor; and
  - (y) the Benchmark Replacement Adjustment;
- (iv) the sum of:
  - (x) the ISDA Fallback Rate; and
  - (y) the Benchmark Replacement Adjustment;
- (v) the sum of:
  - (x) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated Floating Rate Notes at such time; and
  - (y) 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:

- (i) 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;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (iii) 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 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 definition of “Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor”

solely when such tenor is longer than the Interest Period and other administrative matters) that 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 determines 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:

- (i) in the case of sub-clauses (i) or (ii) of the definition of “Benchmark Transition Event,” the later of:
  - (x) the date of the public statement or publication of information referenced therein; and
  - (y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (ii) in the case of sub-clause (iii) of the definition of “Benchmark Transition 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;

**“Benchmark Transition Event”** means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, 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;
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark 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 has ceased or will cease to provide the Benchmark 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
- (iii) 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;

**“Compounded SOFR”** means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a lookback and/or suspension period as a



mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Issuer or its designee in accordance with:

- (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (ii) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with sub-clause (i) of this definition of “Compounded SOFR”, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar denominated Floating Rate Notes at such time.

Notwithstanding the foregoing, Compounded SOFR will include such lookback and/or suspension period as specified in the applicable Pricing Supplement as a mechanism to determine the interest amount payable prior to the end of each Interest Period or Interest Period;

**“Corresponding Tenor”**, with respect to a Benchmark Replacement, means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark;

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

**“Federal Reserve Bank of New York’s Website”** means the website of the Federal Reserve Bank of New York at <http://www.newyorkfed.org> or any successor source;

**“Interpolated Benchmark”**, with respect to the Benchmark, means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

- (i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and
- (ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor;

**“ISDA Definitions”** means the 2006 ISDA Definitions 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 for the applicable tenor;

**“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 for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**”, with respect to any determination of the Benchmark, means the time determined by the Issuer or its designee in accordance with 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;

“**SOFR**”, with respect to any day, means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website;

“**Term SOFR**” means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body; and

“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

- **Benchmark Discontinuation (SOFR)**

*This Condition [4.7(c)] shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.*

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

(A) *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.

(B) *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 signed by an Authorised Officer of the Issuer:

- (i) 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 [4.7(c)]; and
- (ii) 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, 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 Condition [4.7(c)(B)], 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 that 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. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps by the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable 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.

(C) *Decisions and Determinations*

Notwithstanding any other provision herein, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any substitute for SOFR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, Interest Determination Dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, each of the Trustee and the Agents will be entitled to conclusively rely on any determinations made by the Issuer or its Designee and will have no liability for such actions taken at the direction of the Issuer or its Designee.

Any determination, decision or election that may be made by the Issuer or its designee in connection with a SOFR or other Benchmark Transition Event or a Benchmark Replacement pursuant to this Condition [4.7(c)], 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 (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) 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. None of the Trustee or the Agents will have any liability for any determination made by or on behalf of the Issuer or its Designee in connection with a Benchmark Transition Event or a SOFR or other Benchmark Replacement.

Notwithstanding any other provision herein, none of the Trustee or the Agents shall be required to determine what conforming changes will need to be made to the Conditions or Pricing Supplement which reference SOFR. Such changes shall be determined by the Issuer or a Designee appointed by the Issuer for such purpose.

(D) *Definitions*

The following defined terms shall have the meanings set out below for purpose of this Condition [4.7(c)]:

“**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):

- (i) 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
- (ii) 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
- (iii) 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:

- (i) the sum of:
  - (1) 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
  - (2) the Benchmark Replacement Adjustment;
- (ii) the sum of:
  - (1) the ISDA Fallback Rate; and
  - (2) the Benchmark Replacement Adjustment; or
- (iii) the sum of:
  - (1) 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

- (2) 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:

- (i) 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;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) 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):

- (i) in the case of sub-paragraph (i) or (ii) of the definition of “Benchmark Event”, the later of:
  - (1) the date of the public statement or publication of information referenced therein; and
  - (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-paragraph (iii) 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 the 2006 ISDA Definitions 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 Simple SOFR Average or 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.

## **5 PAYMENTS**

### **5.1 Method of payment**

Subject as provided below:

- 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); and
- 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.

### **5.2 Presentation of definitive Bearer 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 5.1 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)).

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 5.1 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 5.1 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 8.2□) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) 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 bearer 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 Bearer Note.

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

If, upon presentation of a Subordinated Note at the specified office of any Paying Agent, the Outstanding Nominal Amount of the Subordinated Note is less than its Issued Nominal Amount, the relevant Paying Agent shall procure that a statement indicating (1) the amount and the date of any Write-Down and (if applicable and only in relation to Additional Tier 1 Notes) any Reinstatement in relation to the Subordinated Note and (2) the Outstanding Nominal Amount of the Subordinated Note as at the date on

which it is so presented, be endorsed on the relevant Subordinated Note prior to any payment in respect of such Subordinated Note being made.

### 5.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of 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 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 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.

### 5.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (a) 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 (b) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a **Designated Bank** and identified as such in the Register, and Designated Bank means (in the case of payment in a Specified Currency other than euro) 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 (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (a) 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 (b) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a business day) before the relevant due date (the **Record Date**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal



(other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer, the Trustee or the Principal Paying Agents will have any responsibility or liability for any aspect of the records relating to, or payments 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.

## **5.5 General provisions applicable to payments**

The holder of a Global Note 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 in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream or DTC, as the case may be, 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.

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

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

## **5.6 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 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 case of Notes in definitive form only, the relevant place of presentation; and
  - (ii) any Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;
- if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and
- 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), or (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and
- in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has not elected to receive any part of such payment in a Specified Currency other than U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

## 5.7 Interpretation of principal and interest

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

- any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- the Final Redemption Amount of the Notes;
- the Early Redemption Amount of the Notes;
- the Optional Redemption Amount(s) (if any) of the Notes;
- in relation to Notes redeemable in instalments, the Instalment Amounts;
- in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.6); and
- 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.

## **5.8 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 8, (ii) any withholding or deduction imposed or 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 (or any regulations thereunder or official interpretations thereof), or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a **FATCA Withholding**), and (iii) any withholding or deduction imposed or required as a result of the application of the provisions of Section 871(m) of the Code or any U.S. Treasury regulations or other administrative guidance published thereunder, or any successor or substitute legislation or provision of law (**871(m) Withholding**). No commissions or expenses shall be charged to the holders of the Notes in respect of such payments. In addition, in determining the amount of 871(m) Withholding imposed with respect to any amounts to be paid on the Notes, the Issuer shall be entitled to withhold on any “dividend equivalent” (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

Payments on the Notes that reference U.S. securities or an index that includes U.S. securities may be calculated by reference to dividends on such U.S. securities that are reinvested at a rate of 70%. In such case, in calculating the relevant payment amount, the holder will be deemed to receive, and the Issuer will be deemed to withhold, 30% of any dividend equivalent payments (as defined in Section 871(m) of the Code) in respect of the relevant U.S. securities. The Issuer will not pay any additional amounts to the holder on account of the Section 871(m) amount deemed withheld.

## **6 REDEMPTION AND PURCHASE**

*For the avoidance of doubt, any redemption or repurchase of Tier 2 Notes or Additional Tier 1 Notes under this Condition 6 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.*

*As per the ECB Master Directions, any redemption of Notes prior to their stated original maturity will require the prior approval of the RBI or the Authorised Dealer Banks, as the case may be. Such approval may or may not be forthcoming.*

### **6.1 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 6.2, 6.3 or 6.4 and subject to the conditions and limitations set forth therein.*

### **6.2 Redemption or Variation for tax reasons (Tax Event Call)**

In the case of Senior Notes or Tier 2 Notes with no Optional Redemption Date, at any time prior to the applicable Maturity Date, or in the case of Tier 2 Notes with an Optional Redemption Date or Additional Tier 1 Notes, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Issuer 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 14, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 7 in respect of Subordinated Notes, be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- 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 8 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, 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; and
- such obligation cannot be avoided by the Issuer taking reasonable measures available to it (together, a **Tax Event**),

provided that (1) in the case of Subordinated Notes, the Conditions for Redemption set out in Condition 6.12 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 Subordinated Notes, the Issuer may (subject to compliance with the Conditions for Redemption) elect, instead of redeeming the Notes on the occurrence of a Tax Event, to vary the terms of the Subordinated Notes so that they become or remain Qualifying Subordinated Notes.

Prior to the variation of the terms of the Subordinated Notes pursuant to this Condition, the Issuer shall deliver to the Trustee and the Agents a certificate signed by an authorised signatory of the Issuer, confirming that the Issuer is entitled to effect the variation and stating that the circumstances referred to in this Condition 6.2 exist, and are prevailing and setting out the details of such circumstances. The Trustee and the Agents shall be entitled without further action or enquiry to accept the certificate and attachments as conclusive and sufficient evidence of the contents and matters set forth therein. Such certificate and attachments shall be made available by the Issuer at its corporate office for inspection by the Noteholders.

*The exercise of the tax event call described above by the Issuer is subject to the requirements set out in the RBI Guidelines, including the receipt of prior approval of the RBI. The RBI will permit the Issuer to exercise the tax event call only if the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event at the time of issuance of the Notes.*

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (1) a certificate signed by an authorised officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) an opinion of independent legal advisers of recognised standing to the effect that, the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as 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.

For the avoidance of doubt, this Condition 6.2 shall be without prejudice to Condition 6.3 below.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

As used in this Condition 6:

- **authorised signatory** of the Issuer shall mean the managing director and chief executive officer of the Issuer, or such other persons as authorised by the board of directors, or the managing director and chief executive officer of the Issuer from time to time; and
- **Qualifying Subordinated Notes** means instruments issued by the Issuer (or by the Issuer acting through another of its branches) that:
  - (i) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes), including that they are fully paid-in;
  - (ii) have terms and conditions not materially less favourable to a Noteholder than the Subordinated Notes (as reasonably determined by the Issuer in accordance with the RBI Guidelines (provided that in making this determination the Issuer is not required to take into account the tax treatment of the new instrument in the hands of all or any holders of the Subordinated Notes, or any transfer or similar taxes that may apply on the acquisition of the new instrument) provided that a certification to such effect of an authorised signatory of the Issuer shall have been delivered to the Trustee prior to the variation of the terms of the instruments);
  - (iii) shall not at such time be subject to a Tax Event or a Regulatory Event;
  - (iv) will constitute direct obligations of the Issuer (or by the Issuer acting through another of its branches);
  - (v) rank, on a liquidation or winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) of the Issuer, at least *pari passu* with the obligations of the Issuer in respect of other Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes);
  - (vi) have at least the same Outstanding Nominal Amount and interest payment or distribution dates as the Subordinated Notes and at least equal interest or distribution rate or rate of return as the Subordinated Notes;
  - (vii) are listed on the same stock exchange as the Subordinated Notes (or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets);
  - (viii) have, to the extent such payment is not cancelled, the same claim to accrued but unpaid interest;

- (ix) (where the instruments are varied prior to the first-occurring Optional Redemption Date) have the same issuer call date as the Subordinated Notes;
- (x) have the same claim to amounts payable upon any redemption; and
- (xi) which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital (in the case of variation of Additional Tier 1 Notes) or Tier 2 Capital (in the case of variation of Tier 2 Notes) under the RBI Guidelines then applicable to the Issuer.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.6 below.

### **6.3 Redemption at the Option of the Issuer (Issuer Call)**

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

- not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- not less than seven days before the giving of the notice referred to in (a), notice to the Trustee and the Principal Paying Agent,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or 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, 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, 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, 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 and/or, as the case may be, DTC. 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 14 not less than 15 days prior to the date fixed for redemption.

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

### **6.4 Redemption or Variation for Regulatory Reasons (Regulatory Event Call)**

Subject to the Conditions for Redemption in Condition 6.12 having been satisfied, the Subordinated Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time prior to the first Optional Redemption Date as specified in the applicable Pricing Supplement (or, in the case of Tier 2 Notes with no Optional Redemption Date, at any time prior to the Maturity Date), on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent, the Registrar, the SGX-ST or India INX or NSE IX (as applicable) and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if a Regulatory Event has occurred and is continuing.

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

Prior to the variation of the terms of the Subordinated Notes pursuant to this Condition, the Issuer shall deliver to the Trustee and the Agents a certificate signed by an authorised signatory of the Issuer, confirming that the Issuer is entitled to effect the variation and stating that the circumstances referred to in this Condition 6.4 exist, and are prevailing and setting out the details of such circumstances. The Trustee and the Agents shall be entitled without further action or enquiry to accept the certificate and attachments as conclusive and sufficient evidence of the contents and matters set forth therein.] Such certificate and attachments shall be made available by the Issuer at its corporate office for inspection by the Noteholders.

*The exercise of the regulatory event call described above by the Issuer is subject to the requirements set out in the RBI Guidelines, including the receipt of prior approval of the RBI. RBI will permit the Issuer to exercise the regulatory event call only if the RBI is convinced that the Issuer was not in a position to anticipate the Regulatory Event at the time of issuance of the Notes.*

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee or to the Principal Paying Agent to make available at its specified office to the Noteholders a certificate signed by an authorised officer of the Issuer, stating that the circumstances referred to in this Condition 6.4 exist, and are prevailing (including the requirements of Condition 6.12) and setting out the details of such circumstances, and the Trustee shall be entitled 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, Receipholders and Couponholders.

Subordinated Notes redeemed pursuant to this Condition 6.4 will be redeemed at their Early Redemption Amount.

For the purposes of this Condition 6.4:

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 Tier 2 Notes, the consolidated Tier 2 capital of the Issuer or, in the case of Additional Tier 1 Notes, the consolidated Tier 1 Capital of the Issuer.

## **6.5 Redemption of the Senior Notes at the Option of the Noteholders (Investor Put)**

- *If Investor Put is specified in the applicable Pricing Supplement*

If Investor Put is specified in the relevant Pricing Supplement with respect to Senior Notes only, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 14 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. Registered Notes may be redeemed under this Condition 6.5 in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

- *Put Option Exercise Procedures*

If this Senior Note is in definitive form, to exercise the right to require redemption of this Senior Note the holder of this Senior Note must deliver such Senior Note at the specified office of, in the case of Bearer Notes, any Paying Agent (together with all unmatured Receipts and Coupons and unexchanged Talons) or, in the case of Registered Notes, the Registrar at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a Put Notice) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 1.4. If this Senior Note is in definitive bearer form, the Put Notice must be accompanied by this Senior Note or evidence satisfactory to the Paying Agent concerned that this Senior Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream or DTC, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream and DTC (which may include notice being given on his instruction by Euroclear, Clearstream, DTC or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream and DTC from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream and DTC given by a holder of any Note pursuant to this Condition 6.5 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10.1 is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.5.

*Any optional redemption of the Notes is subject to compliance with applicable regulatory requirements, including the prior approval of the RBI, which approval may be subject to such terms and conditions which the RBI may deem appropriate to impose.*

## 6.6 Early Redemption Amounts

For the purpose of Conditions 6.2 and 6.5 above and Condition 10:

- each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- each Zero Coupon Note will be redeemed at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^Y$$

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})_y$$

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 (i) 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),

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

#### **6.7 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 6.6 above.

#### **6.8 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.

#### **6.9 Purchases**

The Issuer or any Subsidiary (as defined in the Trust Deed) of the Issuer may at any time purchase (a) Senior Notes, and (b) (subject to obtaining the prior approval of the RBI or other relevant authority) Subordinated Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer surrendered to any Paying Agent for cancellation.

#### **6.10 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 6.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and may not be reissued or resold, whereby the outstanding nominal amount (or, in case of Partly Paid Notes, the nominal amount paid up, or in the case of Subordinated Notes, the Outstanding Nominal Amount,) shall be reduced accordingly.

#### **6.11 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 6.1, 6.2, 6.3 or 6.5 above or upon its becoming due and repayable as provided in Condition 10 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 6.6 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:

- the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- 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 and notice to that effect has been given to the Noteholders in accordance with Condition 14.

#### **6.12 Conditions for Redemption and Variation of Subordinated Notes**

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

- the Issuer has obtained the prior approval of the Reserve Bank of India (Department of Banking Regulation);
- in the case of a Tax Event Call or a Regulatory Event Call, the change of law or regulation giving rise to the right to redeem or vary the Subordinated Notes has occurred after the Issue Date and the RBI is convinced that the Issuer was not in a position to anticipate the Tax Event or the Regulatory Event at the time of issuance of the Subordinated Notes; and
- in the case of a redemption, either (A) the Issuer replaces the Subordinated Notes with capital of the same or better quality and the replacement is done on conditions which are sustainable for the income capacity of the Issuer or (B) the Issuer demonstrates to the satisfaction of the RBI that its capital position would, following such redemption, be well above its minimum capital requirements after the call option is exercised,

(collectively, the **Conditions for Redemption**). Prior to any redemption of Subordinated Notes under this Condition 6, 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 under the Conditions for Redemption have been satisfied and whether any consent of the RBI is required, and if so required in connection with any such redemption or a redemption under Condition 6.2 or 6.4, attaching thereto a copy of such consent as well as a certificate as to the solvency of the Issuer executed by an authorised signatory of the Issuer. Such certificates and attachments shall be made available by the Issuer at its corporate office for inspection by the Noteholders. The Trustee shall be entitled without further action or enquiry to accept the certificate and attachments as conclusive and sufficient evidence of the contents and matters set forth therein.

## **7 LOSS ABSORPTION – SUBORDINATED NOTES**

*Each holder of Subordinated Notes shall be deemed to have authorised, directed and requested the Trustee, the Registrar and the other Agents, as the case may be, to take any and all necessary action to give effect to any Write-Down required by this Condition 7.*

### **7.1 Principal write-down on PONV Trigger Event**

This Condition 7.1 is applicable only to Subordinated Notes.

If a PONV Trigger Event occurs, the Issuer will:

- deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 14 and to the Trustee and the Agents not more than two Business Days after the occurrence of a PONV Trigger Event;
- cancel any interest which is accrued and unpaid up to the relevant Loss Absorption Effective Date; and

- in relation to Additional Tier 1 Notes, *pari passu* and pro rata with any other Tier 1 Loss Absorbing Instruments (where possible), or, in relation to Tier 2 Notes, *pari passu* and pro rata with any other Tier 2 Loss Absorbing Instruments and taking into account the prior loss absorption in full of Tier 1 Loss Absorbing Instruments (where possible) irrevocably, without the need for the consent of Noteholders or the Trustee, reduce the Outstanding Nominal Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a **Write-Down** and **Written Down** being construed accordingly),

in each case, in accordance with the RBI Guidelines and subject as is otherwise required by the RBI at the relevant time. The Issuer will effect a Write-Down on the date specified in the Loss Absorption Event Notice.

If a Write-Down occurs in respect of less than the full Outstanding Nominal Amount of the Subordinated Notes, one or more further Write-Downs may occur in respect of one or more subsequent PONV Trigger Events. Once the Outstanding Nominal Amount of a Note has been Written Down pursuant to this Condition 7.1, 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 in any case by the date specified in the Loss Absorption Event Notice.

Following the giving of a Loss Absorption Event Notice which specifies a Write-Down of Tier 2 Notes, the Issuer shall procure that a similar notice is, or has been, given in respect of each Tier 1 Loss Absorbing Instrument and Tier 2 Loss Absorbing Instrument (in accordance with its terms), and the prevailing nominal amount of each Tier 1 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity in full and, the PONV Trigger Event having not been cured, the prevailing nominal amount of each Tier 2 Loss Absorbing Instrument outstanding (if any) is permanently written down or converted to equity on a pro rata basis with the Outstanding Nominal Amount of the Tier 2 Notes, as soon as reasonably practicable following the giving of such Loss Absorption Event Notice and in any case by the date specified in the Loss Absorption Event Notice.

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 before the Notes have been Written Down, the Notes will become, if Additional Tier 1 Notes, part of the Additional Tier 1 capital of the new bank emerging after the merger or, if Tier 2 Notes, part of the Tier 2 capital of the amalgamated bank. For the avoidance of doubt, if the Issuer is amalgamated with any other bank after the Notes have been Written Down pursuant to a PONV Trigger Event, these cannot be reinstated by the new bank emerging after the merger. If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, 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:*

- *restore confidence of the depositors/investors;*
- *improve rating/creditworthiness of the bank and thereby improving its borrowing capacity and liquidity and reduce cost of funds; and*
- *augment the resource base to fund balance sheet growth in the case of fresh injection of funds.*

## **7.2 Principal write-down on CET1 Trigger Event**

This Condition 7.2 is applicable only to Additional Tier 1 Notes.

- ***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 14 and to the Trustee and the Agents not more than two Business Days after the occurrence of a CET1 Trigger Event;
- (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,

in each case, in accordance with the RBI Guidelines. 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 7.2□. Once the nominal amount of an Additional Tier

1 Note has been Written Down pursuant to this Condition 7.2, it may only be restored in accordance with Condition 7.2□.

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 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 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 has attained a total Common Equity Tier 1 Ratio of 8% without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.*

- **Reinstatement**

Following a Write-Down pursuant to Condition 7.2□, the Outstanding Nominal Amount of the Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (a **Reinstatement**) at the Issuer's option and subject to any conditions specified in (i) the applicable Pricing Supplement or (ii) the RBI Guidelines, or as are otherwise notified to the Issuer by the RBI, from time to time. Additional Tier 1 Notes may be subject to more than one Reinstatement. The Issuer will not reinstate the principal amount of any Tier 1 Loss Absorbing Instrument that has been written down (and which is capable under its terms of being reinstated) unless it does so on a *pro rata* basis with a Reinstatement on the Additional Tier 1 Notes.

The Issuer must give notice of any Reinstatement to Noteholders in accordance with Condition 16 and to the Trustee, the Principal Paying Agent and the relevant Calculation Agent at least 10 Business Days prior to such Reinstatement. The Trustee and the Agents shall be entitled to rely absolutely on such notice without further enquiry and without liability to any Noteholder or any other person, which notice shall be conclusive evidence of the occurrence of the Trigger Event and shall be binding upon all Noteholders, Receiptholders and Couponholders.

### 7.3 Interpretation

In these Conditions:

- **CET1 Trigger Event** means that the Issuer's Common Equity Tier 1 Ratio is at or below the CET1 Trigger Event Threshold of 6.125%;
- **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 expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the applicable RBI Guidelines) of the Issuer;
- **Loss Absorption Effective Date** means the date that will be specified as such in the Loss Absorption Event Notice;
- **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 (as defined in Condition 6) stating that the PONV Trigger Event or CET1 Trigger Event, as relevant, has occurred. The Trustee and the Agents shall be entitled to rely absolutely on such certificate and notice without further enquiry and without liability to any Noteholder or any other person, which certificate and notice shall be conclusive evidence of the occurrence of the Trigger Event and shall be binding upon all Noteholders, Couponholders and Receiptholders;
- **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 7.1; and (ii) any Write-Down in accordance with Condition 7.2□ if such Write-Down has been made permanent due to a subsequent PONV Trigger Event;
- **Ordinary Share** means an ordinary share of the Issuer;
- **PONV Trigger Event**, in respect of the Issuer, means the earlier of:
  - (i) a decision that a write-down, without which the Issuer 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 would have become non-viable, as determined by the RBI;
- **Trigger Event** means a PONV Trigger Event or a CET1 Trigger Event (as applicable);
- **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;
- **Tier 2 Loss Absorbing Instrument** means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Notes, which (a) is eligible to qualify as Tier 2 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to

a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied; and

- **Write-Down Amount** means the amount by which the then Outstanding Nominal Amount of each Note is to be Written Down pursuant to a Write-Down, being the minimum of:
  - (i) the amount (together with the Write-Down of the other Subordinated Notes and the write-down or conversion into equity of, in the case of a Write-down of Additional Tier 1 Notes, any Tier 1 Loss Absorbing Instruments or, in the case of a Write-Down of Tier 2 Notes, any Tier 1 Loss Absorbing Instruments and Tier 2 Loss Absorbing Instruments) that:
    - (A) in the case of a Write-Down due to a PONV Trigger Event, would be sufficient to satisfy the RBI that the Issuer will not become non-viable; or
    - (B) in the case of a CET1 Trigger Event, would, as determined by the Issuer in its absolute discretion, immediately return the Issuer's Common Equity Tier 1 Ratio to between the CET1 Trigger Event Threshold and 8%; 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.*

**7.4** Notwithstanding anything to the contrary that may be set out in these Conditions, the Trust Deed, the Agency Agreement, the applicable Pricing Supplement or any other document relating to the Subordinated Notes, Receipts, Coupons or Talons:

- each Noteholder shall be deemed to have authorised, directed and requested the Trustee and the Agents to take any and all necessary action to give effect to any Write-Down following the occurrence of a PONV Trigger Event and/or a CET1 Trigger Event or any Reinstatement;
- neither the Trustee nor any Agents shall be: (i) responsible or liable to any Noteholder for monitoring or determining whether a Trigger Event or Reinstatement has occurred and, unless expressly notified in writing, shall be entitled to assume that no such event or circumstance exists, (ii) responsible for verifying or calculating any Write-Down Amount in connection with a PONV Trigger Event and/or a CET1 Trigger Event or for any mark down of Notes made pursuant to the Issuer's directions and shall not be responsible or liable to Noteholders or any other person for any failure by it to do so, (iii) responsible for preparing any Loss Absorption Event Notice, (d) be responsible or liable to the holders or any persons with respect to any act, omission or default by the clearing systems (or its participants or members or broker-dealers or any third parties) with respect to the notification and/or implementation of any Write-Down relating to a PONV Trigger Event and/or a CET1 Trigger Event in respect of such Notes; and
- each of the Trustee, the Agents, Euroclear and Clearstream, DTC and any other relevant clearing system shall be entitled without further enquiry and without liability to any Noteholder or any other person to rely conclusively on any Loss Absorption Event Notice and the Write-Down Amount specified therein, and the same shall, as to the amount of interest and/or principal to be Written-Down, be conclusive and binding on Noteholders.

*Although the Issuer has agreed to notify the Noteholders via DTC and/or Euroclear and Clearstream not more than two Business Days after the occurrence of a PONV Trigger Event or a CET1 Trigger Event (as applicable), there will be a delay between the occurrence of a Trigger Event and the time that Noteholders*

*via DTC and/or Euroclear and Clearstream are notified of the occurrence of the relevant Trigger Event through their DTC and/or Euroclear and Clearstream accounts or otherwise. Such delay may exceed several days during which trading and settlement in the Notes may continue. Any such delay will not change or delay the effect of the Trigger Event on the obligations of the Issuer under the Notes or on the rights of the Noteholders.*

## 8 TAXATION

### 8.1 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 without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction 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:

- where the holder is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or
- 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 30th day assuming that day to have been a Payment Day (as defined in Condition 5.6); or
- 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
- with respect to any FATCA Withholding or 871(m) Withholding.

### 8.2 Interpretation

As used herein:

- **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 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 14.
- **Tax Jurisdiction** means:
  - (i) where the Issuer is acting through its Singapore Branch, (A) India or any political subdivision or any authority thereof or therein having power to tax, (B) Singapore or any political subdivision or any authority thereof or therein having power to tax or (C) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by or on behalf of it on the Notes, Receipts and Coupons;



- (ii) where the Issuer is acting through a branch outside India (other than Singapore), (A) India or any political subdivision or any authority thereof or therein having power to tax, (B) the jurisdiction in which such branch is established or any political subdivision or any authority thereof or therein having power to tax or (C) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by or on behalf of it on the Notes, Receipts and Coupons; or
- (iii) where the Issuer is acting through its Corporate Office or GIFT City IBU, (A) India or any political subdivision or any authority thereof having power to tax, or (B) any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by or on behalf of it on the Notes, Receipts and Coupons.

## 9 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 8.2□) 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 5.2 or any Talon which would be void pursuant to Condition 5.2.

## 10 EVENTS OF DEFAULT AND ENFORCEMENT

### 10.1 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 pre-funded 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:

- 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 14 days; or
- 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
- if: (i) any other present or future Indebtedness for Borrowed Money of the Issuer becomes capable of being declared due and payable prior to its stated maturity otherwise than at the option of the Issuer; or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period; or (iii) any security given by the Issuer for any Indebtedness for Borrowed Money becomes enforceable; or (iv) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than in circumstances where (A) the Trustee is satisfied that the Issuer is contesting in good faith in appropriate proceedings the fact that any

such amount is due or (B) the Issuer is prohibited from making payment of any such amount by the order of a court having appropriate jurisdiction, provided that the aggregate amount outstanding of the relevant Indebtedness for Borrowed Money or amounts payable under the guarantees and/or indemnities 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

- if any order is made for the winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) or liquidation of the Issuer, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- if the Issuer ceases or threatens to cease to carry on the whole or substantially all of its business, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution, or the Issuer stops or threatens to stop or suspend payment of, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- if the Issuer (or its directors) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally; or
- 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
- 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 or the Trust Deed; or
- if any governmental authority or agency condemns, seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer without fair compensation, unless, and for so long as, the Trustee is satisfied that such compulsory purchase or expropriation is being contested in good faith and by appropriate proceedings; or
- if the Issuer is or becomes entitled or subject to, or is declared by law or otherwise to be protected by immunity (sovereign or otherwise) and Condition 19.4 is held to be invalid or unenforceable; or
- if (i) proceedings are initiated against the Issuer under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 14 days; or

- if any event occurs, which, under the laws of India has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in subparagraphs (e) to (g) inclusive and (i).

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.

## **10.2 Events of Default relating to Subordinated Notes**

If any order is made for the liquidation or winding up (as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) of the Issuer, save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, the Trustee may, and if so requested in writing by the holders of at least one-fifth in Outstanding Nominal Amount of the Subordinated Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject to being indemnified and/or secured and/or pre-funded to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at the amount provided in, or calculated in accordance with, Condition 6.6.

*Pursuant to Section 37 and Section 38 of the Banking Regulation Act, 1949, the Issuer may only be placed in liquidation by order of the High Court if the Issuer is unable to pay its debts, or an application is made by the RBI for the Issuer's winding up in this regard.*

## **10.3 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 (a) 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 nominal amount of the Notes then outstanding and (b) it shall have been indemnified and/ or secured and/or pre-funded 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.

## **11 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 (in the case of Bearer Notes, Receipts or Coupons) or 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 and the Principal Paying Agent may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12 PAYING AGENTS**

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled, after consultation with the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Principal Paying Agent and a Registrar;
- (b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent; and
- (d) so long as the Notes are listed on the SGX-ST, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore unless the Issuer obtains an exemption from the SGX-ST.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.5. Any variation, termination, appointment or change referred to in the preceding paragraph and/or any appointment referred to in this paragraph shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 14.

In acting under the Agency Agreement, the Principal Paying Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

### **13 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.

### **14 NOTICES**

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. It is expected that such publication will be made in the Asian Wall Street Journal. 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 Bearer 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. All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after 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.

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 and/or DTC, be substituted for such mailing and publication in such newspaper(s) or such delivery by mail of the relevant notice to Euroclear and/or Clearstream and/or DTC 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 and/or DTC.

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 and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream and/or DTC, 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 14.

## **15 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 ten 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 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 agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or 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 so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error. 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 14 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 consent or approval of the Noteholders shall not be required in the case of amendments to these Conditions pursuant to Condition 4.8 to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes or for any other variation of these Conditions and/or the Agency Agreement required to be made in the circumstances described in Condition 4.8, where the requirements of Condition 4.8 have been satisfied (including the provision of a certificate to the Trustee, where applicable).

The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of an entity owned or controlled by the Issuer, subject to (a) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

Any such modification, waiver, authorisation, determination or substitution shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, any such modification or substitution shall be promptly notified to Noteholders by the Issuer in accordance with Condition 14.

The Issuer may at any time, without the consent of the Trustee, elect to substitute (the **Substitution**) the Head Office, the Singapore Branch, the Dubai International Financial Centre Branch, the GIFT City IBU or other foreign branch (the **Substitute**) in place of the office, unit or branch through which the Issuer originally acted when the Notes were issued, provided that (a) the obligations of the Issuer under the Notes, the Conditions and the Trust Deed shall remain obligations of the Issuer and not merely the Substitute, (b) the Issuer shall comply with such requirements of law or regulation as may be imposed by any authority in any jurisdiction to which the Substitute is or becomes subject and the Issuer shall have obtained all relevant regulatory and other approvals in relation to the Substitution, and (c) the Substitution is not, in the opinion of the Issuer (based on the advice of such independent auditors, tax advisers and/or legal advisers of recognised 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 sub-clauses (a) to (c) above shall be deemed to be satisfied upon delivery to the Trustee of a certificate of an authorised signatory of the Issuer detailing the proposed Substitution and certifying that the conditions set out in sub-clauses (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 (a) which would have the effect of increasing the duties or obligations, or decreasing the protections or rights, of the Trustee and (b) 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 14.

## **16 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 action unless indemnified and/or secured and/or pre-funded 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.

*Repatriation of proceeds outside India by the Issuer may require the prior approval of the RBI in accordance with the existing applicable laws and regulation of India.*

## **17 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.

## **18 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.

## **19 GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **19.1 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 the Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English

law except that, Clause 2(G) of the Trust Deed, and in the case of Tier 2 Notes, Condition 2.2 and, in the case of Additional Tier 1 Notes, Condition 2.3 are governed by, and shall be construed in accordance with, Indian law.

## **19.2 Submission to jurisdiction**

- Subject to Condition 19.2□ 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.
- For the purposes of this Condition 19.2□, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- This Condition 19.2□ 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.

## **19.3 Appointment of Process Agent**

The Issuer has, in the Trust Deed, irrevocably and unconditionally appointed Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, for the time being in London as its agent for service of process in England in respect of any Proceedings and has undertaken that in the event of such agent ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

## **19.4 Waiver of Immunity**

The Issuer hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, 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 Proceedings.



## **USE OF PROCEEDS**

The proceeds from each issue of Notes will be utilised by the Bank for its Corporate office or overseas operations or such other activities as are permitted under applicable laws in India.

If, in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth the capitalisation and indebtedness of the Bank on a standalone basis as at 30 September 2025 which has been extracted from the Bank's reviewed standalone financial statements prepared in accordance with Indian GAAP as applicable to banks.

This capitalisation table should be read together with “*Selected Financial and Operating Data*” and the Bank's reviewed standalone financial statements as at 30 September 2025 and the schedules and notes presented elsewhere herein. There have been no material changes in the capitalisation and indebtedness of the Bank since 30 September 2025.

	As at 30 September 2025	
	(₹ in millions)	(U.S.\$ in millions) <sup>(1)</sup>
<b>Indebtedness<sup>(2)</sup></b>		
– Deposits <sup>(3)</sup> (A).....	1,20,34,869	1,35,558
– Borrowings <sup>(4)</sup> (B).....	19,95,060	22,472
– Subordinated Debt <sup>(4)</sup> .....	212,300	2,391
– Perpetual Debt <sup>(4)</sup> .....	53,276	600
<b>Total Indebtedness (A+B = C).....</b>	<b>1,40,29,929</b>	<b>1,58,030</b>
<b>Shareholders' Funds</b>		
– Share Capital <sup>(5)</sup> (D).....	6,206	70
– Reserves and Surplus (E) .....	18,93,266	21,325
<b>Total Shareholders' Funds (D+E = F).....</b>	<b>18,99,472</b>	<b>21,395</b>
<b>Total Capitalisation<sup>(6)</sup> (C+F).....</b>	<b>1,59,29,401</b>	<b>1,79,425</b>
<b>Capital Adequacy Ratio (Basel III) (percentage)<sup>(7)</sup></b>		
Tier I.....	14.83%	
Tier II .....	1.72%	
Total .....	16.55%	

### Notes:

- (1) U.S. dollar translations have been made using the exchange rate of U.S.\$1.00 = ₹88.78, based on the U.S. Federal Reserve's published exchange rate as at 30 September 2025.
- (2) Include both short-term and long term.
- (3) Deposits include both demand and time deposits.
- (4) Borrowings include subordinated debt, perpetual debt and Upper Tier II instruments.
- (5) As at 30 September 2025, there were 3,10,28,79,031 equity shares at ₹2 par value outstanding.
- (6) Contingent liabilities (as per the Banking Regulation Act 1949 and Accounting Standard 29) as at 30 September 2025 amounted to ₹27,167,611 million.
- (7) Capital adequacy ratio computed in accordance with Basel III guidelines issued by RBI.

## **Recent Developments**

On November 26, 2025, the Bank issued unsecured infrastructure bonds of ₹50 billion at a fixed interest rate of 7.27% with a tenor of 10 years.

## RISK FACTORS

*Investors should carefully consider the following risk factors as well as the other information contained in this Offering Circular including the financial statements included in this Offering Circular prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Bank and the terms of the offering of the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Bank or that the Bank currently deems immaterial may also impair the Bank's business operations. The occurrence of any of the following events could have a material adverse effect on the Bank's business, including its ability to grow its asset portfolio, the quality of its assets, its liquidity, its financial performance, its stockholders' equity, its ability to implement its strategy and its ability to repay the interest or principal on the Notes in a timely manner or at all.*

*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. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Notes. In order to obtain a complete understanding of the Bank's business, you should read this section in conjunction with the section "Business" as well as other financial information contained in the Offering Circular.*

*This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The Bank's results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Offering Circular.*

*Unless otherwise stated, references to "the Bank", are to Axis Bank Limited on a standalone basis and references to "we", "us", "our", are to Axis Bank Limited on a consolidated basis.*

### **Risks Relating to the Bank's Business**

***The Bank's business is vulnerable to interest rate risk, and volatility in interest rates could adversely affect the Bank's net interest margin, the value of its fixed income portfolio, its income from treasury operations, the quality of its loan portfolio and its financial performance.***

Change in market interest rates affects the interest rates offered by the Bank on its interest-earning assets as well as on its interest-bearing liabilities. The Bank's results of operations depend to a great extent on its net interest income. Net interest income (comprised of interest earned minus interest expended) constituted 72.68%, 68.98% and 68.27% of the Bank's operating revenue (comprised of net interest income plus non-interest income) for fiscals 2023, 2024 and 2025 respectively. Net interest income (comprised of interest earned minus interest expended) constituted 68.29% and 66.29% of the Bank's operating revenue (comprised of net interest income plus non-interest income) for the six months ended September 30, 2024 and 2025, respectively. Interest rates are sensitive to many factors beyond the Bank's control, including the RBI's monetary policy, deregulation of the financial sector in India, domestic and international economic and political conditions, and other factors. An increase in interest rates applicable to the Bank's liabilities, without a corresponding increase in interest rates applicable to its assets, will result in a decline in net interest income. Furthermore, in the event of rising interest rates, the Bank's borrowers may not be willing to pay correspondingly higher interest rates on their borrowings and may choose to repay their loans with the Bank, particularly if they are able to switch to more competitively priced loans offered by other banks. Any inability of the Bank to retain customers as a result of rising interest rates may adversely impact the Bank's earnings in future periods. Similarly, in the event of falling interest rates, the Bank may face more challenges in retaining its customers if it is unable to offer competitive rates as compared with other banks in the market.

In addition, as a result of the RBI-mandated reserve requirements, the Bank is also more structurally exposed to interest rate risks than banks in many other countries. Under the RBI regulations, the Bank's liabilities are subject to the statutory liquidity ratio (SLR) requirement such that a minimum specified percentage, currently 18% of a bank's net demand and time liabilities must be invested in Government securities and other approved securities. These securities generally carry fixed coupons and, in an environment of rising interest rates, the value of Government securities and other fixed income securities decline. The volatility in interest rates is reflected in the movement of the semi-annual yield on the ten-year Government bond, which was 7.31% as at March 31, 2023, 7.06% as at March 31, 2024, 6.58% as at March 31, 2025 and 6.57% as at September 30, 2025. A decline in the valuation of the Bank's trading book as a result of rising interest rates may adversely impact the Bank's future financial performance and the trading price of the Notes.

The Bank had a gross debenture and bond portfolio of ₹562.65 billion as at March 31, 2023, ₹750.04 billion as at March 31, 2024, ₹740.27 billion as at March 31, 2025, and ₹491.44 billion as at September 30, 2025, of which substantially all of the bonds in the portfolio are fixed rate bonds. In the event of a rise in interest rates, the portfolio will be exposed to an adverse impact on the valuation of such bonds. Any rise in interest rates or fall in the fair value of the securities in the Bank's proprietary portfolio may adversely affect the Bank's future performance and the trading price of the Notes.

For fiscal years 2023, 2024 and 2025 the Bank recorded income from Treasury operations ((profit/ loss) on sale of investments (net) and profit on exchange/derivative transactions (net)) of ₹15.27 billion, ₹37.31 billion and ₹41.48 billion respectively. For the six months ended September 30, 2024 and 2025, the Bank recorded income from Treasury operations ((profit/ loss) on sale of investments (net) and profit on exchange/derivative transactions (net)) of ₹25.53 billion and ₹28.38 billion, respectively. The Bank's income from treasury operations is subject to substantial volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, an increase in interest rates may have a substantial impact on the value of certain of the Bank's investments. Any significant or sustained decline in income generated from treasury operations resulting from market volatility may adversely impact the Bank's financial performance and the trading price of the Notes.

***The Bank's level of non-performing assets is elevated, and if the level of its non-performing assets increases further and the overall quality of its loan portfolio deteriorates, the Bank's business will suffer.***

The Bank's level of non-performing assets ("NPAs") is influenced by a range of factors, including prevailing macroeconomic conditions, increased competition, changes in the business and financial position of its borrowers, rising unemployment rates, high levels of debt involved in project financing, and significant borrowings by companies in India at relatively high interest rates. As a result of widespread economic challenges faced by the Indian economy in general and the corporate sector in particular, as well as changes to Reserve Bank of India policies and guidelines related to non-performing and restructured loans and other changes to the law affecting non-performing and restructured loans, the non-performing loans and provisions of a number of Indian banks, including the Bank, increased significantly in fiscal year 2016, fiscal year 2017 and fiscal year 2018. The Bank's gross Non-Performing Assets (NPAs) represented 2.02%, 1.43%, 1.28% and 1.46% of gross customer assets (i.e., gross advances and credit substitutes, which includes bonds and debentures, equity shares, preference shares, security receipts, commercial paper, certificates of deposits, application money and pass through certificates, among others and excludes investments in subsidiaries/ joint ventures / associates) as at March 31, 2023, March 31, 2024, March 31, 2025 and September 30, 2025 respectively. The Bank's net NPAs, represented 0.39%, 0.31%, 0.33% and 0.44% of net customer assets (i.e., net advances and credit substitutes, which includes bonds and debentures, equity shares, preference shares, security receipts, commercial paper, certificates of deposits, application money and pass through certificates, among others and excludes investments in subsidiaries/ joint ventures / associates) as at March 31, 2023, March 31, 2024, March 31, 2025 and September 30, 2025, respectively.

Adverse economic, regulatory and legal developments—including increased competition, inconsistent industrial and business growth in recent years, high levels of debt involved in financing of projects, the large number of frauds, regulatory and legal changes affecting the Bank’s loan portfolio, loss or disruptions caused by epidemics or pandemics, such as the COVID-19 pandemic and challenging economic conditions affecting the Bank’s project finance loan portfolio or other key sectors—could cause further increases in the level of the Bank’s non-performing assets and have a material adverse impact on the quality of the Bank’s loan portfolio. Additionally, if the systems and process established by the Bank to identify NPAs fail or are not able to identify the NPAs correctly and in a timely manner, the Bank’s financial position could be adversely affected. The Bank has in the past experienced certain deficiencies in its NPA identification and monitoring systems and processes. Although the Bank believes that it has now taken appropriate measures to address those issues, it cannot assure you that such systems and processes will always function appropriately or correctly identify NPAs in a timely manner or at all, or that similar deficiencies will not arise in the future.

Provisions are created by a charge to expense and represent the Bank’s estimate for loan losses and risks inherent in the credit portfolio, pursuant to applicable RBI guidelines. As at March 31, 2023, March 31, 2024, March 31, 2025 and September 30, 2025, the provisioning coverage ratio for NPAs (including prudential write-offs) of the Bank was 93.71%, 94.07%, 93.56% and 91.83%, respectively. The determination of an appropriate level of loan losses and provisions required inherently involves a degree of subjectivity and requires that the Bank make estimates of current credit risks and future trends, all of which may undergo material changes. Any incorrect estimation of risk may result in provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in its NPA portfolio. Therefore, the Bank’s provisions may not be adequate to cover any further increase in the amount of non-performing loans or any further deterioration in its non-performing loan portfolio.

If the level of the Bank’s non-performing assets increases, the overall quality of its loan portfolio deteriorates or it experiences further ageing of the assets after being classified as non-performing, an increase in provisions could be required. There can be no assurance that the percentage of NPAs that the Bank will be able to recover will be similar to the Bank’s past experience of recoveries of NPAs. As a result, the Bank’s provisioning costs could increase, its net interest income and net interest margin could be negatively impacted due to non-accrual of income on non-performing loans, the Bank’s credit ratings and liquidity may be adversely impacted, the Bank may become subject to enhanced regulatory oversight and scrutiny, and the Bank’s reputation, its business, its future financial performance and the trading price of the Notes could be adversely impacted.

***If regulatory and legal changes continue to impose increasingly stringent requirements (including by way of clarifications or interpretations to extant regulatory guidelines) regarding non-performing loans and provisioning for such loans, the Bank’s business will suffer.***

Banks in India are required to make provisions for all their loans in accordance with guidelines issued by the RBI, which prescribes the accounting for loss provisioning, unlike in the United States and European Union where a separate body sets accounting standards, including for provisioning. Under the RBI guidelines, Indian banks are required to make provisions on standard, sub-standard and doubtful assets at rates prescribed by the RBI.

The RBI assesses compliance by banks with extant prudential norms on income recognition, asset classification and provisioning as part of its supervisory processes. As a part of such review, the RBI may identify divergences in the Bank’s asset classification and provisioning as reported in its financial statements. The RBI further requires such divergences to be reported in the financial statements if the divergences exceed a specified threshold as per the RBI norms. The Bank is required to address the divergences and carry out the adjustments in the asset classification and provisioning, if any, arising out of the divergences, in the financial statements of the subsequent financial year. Any such divergences identified by the RBI in its future review

process may lead to an increase in the level of NPAs and an increase in provisions of the Bank in the subsequent financial year, which may adversely impact the Bank's financial performance and the trading price of the Notes.

The RBI has substantially expanded its guidance relating to the identification and classification of non-performing assets over the last five years, which has resulted in an increase in the Bank's loans classified as non-performing and an increase in provisions. For example, on June 7, 2019, the RBI established a new regulatory framework for resolution of stressed assets which introduced more stringent provisioning requirements by providing for early recognition and reporting of default in respect of large borrowers by banks, financial institutions and NBFCs and a stringent review and monitoring of stressed assets. If regulators, including the RBI, continue to impose increasingly stringent requirements (including by way of clarifications or interpretations to extant regulatory guidelines) regarding non-performing loans and provisioning for such loans, the level of non-performing loans could increase, and the overall quality of the Bank's loan portfolio could deteriorate. In addition, the RBI's annual supervisory process may assess higher provisions than the Bank has made. Any deterioration or increase in the Bank's NPA portfolio could increase the Bank's provisioning costs, which would adversely affect the Bank's financial performance and the trading price of the Notes.

***The Bank has a high concentration of loans to certain borrowers, borrower groups and industry sectors and if a substantial portion of these loans become non-performing, the overall quality of the Bank's loan portfolio, the Bank's business and the trading price of the Notes could be adversely affected.***

The Bank calculates the level of its exposure to any industry or customer in accordance with the guidelines established by the RBI. The Bank's loan portfolio and non-performing asset portfolio have a high concentration in certain industries, the most significant of which are Trade, Infrastructure, NBFCs, Basic metal and metal products, Banking and Finance, and representing 5.76%, 5.13%, 3.96%, 2.79% and 2.75% and respectively, of the Bank's gross advances outstanding as at March 31, 2025 (which is as per the published financial statements) and representing 5.76%, 5.65%, 4.37%, 2.93% and 2.61% respectively of the Bank's gross advances outstanding as at September 30, 2025.

The Bank therefore risks overexposure to industry sectors. There are uncertainties in respect of certain sectors of the Indian economy due to global and domestic economic conditions and high corporate leverage, and any significant deterioration in the performance of a particular sector, driven by events not within the Bank's control, such as worsened economic conditions, regulatory action or policy announcements by Government or State Government authorities, could adversely impact the ability of borrowers in that industry to service their debt obligations to the Bank. As a result, the Bank could experience increased delinquency risk which may adversely impact the Bank's financial performance and the trading price of the Notes.

The Bank is also exposed to large loan concentrations with a few borrowers. As at March 31, 2025, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-fund based) amounted to ₹1,509.27 billion, representing 76.59% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) as at March 31, 2025 had a loan balance of ₹191.10 billion, representing 9.70% of the Bank's total capital (comprising Tier I capital and Tier II capital). Further, as at September 30, 2025, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-fund based) amounted to ₹1,607.52 billion, representing 77.32% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) as at March 31, 2025 had a loan balance of ₹198.06 billion, representing 9.53% of the Bank's total capital (comprising Tier I capital and Tier II capital). Credit losses on these large single borrower and group exposures could adversely affect the Bank's financial performance and the trading price of the Notes. If any of the Bank's key borrowers default or become non-performing, the Bank's exposure to credit risk would increase, and its net profits would decline and, due to the scale of the exposures, the Bank's ability to meet capital requirements could be risked. Any default by these borrowers or deterioration in the credit

quality of these assets could have a significant adverse effect on the Bank's future financial performance and the trading price of the Notes.

Finally, the Bank is exposed to certain risks from significant geographical concentrations in its loan portfolio. For example, a substantial percentage of the Bank's real estate portfolio was concentrated in one particular metropolitan area, which exposes the Bank to risk associated with an economic downturn in that particular region.

As part of the Bank's strategic shift toward greater portfolio diversification and decreased concentration in specific borrowers, geographies and industries, the Bank has been focused on, among other things, growing its CASA deposit base in addition to retail term deposits, mid-corporate and commercial banking portfolio, cross selling its products and services under the "One Axis" vision and leveraging its digital platform to achieve higher customer engagement. However, there can be no assurance that the Bank will be able to successfully implement its strategy and control or reduce these levels of concentration.

***The Bank may not be successful in implementing its growth strategies or penetrating new markets.***

One of the Bank's principal business strategies is focused on achieving growth by broadening the Bank's low-cost deposit base; increasing the Bank's retail asset portfolio; accelerating growth in the wholesale/corporate banking segment; establishing leadership in digital payments; and significantly scaling up the Bank's subsidiaries. The Bank continues to be guided by the pillars of the aforesaid strategy. These strategies may fail to contribute to the Bank's growth or profitability or may be unsuccessful. Even if such strategies are partially successful, the Bank cannot assure you that it will be able to manage its growth effectively or fully deliver on its growth objectives.

Challenges that may result from the Bank's growth strategies include the Bank's ability to, among other things:

- manage efficiently the operations and employees of its expanding businesses
- maintain or grow its existing customer base
- 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 impact on the Bank's profitability.

The Bank may not be able to effectively manage this growth or achieve the desired profitability in the expected timeframe or the expected improvement in indicators of financial performance from the expansion. For example, the Bank intends to continue adding new branches over the next few years, which will increase the size of the Bank's business and the scope and complexity of its operations and will involve significant start-up costs. In addition, there can be no assurance that the Bank will be able to achieve the desired growth in its deposit base, and the Bank's new branches may not perform as well as its existing branches. The Bank may also fail to develop or retain the technical expertise required to develop and grow its digital payments capabilities. To the extent that the 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 the Bank's reputation with its customers could be harmed. Moreover, if the Bank's competitors are better able to anticipate the needs of customers in its target market, the Bank could lose market share, and its business could be adversely affected.

Finally, the Bank's growth strategy in the future may evolve or change to include strategic acquisitions and restructurings, partnerships, joint ventures and strategic business arrangements with other parties. The Bank cannot assure you that it will be able to undertake strategic investments, acquisitions (including by way of a merger, or share or asset acquisition) or joint ventures in the future, either on terms acceptable to it or at all. These difficulties could disrupt the Bank's ongoing business, distract its management and employees, and increase its expenses.

Further, technological innovation in mobility and the digitisation of financial services require banks to continually develop new and simplified models for providing banking products and services. Innovations in payment systems and increasing use of mobile banking are leading to the emergence of new platforms for cashless payments, and may allow new types of banks to expand their presence in other financial products such as insurance and mutual funds. These trends could increase competitive pressures on banks, including the Bank, to adapt to new operating models and to upgrade back-end infrastructure on an ongoing basis.

The Bank's inability to effectively manage any of these issues or increased competitive pressures may adversely affect its business growth and, as a result, impact the Bank's businesses, prospects, financial condition and results of operations, as well as the trading price of the Notes.

***The Bank may not be able to effectively manage the growth of its retail asset portfolio and maintain the quality of its retail loan portfolio.***

The Bank's net retail asset portfolio has experienced significant growth in recent years. Total net retail advances increased from ₹4,875.71 billion as at March 31, 2023 to ₹5,832.65 billion as at March 31, 2024, ₹6,228.97 billion as at March 31, 2025, and ₹6,354.60 billion as at September 30, 2025. In addition, the Bank's current growth strategy contemplates further growth in its retail asset portfolio. The Bank's failure to effectively manage the recent or future growth of its retail portfolio and maintain the quality of its retail loan portfolio could adversely affect the Bank's financial condition and results of operation.

Competition in the retail segment is intense and the Bank's ability to effectively compete in this segment will depend, in part, on its ability to offer a diverse product mix and expand its distribution capabilities. Although India has a credit bureau industry and the Bank reviews credit history reports whenever they are available from credit bureaus, adequate information regarding loan servicing histories, particularly in respect of individuals and small businesses, is limited. As a result, the Bank's credit risk exposure is higher compared with banks operating in more developed markets. Additionally, the economy in India is largely cash based, making it difficult for the Bank to monitor the credit of its retail customers, who frequently do not maintain formal financial records. Furthermore, retail loans may carry a higher risk for delinquency if there is an increase in unemployment, prolonged recessionary conditions or a sharp rise in interest rates. As a result, the Bank is exposed to higher credit risk in the retail segments as compared to banks in more developed markets. If the Bank's screening process proves to be inadequate, it may experience an increase in impaired loans and it may be required to increase its provision for defaulted loans. If the Bank is unable to maintain the quality of its retail loan portfolio as the Bank grows its retail business, its NPAs may increase, which could materially and adversely affect the Bank's financial performance and the trading price of the Notes.

***The Bank's failure to manage growth effectively may adversely impact the Bank's business.***

In the past, the Bank has witnessed rapid growth in both its infrastructure and its business. The number of Bank branches and extension counters (excluding foreign branches) grew from 5,377 as at March 31, 2024

to 5,879 as at March 31, 2025 and was 5,976 as at September 30, 2025. The Bank's total assets have grown from ₹13,173.26 billion as at March 31, 2023 to ₹14,772.09 billion as on March 31, 2024, ₹16,099.30 billion as on March 31, 2025, and was ₹16,766.14 billion as at September 30, 2025.

Such growth puts pressure on the Bank's ability to effectively manage and control existing and newly emerging risks. The Bank's ability to sustain its growth depends primarily upon its ability to manage key issues such as selecting and retaining skilled manpower, maintaining an effective technology platform that can be continually upgraded, developing a knowledge base to implement the Bank's strategies, and ensuring a high standard of customer service. The inability of the Bank to effectively manage any of these issues may adversely affect the Bank's business growth and as a result, impact future financial performance and the trading price of the Notes.

In addition, given the increasing share of retail products and services and transaction banking services in the Bank's overall business, the importance of systems technology to the Bank's business has increased significantly. Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses and adversely affect the trading price of the Notes.

***The Bank's securities and derivative financial instruments are subject to market price and liquidity variations due to changes in economic conditions and may produce material losses.***

Derivative financial instruments and securities represent a significant amount of the Bank's total assets. Any realized or unrealized future gains or losses from these investments or hedging strategies could have a significant impact on the Bank's income. These gains and losses, which the Bank accounts for when it sells or marks to market its investments in financial instruments, can vary considerably from one period to another. The Bank cannot forecast the amount of gains or losses in any future period, and the variations experienced from one period to another do not necessarily provide a meaningful forward-looking reference point, particularly in India given the current climate of market volatility. Gains or losses in the Bank's investment portfolio may create volatility in profitability, and the Bank may not earn a return on its consolidated investment portfolio in the future. Any losses on the Bank's securities and derivative financial instruments could adversely affect the Bank. Any decrease in the value of these securities and derivatives portfolios may result in a decrease in the Bank's capital ratios, which could impair its ability to engage in certain activities, such as lending or other financings, at the levels the Bank currently anticipates, and may also adversely affect the Bank's ability to pursue its growth strategies.

***The Bank's unsecured loan portfolio is not supported by any collateral that could help ensure repayment of the loan, and in the event of non-payment by a borrower of one of these loans, the Bank may be unable to collect the unpaid balance.***

The Bank offers unsecured personal loans and credit cards as part of its Retail Banking segment, and unsecured loans to its SME and corporate clients. As at March 31, 2023, 2024, 2025 and September 30, 2025, 28.63%, 30.51%, 27.33% and 28.20%, respectively, of the Bank's loans were unsecured (including advances covered by bank or Government guarantees).

Unsecured loans are a greater credit risk for the Bank than its secured loan portfolio because they may not be supported by realizable collateral that could help ensure an adequate source of repayment for the loan. Although the Bank may obtain direct debit instructions or postdated checks from its customers for its unsecured loan products, the Bank may be unable to collect the unpaid loan balance in part or at all in the event of non-payment by a borrower. Further, any expansion in the Bank's unsecured loan portfolio could require the Bank to increase the Bank's provision for credit losses, which would decrease the Bank's profitability.

***The Bank's inability to foreclose on collateral in an event of a default or a decrease in the value of the collateral may result in failure to recover the expected value of the collateral.***

As at March 31, 2023, 2024, 2025 and September 30, 2025, 71.37%, 69.49%, 72.67% and 71.80%, of the Bank's loans were partially or fully secured by tangible assets. The Bank's loans to corporate customers for working capital credit facilities are typically secured by charges on inventories, receivables and other current assets. In certain cases, the Bank obtains security by way of a first or second charge on fixed assets, a pledge of marketable securities, bank guarantees, Government guarantees, corporate guarantees and personal guarantees. In addition, project loans or long-term loans to corporate customers are secured by a charge on fixed assets and other collateral. Loans to retail customers are either unsecured or secured by the assets financed, which largely comprise property and vehicles.

The Bank may not be able to realize the full value of the collateral due to, among other things, volatility in commodity prices, stock market volatility, changes in economic policies of the Government, obstacles and delays in legal proceedings, borrowers and guarantors not being traceable, the Bank's records of borrowers' and guarantors' addresses being ambiguous or outdated and defects in the perfection of collateral and fraudulent transfers by borrowers. For example, the global economic slowdown and other domestic factors led to a downturn in real estate prices in India. Therefore, upon foreclosure, the value of the collateral that is actually realized may be less than that expected by the Bank. If the Bank is unable to foreclose on its collateral or realize adequate value from the collateral, its losses will increase, and its net profits will decline.

In India, foreclosure on collateral may be subject to delays that can last for several years and might lead to deterioration in the physical condition or market value of the collateral. Although special tribunals have been set up for expeditious recovery of debts due to banks, any proceedings brought may be subject to delays and administrative requirements that may result in, or be accompanied by, a decrease in the value of the collateral. Should a corporate borrower make a reference to the specialized judicial authority, the National Company Law Tribunal, foreclosure, and enforceability of collateral may be stayed. When dealing with financially distressed debtors, the recovery of collateral may also be subject to insolvency proceedings in India. The Insolvency and Bankruptcy Code was introduced on December 1, 2016, providing for a time-bound mechanism to resolve stressed asset. In addition, pursuant to the RBI's prudential guidelines on restructuring of advances by banks, the Bank may not be in a position 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. In such a situation, we are restricted to a restructuring process as approved by the majority lenders of the borrower.

In terms of the Banking Regulation Act, a banking company is not permitted to hold any immovable property (except as is required for its own use), for any period exceeding seven years, or as may be extended by the RBI for a period not exceeding five years, on a case-to-case basis. Such restriction may force the Bank to dispose of the collateral upon foreclosure without realizing the full value of such collateral.

Once the Bank has obtained a court judgment, execution of the judgment in order to obtain the collateral for sale may involve additional obstacles. In the event that a specialized regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, certain types of collateral, such as automobiles, may be expensive to repossess and difficult and cumbersome to store and manage. In addition, there may be significant deterioration in the value of collateral from the time of identification of NPA and sale of such collateral. Finally, the Bank may not have accurately estimated the value of the collateral. The inability to foreclose on such loan dues or otherwise liquidate the Bank's collateral may therefore result in a failure to recover the expected value of such collateral. The Bank may have also over-estimated the expected value of the collateral. These factors may, in turn, give rise to increased losses and a decline in profitability.

***Liquidity and funding risks are inherent in the Bank's business and could have a material adverse effect on the Bank.***

Liquidity risk is the risk that the 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 over-reliance on a particular source of funding, changes in credit ratings or market-wide phenomena such as market dislocation. While the Bank implements liquidity management processes to seek to mitigate and control these risks, unforeseen systemic market factors make it difficult to completely eliminate these risks.

The Bank relies, and will continue to rely, primarily on short-term deposits as its main source of funding. As at March 31 2023, 2024, 2025 and September 30, 2025, 36.23%, 41.99%, 42.42% and 40.23%, respectively, of the Bank's total deposits had maturities of one year or less, or were payable on demand (based on the RBI's asset-liability management guidelines). Also, as at March 31, 2023, 2024, 2025 and September 30, 2025, 22.21%, 24.18%, 26.83% and 27.65%, respectively, of the Bank's advances had maturities of one year or less (based on the RBI's asset-liability management guidelines), resulting in maturity mismatches between the Bank's assets and liabilities. Moreover, the Bank could experience certain liquidity shortfalls and constraints under a stress testing scenario and has at times exhibited a relatively high credit-to-deposits ratio which could indicate dependence on borrowings for the Bank's lending activities. Therefore, if depositors do not renew their deposits or the Bank is unable to raise new deposits, the Bank may face a liquidity problem and may be required to pay higher rates of interest to attract deposits, which could adversely affect the Bank's business and operations. The Bank has increased its focus on growing its CASA deposit base in addition to retail term deposits, with the objective of mitigating certain of these risks, but no assurances can be provided that this strategy will be successful or that it will be effective in mitigating such risks. The ongoing availability of deposits is sensitive to a variety of factors beyond the Bank's control, such as general economic conditions and the confidence of commercial depositors in the economy and in the financial services industry, retail customers' changing perceptions toward savings, competition between banks, and the availability and extent of deposit guarantees. In addition, the availability of deposits may also be affected by the availability of investment alternatives. For example, in a favourable economic environment, retail customers may reduce their deposits and increase their investment in securities for a higher return, while micro, small- and medium-enterprise and mid-corporate customers may reduce their deposits in order to invest in business ventures. Any of these factors could significantly increase the amount of commercial deposit withdrawals in a short period of time, thereby reducing the Bank's ability to access commercial deposit funding on economically appropriate and reasonable terms, or at all, in the future.

In such event, the Bank may need to seek more expensive sources of funding, and it is uncertain whether the Bank will be able to obtain additional funding on commercially reasonable terms as and when required, or at all. The Bank's ability to raise additional funds may be impaired by factors over which it has little or no control, such as deteriorating market conditions or severe disruptions in the financial markets. The Bank cannot assure you that in the event of a sudden or unexpected shortage of funds in the banking system, it will be able to maintain levels of funding without incurring high funding costs, a reduction in the term of funding instruments or the liquidation of certain assets. Therefore, if the Bank fails to maintain its desired level of deposits, the Bank's liquidity position, financial condition and results of operations could be materially and adversely affected.

The Reserve Bank issued an updated guideline dated April 21, 2025, on 'Basel III Framework on Liquidity Standards – Liquidity Coverage Ratio (LCR) – Review of Haircuts on High Quality Liquid Assets (HQLA) and Run-off Rates on Certain Categories of Deposits'.

As per the updated guideline, a bank shall:

- assign additional run-off rates of 2.5 per cent to internet and mobile banking enabled retail and small business customer deposits.
- unsecured wholesale funding provided by non-financial small business customers (SBCs) shall be treated in accordance with the treatment of retail deposits above.
- adjust the market value of Government Securities (Level 1 HQLA) with haircuts in line with margin requirements under the Liquidity Adjustment Facility (LAF) and Marginal Standing Facility (MSF).

In addition, the final guidelines also rationalise the composition of wholesale funding from ‘other legal entities’. Consequently, funding from non-financial entities like trusts (educational, charitable and religious), partnerships, LLPs, etc. shall attract a lower run-off rate of 40 per cent as against 100 per cent currently.

The revised instructions shall become applicable with effect from April 1, 2026.

***Regulations in India requiring the Bank to extend a minimum level of loans to certain sectors, including the agricultural sector, may subject the Bank to higher delinquency rates and impact the Bank’s profitability.***

Under the directed lending norms of the RBI, banks in India are required to lend 40.0% of their Adjusted Net Bank Credit (ANBC) to certain eligible sectors, categorized as priority sectors. Of this, banks have sub-targets for lending to key segments or sectors, such as Agriculture 18% of ANBC including Lending to Small & Marginal Farmers 10%, Micro Enterprise units 7.5% of ANBC. The balance of the priority sector lending requirement can be met by lending to a range of sectors, including Small & Medium enterprises, Renewable Energy, Social Infrastructure and Education loan, Export Credit, Residential mortgages satisfying certain criteria. The RBI has directed banks to maintain direct lending to non-corporate farmers at the banking system’s average level for the last three years and has notified a target of 14% of adjusted net bank credit for this purpose for fiscal 2026. Loans to identified “weaker sections” of society must comprise 12% of adjusted net bank credit. As at March 31, 2023, 2024, 2025 and September 30, 2025, the Bank’s lending to priority sectors (on a quarterly average basis for that year/period) accounted for 42.53%, 46.37%, 48.48% and 47.03%, respectively, of adjusted net bank credit, with 18.92%, 19.76%, 18.42% and 16.90%, respectively, of net credit going to the agricultural sector. In addition, according to the RBI guidelines, failure to achieve priority sector lending target and sub-targets will be taken into account by the RBI when granting regulatory clearances/approvals for various purposes.

As a result of these directed lending requirements, the Bank may experience a higher level of non-performing assets in its directed lending portfolio, particularly due to loans to the agricultural sector and small enterprises, where the Bank is less able to control the portfolio quality and where economic difficulties are likely to affect the Bank’s borrowers more severely. There is inadequate historical data of delinquent loans to farmers, which increases the risk of such exposures. Additionally, economic difficulties, such as poor harvests in the agricultural sector due to drought, are likely to affect borrowers in priority sectors more severely. In fiscal year 2018 and fiscal year 2019, some states in India announced schemes for the waiver of loans taken by farmers. While the cost of such schemes is borne by the state governments, such schemes or borrower expectations of such schemes have resulted in higher delinquencies in the kisan credit card portfolio for banks, including the Bank.

As the Bank increases its direct lending to certain sectors, the Bank increases its exposure to the risks inherent in such sectors, which could materially and adversely impact the Bank’s business, financial performance, and the trading price of the Notes. The Bank’s gross non-performing advances in the priority sector loan portfolio were 1.53%, 1.38%, 1.86% and 1.71% as at March 31, 2023, 2024, 2025 and September 30, 2025, respectively. Any future changes by the RBI to the directed lending norms may require the Bank to

increase its lending to relatively riskier segments, increasing its exposure to the risks inherent in such sectors, which may result in an increase in NPAs in the directed lending portfolio.

Any shortfall in meeting the priority sector lending requirements may be required to be invested at any time, at the RBI request, in Government schemes that yield low returns, determined depending on the prevailing bank rate and on the level of shortfall, thereby impacting the Bank's profitability. The aggregate amount of funding required by such schemes is drawn from banks that have shortfalls in achievement of their priority sector lending targets, with the amounts drawn from each bank determined by the RBI. The Bank has, on previous occasions, failed to meet its priority sector lending targets and sub-targets, and there can be no assurance that the Bank will be able to meet such priority sector lending targets in the future. Any failure by the Bank to meet its priority sector lending targets may require it to invest in Government schemes that yield low returns, thereby impacting the Bank's profitability.

***The Bank is exposed to fluctuations in foreign exchange rates***

As a financial intermediary, the Bank is exposed to exchange rate risk. In fiscal year 2023, the Rupee depreciated 8.42% to ₹82.17 per U.S.\$1.00 as at March 31, 2023 and in fiscal year 2024, the Rupee depreciated 1.50% to ₹83.41 per U.S.\$1.00 as at March 28, 2024. The Rupee further depreciated 2.48% to ₹85.48 per U.S.\$1.00 as at March 28, 2025. Further, during the first six months of fiscal 2026, the rupee depreciated 3.87% to ₹88.79 per U.S.\$1.00 as at September 30, 2025 (as per the rates published by Foreign Exchange Dealers' Association of India).

The Bank complies with regulatory limits on its unhedged foreign currency exposure. As at March 31, 2023, 2024, 2025 and September 30, 2025 contingent liabilities (calculated pursuant to the Banking Regulation Act 1949 and Accounting Standard 29) on account of outstanding forward exchange contracts were ₹6,048.35 billion, ₹8,403.87 billion, ₹12,565.88 billion and ₹11,847.68 billion, respectively. However, the Bank is exposed to fluctuations in foreign currency rates for its unhedged exposure.

Adverse movements in foreign exchange rates may also impact the Bank's borrowers negatively, which may in turn impact the quality of the Bank's exposure to these borrowers. Volatility in foreign exchange rates could adversely affect the Bank's future financial performance and the trading price of the Notes.

***The Bank operates in a very competitive environment and the Bank's ability to grow depends on its ability to compete effectively.***

The Indian banking industry is very competitive. The Bank competes directly with public sector banks, private sector banks and foreign banks with branches in India. As at March 31, 2025, there were 137 scheduled commercial banks in India, including 12 nationalized banks, following the amalgamation of certain public sector banks in March 2020, 21 private sector banks (including the Bank) and 44 foreign banks with branches in India.

The public sector banks, which generally have much larger customer and deposit bases, larger branch networks and Government support for capital augmentation pose strong competition to the Bank, and consolidation trends by the public sector banks may further increase these competitive pressures. For example, in one of the largest consolidations in the Indian banking industry, the State Bank of India merged with its five associate banks and the Bharatiya Mahila Bank, which became effective from April 1, 2017. Moreover, the Government announced the merger of three other public sector banks in fiscal 2019, Bank of Baroda, Vijaya Bank and Dena Bank, which merger became effective from April 1, 2019. In fiscal 2019, a public sector bank, IDBI Bank, was acquired by LIC, following which that bank was reclassified as a private sector bank by the RBI. In fiscal 2020, the Government announced several additional mergers of public banks: Canara Bank's merger with Syndicate Bank; United Bank of India's merger with Oriental Bank of Commerce and Punjab

National Bank; Andhra Bank's merger with Corporation Bank and Union Bank of India; and Allahabad Bank's merger with Indian Bank.

The Bank also faces competition from private sector banks in India, some of which have larger customer bases and greater financial resources than the Bank.

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 released guidelines with respect to a continuous licensing policy for universal banks as compared to its earlier practice of intermittently issuing licenses. The RBI has also demonstrated an intention to allow small finance banks to apply for a universal banking license under this framework. These developments may increase the number of players in India's banking space. The Bank also faces competition from foreign banks that have established branches in India and have aggressively pursued a share of business in the market. Competition from foreign banks may increase as the RBI has indicated that it plans to give greater access to foreign banks in the Indian market. Such deregulation may result in the Bank facing increasing competition in the raising of funds from market sources and individual depositors. For example, recent deregulation of interest rates on savings deposits has resulted in certain banks increasing such interest rates. Deregulation has also lowered entry barriers for new categories of players in India's private banking industry, such as small finance banks and payments banks, which has increased competitive pressures on the Bank.

Increased competitive pressure may have an adverse impact on the Bank's earnings, its future financial performance and the trading price of the Notes. Due to competitive pressures, the Bank may be unable to successfully execute its growth strategy and offer products and services at reasonable returns and this may adversely affect its business and operations.

***The Bank's risk management policies and procedures may leave the Bank exposed to unidentified or unanticipated risks, which could negatively affect its business or result in losses.***

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk (including fraud) and legal risk (including actions taken by the Bank's own employees). The effectiveness of its risk management is limited by the quality and timeliness of available data and other factors outside of its control. For example, hedging strategies and other risk management techniques may not be fully effective in mitigating risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks 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, customers or other matters.

This information may not in all cases be accurate, complete, up-to-date or properly evaluated. As part of Bank's ordinary decision-making process, it rely on various models for risk and data analysis. These models are based on historical data and supplemented with managerial input and comments.

There are no assurances that these models and the data they analyse are accurate or adequate to guide the Bank's strategic and operational decisions and protect it from risks. Any deficiencies or inaccuracies in the models or the data might have a material adverse effect on the Bank's business, financial condition or results of operation. Additionally, management of operational, legal or regulatory risk requires, among other things,

policies and procedures to ensure certain prohibited actions are not taken and to properly record and verify a number of transactions and events.

The Bank has in the past experienced certain deficiencies in the Bank's internal compliance and risk management functions. These have included deficiencies in the Bank's credit review and analysis processes and procedures, deficiencies in the Bank's credit monitoring early warning systems and red flagging of potentially delinquent accounts, deficiencies in the Bank's monitoring of and adherence to its own internal risk parameters, and deficiencies in the Bank's internal audit function. Such feedback also identified deficiencies in the Bank's oversight and supervision over its subsidiaries and overseas operations, and highlighted risks associated with the Bank's compensation and incentive structure which did not sufficiently emphasize adherence to internal controls and compliance. Although the Bank believes that it has now taken appropriate measures designed to mitigate such deficiencies and strengthened its internal compliance and risk management policies and procedures, those measures may not be fully effective, and the Bank cannot assure you that its current policies and procedures will function adequately in all circumstances. Any lingering or future shortcomings in the Bank's internal compliance and risk management policies and procedures or a failure to follow them may have a materially adverse effect on the Bank's business, financial position or results of operations.

***The Bank may fail to maintain an effective system of internal controls, which could prevent it from timely and accurate reporting of its financial results.***

The Bank's internal controls over financial reporting may not prevent or detect misstatements on a timely manner due to inherent limitations, including human error, circumvention or overriding of controls, or fraud.

The Bank has since implemented measures designed to address those internal control deficiencies and expects to continue to implement measures designed to improve its internal control over financial reporting. While the Bank believes that these measures have been effective in correcting these internal control deficiencies in the past, it cannot be certain that, at some point in the future, another material weakness will not be identified or the Bank's internal controls will not fail to detect a matter they are designed to prevent, and failure to remedy such material weaknesses could result in a material misstatement in its financial statements and have a material adverse impact on the Bank's business, financial condition and results of operations.

Even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Bank fails to maintain the adequacy of its internal controls, its financial reporting may be disclosed on an untimely basis or with inaccuracies, the Bank could fail to meet its financial reporting obligations and it could be adversely affected.

***The Bank may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation.***

The Bank is required to comply with applicable anti-money laundering and anti-terrorism laws and other regulations in India and in other jurisdictions where it has operations. These laws and regulations require the Bank, among other things, to adopt and enforce "know-your-customer/ anti-money laundering/ combating financing of terrorism" (KYC/AML/CFT) policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. Remittances and trade finance transactions are increasingly required to be covered under the Bank's scrutiny and monitoring.

Although the Bank has adopted policies and procedures aimed at detecting and preventing the use of its banking networks for money laundering activities and by terrorists and terrorist-related organizations and individuals, such policies and procedures may not completely eliminate instances where the Bank may be used by other parties to engage in money laundering and other illegal or improper activities. The Bank's business



and reputation could suffer if any such parties succeed in using the Bank for money laundering or other illegal or improper purposes.

The Bank has in place internal controls, systems and procedures in conformity with the RBI directives and believes that its anti-money laundering and KYC compliance policies and procedures are generally adequate and in accordance with regulatory guidelines. However, to the extent the Bank fails to fully comply with applicable KYC/AML/CFT laws and regulations, the relevant Government agencies and regulatory authorities may impose fines and other penalties against the Bank, which could adversely affect the Bank's business and reputation. The Bank has in the past experienced certain instances of lapses relating to its regulatory compliance, including compliance with KYC/AML/CFT rules and regulations. Although the Bank has implemented measures designed to prevent recurrence of these lapses, no assurances can be provided that such measures will be fully effective or that similar issues will not arise in the future, as the possibility of unintentional breaches remains. Such regulatory violations may result in the future, in regulatory actions, including financial penalties as described below, or in restrictions on or suspension of the related business operations, each of which could adversely affect the Bank's business and reputation.

The RBI as well as other regulators are empowered to impose penalties on banks and take other administrative measures to enforce applicable regulatory requirements, and such failures could expose the Bank to significant monetary liabilities, regulatory challenges and reputational damage. Any future recurrence of regulatory lapses by the Bank or 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 ensuing inquiries or investigations by regulatory and enforcement authorities, may result in regulatory enforcement actions, including financial penalties and restrictions on or suspension of the related business operations.

The Bank cannot predict the initiation or outcome of any investigations by other authorities or different investigations by the RBI. The penalties imposed by regulators may generate adverse publicity for the Bank and its business. Such adverse publicity, or any future scrutiny, investigation, inspection, or audit which could result in fines, public reprimands, damage to the Bank's reputation, significant time and attention from the Bank's management, costs for investigations and remediation of affected customers, may materially adversely affect the Bank's business and financial results.

***The Bank's business depends on the continuity of its management team, skilled personnel and the Bank's ability to retain and attract talented personnel.***

The Bank is highly dependent on the services of its management team and other key personnel. The Bank's ability to meet future business challenges depends, among other things, on their continued employment and the Bank's ability to attract and recruit talented and skilled personnel. For example, Shri Amitabh Chaudhry joined the Bank as its chief executive officer in January 2019 and since then there have been many changes in the Bank's core management, including its directors, chief financial officer and other senior managerial personnel. Since his arrival, the Bank has embarked on a review of its policies and strategies that resulted in the implementation of a new business strategy of growth, profitability and sustainability. The success of this new strategy depends in part on the continuity of the Bank's new management team and other key personnel.

There can be no assurance that the Bank will be able to retain its key personnel. Competition for skilled and professional personnel in the banking industry is intense. Although the Bank believes that all of its directors and executive officers have the requisite credentials and professional expertise necessary to discharge their duties and are compliant with applicable regulatory requirements, there can be no assurance that stakeholders, including regulatory authorities, will not raise objections, or that such objections will not result in the loss of certain members of the Bank's key management team. The loss of key personnel or an inability to manage

attrition levels across the Bank may have a material adverse impact on the Bank's business, its ability to grow and its control over various business functions.

***Deterioration of the Bank's relationship with, poor performance by, or bankruptcy of, the Bank's third-party service providers may adversely affect the Bank.***

The Bank is reliant upon certain external service providers to provide it with certain services necessary to maintain its day-to-day operations. Accordingly, the Bank's operations are exposed to the risk that these service providers will not perform their duties in accordance with the contracted arrangements under the relevant service agreements. Third-party vendors and certain affiliated companies provide key components of the Bank's business infrastructure such as loan and deposit servicing systems, back office and business process support, information technology production and support, internet connections and network access. Relying on these third parties and affiliated companies can be a source of operational and regulatory risk to the Bank, including with respect to security breaches affecting such parties.

The Bank is also subject to risk with respect to security breaches affecting the vendors and other parties that interact with these service providers. As the Bank's interconnectivity with these third parties and affiliated companies increases, the Bank faces the risk of operational failure with respect to their systems. The Bank may be required to take steps to protect the integrity of its operational systems, thereby increasing its operational costs. In addition, certain problems caused by these third parties or affiliated companies could affect the Bank's ability to deliver products and services to customers. Replacing these third-party vendors could also entail delays and expense. Further, the operational and regulatory risk the Bank faces as a result of these arrangements may be increased to the extent that the Bank restructures such arrangements. Restructurings could involve significant expense to the Bank and entail significant delivery and execution risk, which could have a material adverse effect on the Bank's business, operations and financial condition.

The Bank relies on correspondent banks in India and in other countries to conduct its business. The Bank's failure to maintain its relationships or enter into new relationships with correspondent banks may impact the Bank's ability to grow its business.

***The Bank is subject to certain restrictive covenants in its financing instruments that restrict, among other things, its ability to declare dividends and pledge assets as collateral.***

The financing documents relating to the Bank's outstanding indebtedness contains certain restrictive covenants, such as limitations on dividends and other distributions as well as negative pledge covenants that restrict, in certain circumstances, the Bank's ability to declare dividends and pledge assets as collateral. In addition, certain of these financing documents contain financial covenants requiring the Bank to comply with certain minimum ratios, such as the minimum capital adequacy ratios prescribed by the RBI, certain minimum industry borrower group exposure ratios; and certain minimum net NPA ratios, among others. Further, some of the Bank's borrowing agreements also require the Bank to obtain prior written consent for certain acts such as amendments to constitutional documents or to create any security. These restrictions may limit the Bank's ability to react to changes in the Indian economy or the banking industry, take advantage of profitable opportunities and fulfil the Bank's obligations under its other financing documents, which could adversely affect the bank.

In addition, in the event of a breach of any such restrictive covenant or a material covenant under the outstanding debt instrument of the bank, an event of default may be triggered, which could result in the imposition of contractual penalties and the acceleration of principal and interest. In the past, the Bank has been non-compliant with certain financial covenants contained in its financing documents for which the Bank obtained waivers from the relevant lender institutions. No assurances can be provided that the Bank will continue to be in compliance in the future, or that it will be able to obtain waivers for any future instances of non-compliance.

An event of default could also potentially result in a cross default under the Bank's other debt obligations. In the event of an acceleration of the Bank's outstanding indebtedness, the Bank may be unable to settle the outstanding amounts of its debts, which would adversely affect its business.

***The business of the Bank is highly dependent on information technology; therefore, if the Bank is unable to adapt to rapid technological changes, its business could suffer.***

The Bank's future success will depend in part on its ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that the Bank will always be successful in implementing new technologies effectively or adapting its transaction processing systems to meet customer requirements or emerging industry standards. If the Bank is unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, its financial performance and the trading price of the Notes may be adversely affected.

Furthermore, any technical failures associated with the Bank's information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorized tampering, may cause interruptions or delays in the Bank's ability to provide services to its customers on a timely basis or at all, and may also result in costs for information retrieval and verification.

***Banking is a heavily regulated industry and material changes in the regulations that govern the Bank could cause its business to suffer.***

Banks in India are subject to detailed regulation and supervision by the RBI. The RBI also sets guidelines on the cash reserve ratios, statutory liquidity ratios, priority sector lending, export credit, agricultural loans, loans to sectors deemed to be weak by the RBI, market risk, capital adequacy ratio and branch licensing, among others. In addition, banks are generally subject to changes in Indian law as well as to changes in regulations, Government policies and accounting principles. Changes in regulations in India and international markets may expose the Bank to increased compliance costs and limitations on the Bank's ability to pursue certain business opportunities and provide certain products and services.

The Bank is also subject to regular financial inspection by the RBI. In the event that the Bank is unable to meet or adhere to the guidance or requirements of the RBI, the RBI may impose strict enforcement of its observations on the Bank, which may have an adverse effect on its business, financial condition, cash flows or results of operations. For instance, the Bank has, in the past, received several requests for information, clarification and certain observations from the RBI in relation to compliance with applicable guidelines and regulations, emanating from on-site inspections conducted by the RBI, including, among others (i) compliance with applicable corporate governance guidelines, (ii) compliance with applicable regulatory financial thresholds, (iii) gaps in acknowledging customer complaints and launching new products, and (iv) maintaining effective internal controls. While we have provided our responses to these notices and observations, the RBI may issue further notices or impose penalties in relation to current or future notices, if we are adjudged to be non-compliant, and we cannot estimate the quantum of any such penalties or its effect on the Bank's financial condition and results of operations.

The regulation governing Indian financial institutions is continuously evolving. The Bank has no control over the issuance of new regulations that may affect its operations, including in respect of:

- minimum capital requirements;
- reserve and compulsory deposit requirements;

- limits on investments in fixed assets;
- lending limits and other credit restrictions, including compulsory allocations;
- limits and other restrictions on fees;
- corporate governance;
- limits on the amount of interest banks can charge or the period for capitalizing interest; and
- accounting and statistical requirements.

In addition, any change by the RBI to its directed lending norms may result in the Bank being unable to meet the priority sector lending requirements, as well as requiring the Bank to increase its lending to relatively riskier segments which could result in an increase in NPAs in the Bank's directed lending portfolio. Consequently, the Bank's levels of yield-generating assets may be reduced or the Bank may be forced to recognize accounting losses, which could materially adversely affect its recognized profits, financial condition and results of operations. For example, the RBI has mandated banks in India to have a financial inclusion plan for expanding banking services to rural and unbanked centres and to customers who currently do not have access to banking services. Expansion into these markets involves significant investments and recurring costs, and the Bank cannot assure you that these activities will be sufficiently profitable. The services provided by the Bank also fall under the purview of the Consumer Protection Act, 2019, as amended, which was enacted for the protection of the interests of consumers availing goods and services, including banking or financial services.

Pursuant to the Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dated November 28, 2025, the RBI has issued guidelines regarding 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.

The RBI may also direct banks to increase the total provisioning coverage ratio on their credit portfolio, which may adversely affect the Bank's financial condition and results of operations. The RBI is constantly updating prudential standards in accordance with the recommendations of the Basel Committee, in particular with respect to capital and liquidity, which could impose additional significant regulatory burdens on the Bank. For example, future liquidity standards could require the Bank to maintain a greater proportion of its assets in highly liquid but lower-yielding financial instruments, which would negatively affect its net interest margin. Increases in reserve and compulsory deposit or allocation requirements reduce the Bank's liquidity to fund its loan portfolio and other investments. There can be no assurance that future changes in regulations or in their interpretation or application will not have a material adverse effect on the Bank.

The laws and regulations governing the banking sector, including those governing the products and services that the Bank provides or proposes to provide, such as its life insurance or asset management business, or derivatives and hedging products and services, could change in the future. Any such changes may adversely affect the Bank's business and future financial performance by, for example, requiring a restructuring of the Bank's activities or increasing its operating costs. For example, in fiscal year 2018, some states in India announced schemes for waiver of loans taken by farmers. While the cost of such schemes was borne by the state governments, such schemes or borrower expectations of such schemes may result in higher delinquencies in the Bank's agricultural lending portfolio. The Income Tax Act has undergone significant amendments, including provisions that allow domestic companies to opt for reduced income-tax rates subject to certain conditions regarding tax exemptions, deductions and incentives. Any future changes to tax legislation may impact the Bank's tax obligations and financial performance.

No assurance can be given generally that laws or regulations will be adopted, enforced or interpreted in a manner that will not have a material adverse effect on the Bank's business and results of operations.

Furthermore, regulatory authorities in India have substantial discretion in how to regulate banks, and this discretion, and the regulatory mechanisms available to the regulators, have been increasing in recent years. Regulation may be imposed on an ad hoc basis by governments and regulators in response to a crisis, and these may especially affect financial institutions such as the Bank that may be deemed to be systemically important. In addition, the volume, granularity, frequency and scale of regulatory and other reporting requirements require a clear data strategy to enable consistent data aggregation, reporting and management. Inadequate management information systems or processes, including those relating to risk data aggregation and risk reporting, could lead to a failure to meet regulatory reporting requirements or other internal or external information demands, and the Bank may face supervisory measures as a result.

***We operate in a highly regulated environment. Any changes to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.***

We operate in a highly regulated environment in which we are regulated by SEBI, RBI, PFRDA, and other domestic and international regulators. The Bank is also regulated by the IRDAI. Accordingly, legal and regulatory risks are inherent and substantial in our businesses. As we operate under licenses or registrations obtained from appropriate regulators, we are subject to actions that may be taken by such regulators in the event of any non-compliance with any applicable policies, guidelines, circular, notifications and regulations issued by the relevant regulators.

Our business could be directly affected by any changes in applicable policies and regulations for such entities. Being regulated we are subject to regular scrutiny and supervision by the respective regulators, such as regular inspections that may be conducted by the RBI, SEBI and IRDAI. The requirements imposed by regulators are designed to ensure the integrity of the financial markets and to protect investors and depositors. Among other things, in the event of being found non-compliant, we could be fined or prohibited from engaging in certain business activities. For example, our investment bank could face the risk of investigation and surveillance activity and judicial or administrative proceedings that may result in substantial penalties, if we are found to be in violation of applicable law. Such action may have reputational impact on us and affect the price of the Notes.

In addition, we are also exposed to the risk of us or any of our employees being non-compliant with insider trading rules or engaging in front running in securities markets. As a listed entity and a fiduciary assisting listed companies, in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, designated persons of the Bank are required to observe restrictions and disclosures in relation to trading in securities of the Bank and others. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us.

Any change to the existing legal or regulatory framework will require us to allocate additional resources, which may increase our regulatory compliance costs and direct management attention and consequently affect our business.

***A significant majority of the Bank's properties, including its branches and ATMs, are located at leased or licensed premises, and the Bank's operations may be materially and adversely affected if it is unable to renew existing leases or otherwise continue to utilize its branches or ATMs.***

The Bank's business and operations are significantly dependent on the Bank's branches and ATMs some of which are located on leased or licensed premises. The Bank has entered into various lease and license arrangements for such properties. As of September 30, 2025, some of the Bank leases including its branches and ATMs, had expired and were in the process of being renewed. The Bank may face the risk of being evicted in the event that the Bank's landlords allege a breach on the Bank's part of any terms under these lease

agreements and there is no assurance that the Bank will be able to identify suitable locations to re-locate the Bank's operations. Some of the lease agreements entered into by the Bank may be inadequately stamped. As a result, these agreements may be inadmissible as evidence before a court of law. Further, some of the immovable properties used by the Bank and taken on lease may have one or more irregularities of title such as non-registration of lease deeds. If the Bank is unable to continue to use its branches and ATMs which are located on leased or licensed premises during the period of the relevant lease or license or extend such lease or license arrangements on their expiry on commercially acceptable terms, or at all, it may suffer a disruption in its operations which could materially and adversely affect the Bank's business, financial condition, results of operations and prospects. In addition, some of these leases or licenses may not have been registered, which may affect the evidentiary value of such lease or license agreements in a court of law.

***Negative publicity could damage the Bank's reputation and adversely impact the Bank's business and financial results.***

Reputational risk, or the risk to the Bank's business, earnings and capital from negative publicity, is inherent in the Bank's business. The reputation of the financial services industry in general has been closely monitored as a result of the 2008 financial crisis and other matters affecting the financial services industry. Negative public opinion about the financial services industry generally or the Bank specifically could adversely affect the Bank's ability to attract and retain customers and may expose it to litigation and regulatory action.

Negative publicity can result from the Bank's actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, corporate governance, regulatory compliance, mergers and acquisitions and related disclosure, sharing or inadequate protection of customer information, and actions taken by Government regulators and community organizations in response to that conduct. Although the Bank takes steps to minimize reputational risk in dealing with customers and other constituencies, the Bank, as a large financial services organization with a high industry profile, is inherently exposed to this risk. Such negative media coverage may have a material adverse effect on the Bank's reputation, business, financial condition or results of operation.

***The Bank may not be able to prevent its officers, employees or third parties acting on its behalf from engaging in situations that qualify as corruption, fraud or other misconduct which could expose the Bank to administrative and judicial sanctions, as well as reputational damage.***

The Bank's governance and compliance procedures may not prevent breaches of law, accounting and/or governance standards, and there can be no assurance that the Bank's employees, agents, and the companies to which the Bank outsources certain of its business operations, will not take actions in violation of the Bank's policies, for which the Bank may be ultimately held responsible. For example, in fiscal 2018, the Bank's former Chief Information Officer was found to have compromised the Bank's interests following a whistleblower complaint alleging irregularities and improprieties in his supervisory and monitoring role over transactions relating to vendor selection and payments terms. In addition to taking appropriate action against the concerned executive, the Bank has put in place corrective measures and controls intended to prevent such incidents in the future. Moreover, in fiscal 2018, certain unpublished price sensitive information relating to the Bank's financial results for the quarter ended June 30, 2017 became public ahead of the official publication of such result in relation to which, SEBI passed an order against the Bank directing the Bank to strengthen its internal systems and control, conduct an internal inquiry and take appropriate steps. Although the Bank responded by taking several measures intended to prevent recurrence of these episodes, no assurances can be provided that such measures will be effective or that similar issues will not arise in the future.

The Bank's policies and procedures are aimed at detecting and preventing corruption, fraud or other misconduct by the Bank's employees and agents, they may not completely eliminate instances where the Bank's

employees may engage in such illegal or improper activities. Any future misconduct by individuals working for the Bank could occur, which could adversely affect the Bank.

***Major fraud lapses of control, system failures or calamities could adversely impact the Bank's business.***

The Bank is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. There can be no assurance that the Bank's use of encrypted password-based protections and firewalls are adequate to prevent fraud or the invasion or breach of the network by an intruder. Failure to protect against fraud or breaches in security may adversely affect the Bank's operations and future financial performance. The Bank's reputation could be adversely affected by significant fraud committed by its employees, agents, customers or third parties.

For example, in fiscal 2019, the Bank was one of several other Indian banks involved in a well-publicized fraud involving letters of undertaking issued by those banks, which resulted in a U.S.\$20 million loss for the Bank and negatively affected the Bank's reputation. In addition, the Bank has experienced an increase in the number of internal frauds in fiscal 2024 as compared to fiscal 2023, and in fiscal 2025 there has been a decrease in the number of frauds as compared to fiscal 2024. Although the Bank believes it has taken appropriate measures intended to address those issues, any future lapses in the Bank's fraud identification and reporting processes could expose the Bank to the recurrence of frauds which could adversely affect the Bank's business and its reputation. In December 2017, certain unpublished price sensitive information relating to its financial results for the quarter ended June 30, 2017 allegedly became public ahead of the official publication of such result. Following public disclosure of this information, the Bank was directed by SEBI on December 27, 2017 to, among other things: (i) strengthen the Bank's current systems and controls to ensure that such instances of leakage of unpublished price sensitive information do not recur in the future; and (ii) conduct an internal inquiry into the alleged leakage of unpublished price sensitive information relating to the Bank's financial results and submit a report in relation thereto. Accordingly, the Bank had appointed an independent third-party consultant to review the effectiveness of the Bank's internal controls and submit a report on its findings. Upon conclusion of the investigation, the Bank has, by its letter dated April 13, 2018 submitted the independent third-party consultant's report with SEBI. As on the date of this Offering Circular, the Bank has not received any order from SEBI in this regard.

Given the increasing share of retail products and services and transaction banking services in the Bank's overall business, the importance of systems technology to the Bank's business has increased significantly. The Bank's principal delivery channels include ATMs, internet banking, mobile banking and call centres (telephone banking). Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses and adversely affect the trading price of the Notes. For example, the Bank's customer service operations have been affected to some extent in the past during the migration of the Bank's core banking software to an updated version, as the application took time to stabilize.

The Bank maintains a disaster recovery centre in Bengaluru in the event that the Bank's main computer centre in Mumbai shuts down for any reason. The system in Bengaluru is configured to come into operation if the Mumbai system is no longer operational. However, if for any reason the switch over to the backup system does not take place or if a calamity occurs in both Mumbai and Bengaluru such that the Bank's business is compromised in both centres, the Bank's operations would be adversely affected.

***The Bank may breach third party intellectual property rights.***

The Bank may be subject to claims by third parties, both inside and outside India, if it breaches their intellectual property rights by using slogans, names, designs, software or other such rights, which are of a similar nature to the intellectual property these third parties may have registered.

While the Bank has registered the trademark “AXIS BANK” and logos in India, there can be no assurance that the Bank will be able to successfully prevent infringement of its trademark in the future and it may be unable to seek remedies for infringement of software or other such rights which may be similar to the intellectual property of third parties. Any legal proceedings which result in a finding that the Bank has breached third parties’ intellectual property rights, or any settlements concerning such claims, may require the Bank to provide financial compensation to such third parties or make changes to its marketing strategies or to the brand names of its products, which may have a materially adverse effect on the Bank’s business prospects, reputation, results of operations and financial condition.

***A failure, inadequacy or security breach in the Bank’s information technology and telecommunication systems may adversely affect its business, results of operation or financial condition.***

The Bank’s ability to operate and remain competitive depends in part on its ability to maintain and upgrade its information technology systems and infrastructure on a timely and cost-effective basis, including its ability to process a large number of transactions on a daily basis. The Bank’s operations also rely on the secure processing, storage and transmission of confidential and other information in its computer systems and networks.

The Bank’s financial, accounting, or other data processing systems and management information systems or its corporate website may fail to operate adequately or become disabled as a result of events that may be beyond the Bank’s control or may be vulnerable to unauthorized access, computer viruses or other attacks. Deficiencies in the Bank’s internal management of information systems and data security practices expose the Bank to heightened risks, which could cause damage to the Bank’s reputation and adversely impact the Bank’s business and financial results.

***Significant security breaches could adversely impact the Bank’s business.***

The Bank faces cyber threats, such as hacking, phishing and trojans, attempting to exploit the Bank’s network to disrupt services to customers and/or theft or leaking of sensitive internal Bank data or customer information. In the past, the Bank has been exposed to cyber security incidents such as ransomware, web defacing attacks, un-patched vulnerable software exploitation, breaches of debit card use and fraudulent withdrawals. For example, in October 2016, there was an intrusion attempt observed on 15 of the Bank’s servers through a third-party vendor, whose system was based in a foreign location. The investigation revealed that the vendor system had been maliciously controlled through other compromised systems, within the vendors network. In addition, in fiscal 2019, the Bank’s subsidiary in the United Kingdom was the victim of a phishing attack that resulted in a U.S.\$ 1.9 million loss. The occurrence or recurrence of any of these incidents in the future may cause damage to the Bank’s reputation and adversely impact the Bank’s business and financial results.

Further, the information available to and received by the Bank’s management through its existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in the Bank’s operations. If any of these systems are disabled or if there are other shortcomings or failures in the Bank’s internal processes or systems, it may disrupt the Bank’s business or impact the Bank’s operational efficiencies and render it liable to regulatory intervention or damage to its reputation. The occurrence of any such events may adversely affect the Bank’s business, results of operation and financial condition.



The Bank seeks to protect its branch network infrastructure and computer systems from security breaches and other disruptive problems caused by the Bank's 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. Since technology is fast changing, there may be new areas in the system that may be exposed to security breaches and other attacks. The Bank employs security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although the Bank intends to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, there can be no assurance that these security measures will always be adequate or successful.

As the sophistication of cyber incidents continues to evolve, the Bank will likely be required to expend additional resources to continue to modify or enhance its protective measures or to investigate and remediate any vulnerability to cyber incidents. There is also the risk of the Bank's customers incorrectly blaming the Bank and terminating their accounts with the Bank for a cyber-incident which might have occurred on their own system or that of an unrelated third party. Any cyber security breach could also subject the Bank to additional regulatory scrutiny and expose the Bank to civil litigation and related financial liability. Failed security measures could have a material adverse effect on the Bank's business, its future financial performance and the trading price of the Notes.

***The Bank, its subsidiaries, directors and promoters are involved in legal and regulatory proceedings that, if determined against it, could have a material adverse impact on its future financial performance and the price of the Notes.***

The Bank is often involved in certain litigation matters and subject to various regulatory investigations, audits or other inspections in the ordinary course which could result in judgments, fines, reprimands and damage to the Bank's reputation. These matters may also result in the diversion of significant time and attention from the Bank's management, significant costs for the Bank to defend itself as well as costs for investigations and remediation of affected customers, each of which could adversely affect the Bank's business and financial results.

These matters may arise for various reasons, including because the Bank seeks to recover monies from its borrowers or because the Bank's customers seek claims against the Bank or for other reasons. Although it is the Bank's policy to make provisions for probable loss for litigation matters, the Bank does not make provisions or disclosures in its financial statements where its assessment is that the risk is not probable. Moreover, to the extent that the Bank is unable to accurately identify and track legacy litigation cases, such failures could expose the Bank to heightened legal and reputational risks.

The Bank has also issued notices and initiated various recovery and insolvency proceedings against defaulting borrowers under the Recovery of Debts and Bankruptcy Act, 1993 and the Insolvency and Bankruptcy Code, 2016 and failure by such borrowers to repay the outstanding borrowings pursuant to such notices and proceedings may adversely affect the business.

The Bank cannot assure you that the judgments in any of the litigation or regulatory proceedings in which the Bank is involved would be favourable to it and if its assessment of the risk changes, its view on provisions will also change. Increased provisioning for such potential losses could have a material adverse effect on the Bank's results of operations and financial condition. If the Bank's provisioning is inadequate relative to actual losses on final judgment, such additional losses could have a material adverse impact on the Bank's business and trading price of the Notes. Such proceedings also divert management time and attention and consume significant financial resources in their defence or prosecution, which could materially affect the Bank's financial condition. Any adverse outcome of litigation or regulatory proceedings could have a material adverse effect on the Bank's business, its future financial performance and trading price of the Notes. The Bank

may also incur legal cost for a matter even if the Bank has not made any legal provisions for the same. In addition, the cost of resolving a legal claim may be substantially higher than any amount reserved for that matter.

***The Bank may not be able to renew or maintain its statutory and regulatory permits and approvals required to operate its business.***

The Bank is required to obtain and maintain various statutory and regulatory permits and approvals to operate its business, which requires the Bank to comply with certain terms and conditions to continue its banking operations. Although the Bank has no reason to believe that such statutory and regulatory permits and approvals will not be granted and/or renewed as and when requested, certain of the Bank's business licenses have been denied or temporarily revoked in the past and the Bank cannot guarantee that it will be able to maintain, renew or obtain any required statutory and regulatory permits and approvals in the future, in a timely manner, or that no additional requirement will be imposed in connection with such request. Statutory and regulatory permits and approvals required for the development of the Bank's activities may require that it meet certain performance thresholds or financial metrics. In case the Bank is unable to meet these thresholds or metrics, the Bank may lose or not be able to obtain or renew such authorizations, concessions, licenses or permits. The Bank also cannot guarantee that it will timely comply with all of its obligations with governmental agencies, including obtaining the necessary operating permits in a timely manner.

In the event that the Bank is unable to renew or maintain such statutory permits and approvals or comply with any or all of the applicable terms and conditions or seek waivers or extensions of time for complying with such terms and conditions, all or some of the Bank's operations may be interrupted, penalties may be imposed and the Bank's business, financial results and reputation could be materially and adversely affected.

***The Bank's insurance policies may not be sufficient to cover all of its losses.***

The Bank maintains several types of insurance policies in line with the risk management policies of its business, which generally attempt to follow industry market practices for similar activities.

The Bank maintains several types of insurance policies and has coverage that it deems appropriate and customary for a bank of its size and nature. The Bank's insurance policies include a banker's indemnity insurance policy, which is a comprehensive insurance policy that offers coverage for various forms of risks. Some of the items covered under this insurance policy include (i) money (cash and precious metals) on premises and in vaults of agencies; (ii) money (cash and precious metals) in transit; (iii) cash in onsite ATMs/dispensers owned by the Bank; (iv) losses from external/internal fraud; and (v) losses from transactions through mobile banking; (vi) electronic banking transactions; and (vii) electronic crime.

The coverage obtained in these insurance policies may not be sufficient to cover all the risks to which the Bank is exposed, which could adversely affect the Bank. Additionally, the Bank may not be able to successfully contract or renew its insurance policies on satisfactory terms. If the Bank is unable to procure adequate levels of insurance at rates that its management deems satisfactory, the Bank could be adversely affected.

***Any closure of branches or loss of the Bank's key branch personnel may adversely affect the Bank's ability to build and maintain relationships with the Bank's customers, which could adversely affect the Bank's business.***

The Bank's business is dependent on the Bank's key branch personnel's ability to establish, build, and maintain customer relationships. The Bank encourages dedicated branch personnel to service clients in certain business segments since the Bank believes that this leads to long-term client relationships, a trust-based business environment, and over time, better cross-selling opportunities. While no individual branch manager and no single operating group of managers contribute a meaningful percentage of the Bank's business, it may suffer

materially if a substantial number of branch managers leave the organization or if some of the branches are closed for any reason beyond the Bank's control.

***The RBI may remove any employee, managerial personnel or may supersede the Bank's Board of Directors in certain circumstances, which may materially affect the Bank's business, results of operations, and financial conditions.***

The Banking Regulation Act confers powers on the RBI to remove from office any directors, chairman, chief executive officer, or other officers or employees of a bank in certain circumstances. The RBI also has the powers to supersede the board of directors of a bank and appoint an administrator to manage the bank for a period of up to six months, which may be up to 12 months in certain circumstances. The RBI may exercise powers of supersession where it is satisfied, in consultation with the Government that it is in the public interest to do so, to prevent the affairs of any bank from being conducted in a manner that is detrimental to the interest of the depositors, or for securing the proper management of any bank. Should any of the steps as explained herein are taken by the RBI against the Bank, its business, results of operations, and financial conditions would be materially and adversely affected.

***While the Bank has in place procedures and safeguards to prevent dealings with parties and countries that are the target of United States, Indian, and other sanctions, these measures by the Bank may not be fully effective, and any non-compliance by the Bank with such sanctions could harm our reputation or result in regulatory action which could materially and adversely affect our business.***

The Bank engages in business with customers and counterparties from diverse backgrounds. In light of U.S., Indian, EU and other sanctions, the Bank cannot be certain that its procedures and safeguards relating to sanctions will always be effective, or that some of the Bank's customers or counterparties may become the subject of sanctions. Such sanctions may result in the Bank's inability to gain or retain such customers or counterparties or receive payments from them. Non-compliance with such sanctions could have a material adverse effect on the Bank's business, financial results and the prices of our securities.

These laws, regulations and sanctions or similar legislative or regulatory developments may further limit the Bank's business operations. If the Bank were determined to have engaged in activities targeted by certain U.S., Indian, EU or other statutes, regulations or executive orders, it could lose its ability to open or maintain correspondent or payable-through accounts with U.S. financial institutions, among other potential sanctions. In addition, depending on sociopolitical developments, even though we take measures designed to ensure compliance with applicable laws and regulations, our reputation may suffer due to our association with certain restricted targets. The above circumstances could have a material adverse effect on our business, financial results and the prices of our securities.

***A global or regional financial crisis or financial instability in the countries where the Bank does business could adversely affect its operations, cash flows, asset quality and growth.***

Our business has been, and in the future will continue to be, materially affected by geo-political, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodity prices, investor sentiment, inflation and the availability and cost of capital and credit.

There are a number of uncertainties ahead in the global markets (for example, the armed conflict between Russia and Ukraine, the situation in Israel-Gaza, and trade relations between the U.S. and other economies). In addition, a pandemic similar to the COVID-19 pandemic may result in volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. Any of these factors may have a material adverse effect on our financial condition and results of operation.

In many major advanced economies, consumer price index inflation has been increasing, attributable to pent-up demand, elevated input prices and unfavourable base effects. This has been aggravated by the Russia-Ukraine conflict which has affected the supply of key commodities including crude. Further, the concerted efforts of the central banks across the globe in taming inflation has led to increase in interest rates and moderation of economic growth.

Inflationary pressures in emerging markets and Asia are likely to ease on the back of slower global growth and reduced economic activity. Whilst this gives more leeway for an accommodative stance on monetary policy, central bankers would still have to weigh a decision to cut rates against the need to stabilize their currencies against depreciation pressures.

The implications for the world and the Bank are significant. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay between U.S. fiscal policies vis-à-vis monetary policies pursued by other central banks, particularly those in the emerging markets, may lead to more volatile global capital flows. Third, while our direct exposures outside the Indian financial markets are relatively modest, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on our business, cash flows, financial condition and results of operations. Investors should be aware that there is a recent history of financial crises and boom-bust cycles in multiple markets in both emerging and developed economies which leads to risks for all financial institutions, including the Bank. We remain subject to the indirect economic effect of any potential tightening in global credit conditions, some of which cannot be anticipated and the vast majority of which are not under our control. We also remain subject to counterparty risk arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to us.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability in the global markets could have a negative influence on the Indian economy and on other economies in which we operate, including the United Arab Emirates and Singapore. While legislators and financial regulators across the globe including in the United Arab Emirates, Singapore and other jurisdictions, including India, have implemented several measures designed to add stability to the financial markets, these may not have the intended stabilizing effects. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect the Indian economy. In the event that the current adverse conditions in the global credit markets continue or if there are any significant financial disruption, this could have an adverse effect on the Bank's cost of funding, loan portfolio, business, cash flows, financial condition, results of operations and the trading price of the Notes.

***Any failure of a bank in India or one of our key overseas correspondent banks would materially and adversely affect our business.***

Our business relies heavily on our overseas correspondent banks to facilitate our international transactions. In India, the banking industry is also inter-dependent to facilitate domestic transactions. There is no assurance that our overseas correspondent banks or our domestic banking partners will not fail or face financial problems. If any bank in India, especially a private bank, or any of our key overseas correspondent banks were to fail, this would materially and adversely affect our business, cash flows, financial condition, and results of operations.

***A downgrade in ratings of India, the Indian banking sector or of the Bank may affect the trading price of the Notes.***

The Bank's borrowing costs and the Bank's access to the debt capital markets depend significantly on the Bank's credit ratings and that of India. These ratings are assigned by rating agencies, which may reduce or

withdraw their ratings or place the Bank on “credit watch” with negative implications at any time. Credit ratings are also important to the Bank when competing in certain markets and when seeking to engage in longer-term transactions, including over-the-counter derivatives. A reduction in the Bank’s credit ratings could increase the Bank’s borrowing costs and limit the Bank’s access to the capital markets. This, in turn, could reduce the Bank’s earnings and adversely affect the Bank’s liquidity.

Recently, S&P has upgraded the Bank’s credit rating to “BBB” while the outlook has been revised to “stable” from “positive”. Further, Moody’s maintained the Bank’s ratings to “Baa3” with “stable outlook”.

A downgrade in the Bank’s credit rating could restrict the Bank’s ability to borrow, assign loans or issue securities on acceptable terms, thereby raising the Bank’s funding costs. In addition, the Bank may also be unable to raise funds on acceptable terms, or be able to raise sufficient funds, at a time when additional funding would be most needed.

Moreover, any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact the Bank’s ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside the Bank’s control.

## **Risks Relating to India**

### ***Economic conditions in India could adversely affect the Bank’s business.***

Domestic economic activity remains resilient, as reflected in high frequency indicators. The government’s focus on boosting capital expenditure, moderating commodity prices and encouraging robust credit growth are expected to nurture investment activity. However, factors such as weak external demand, geoeconomic fragmentation and protracted geopolitical tensions pose risks to such investment activity.

Taking all these factors into consideration, real GDP growth for 2025-2026 is projected by the RBI at 6.5% overall, with projections for Q1, Q2, Q3 and Q4 at 6.5%, 6.7%, 6.6% and 6.3%, with risks evenly balanced.

### ***Heightened tensions across the geopolitical landscape could have implications for the Bank and its customers.***

The ongoing geopolitical and trade tensions between the United States and China, and extending to India, the United Kingdom, the European Union and other countries, may affect the Bank, creating regulatory, reputational and market risks. The United States, the United Kingdom, the European Union, Canada and other countries have imposed various sanctions and trade restrictions on Chinese individuals and companies. In response, China has announced sanctions, trade restrictions and laws that could potentially impact the Bank and its customers. In addition, the ongoing conflicts in Eastern Europe between Russia and Ukraine and in the Middle East between Hamas and Israel have also disrupted financial markets and have had adverse impact on supply chains and macro-economic conditions.

Further, following the election of Mr. Donald J. Trump as the president of the United States in November 2024, the Trump administration has announced and pursued policies that impact existing and proposed trade agreements, creating uncertainty in global markets. Most recently, President Trump issued executive orders to impose new tariffs on imports from key economic partners of the United States including India.

The United States and/or its trading partners may announce further trade restrictions, the scope and effect of which remain uncertain. Such disruptions and/or trade restrictions can cause raw material, energy and input shortages or cost increases, and can exacerbate prevailing levels of inflation. Any of these factors, which are

beyond the Bank's control, could have a material adverse effect on the Indian economy, and in turn the Bank's financial condition and results of operations.

***The effects of inflation, particularly fluctuations in commodity prices, may have a significant effect on the Indian economy and the Bank's business.***

According to the Ministry of Statistics and Program Implementation, CPI inflation fell sharply to a six-year low of 2.8% in May 2025. The outlook for food inflation remains favourable on account of softening prices and robust crop production. Moreover, the risk of imported inflation largely remains low with the anticipated slowdown in global growth likely to soften commodity and crude oil prices, although the recent escalation of geopolitical tensions in the Middle East has led to heightened uncertainty. The near-term and medium-term outlook gives greater confidence of a durable alignment of headline inflation with the target of 4 per cent, and it is likely to undershoot the target at the margin as per the projections of the RBI.

***A slowdown in economic growth in India could cause the Bank's business to suffer.***

The Bank's performance and the growth of its business are necessarily dependent on the health of the overall Indian economy. As a result, any slowdown in the Indian economy could adversely affect the Bank's business. The economic growth of India is estimated to grow by 6.5% (according to the RBI) in 2025-2026, compared to 6.5% in fiscal 2025 and 9.2% in fiscal 2024. Any substantial decrease in the rate of economic growth or adverse conditions in the Indian economy in general, would be expected to adversely affect the Bank's business, results of operations, financial conditions, and prospects.

***A significant change in the Government's policies could adversely affect the Bank's business and the trading price of the Notes.***

The Bank is incorporated in India, derive its revenues from operations in India and all of its assets are located in India. Consequently, the Bank's performance may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

The Indian Government has traditionally exercised and continues to exercise a dominant influence over many aspects of the Indian economy. The Government's economic policies have had and could continue to have a significant effect on public sector entities, including the Bank, and on market conditions and prices of Indian securities, including securities issued by the Bank. See "*Supervision and Regulation*".

In recent years, the Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This has included liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy, including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the current Indian government has pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and the ever-evolving IBC.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general. In addition, any political instability in India or geopolitical instability affecting India will adversely affect the Indian economy and the Indian securities markets in general.

There can be no assurance that the government's policies will succeed in their aims, including facilitating high rates of economic growth. Likewise, there can be no assurance that the government will continue with its current policies. New or amended policies may be unsuccessful or have detrimental effects on economic growth. In the past, government corruption scandals and protests against economic reforms, as well as social and ethnic instability and terrorist incidents, have hampered the implementation of economic reform.

***Financial instability in India, other countries where the Bank has established operations, or globally could adversely affect the Bank's business and the trading price of the Notes.***

Certain global market and economic conditions have been unprecedented and challenging, with tighter credit conditions and recessions in most major economies. Continued concerns about the systemic impact of potential long-term and wide-spread recession, energy costs, geopolitical issues, the availability and cost of credit, and the global housing and mortgage markets have contributed to increased market volatility and diminished expectations for western and emerging economies, as well as for the United States and international capital and credit markets. These conditions, combined with volatile oil prices, declining business and consumer confidence and increased unemployment, have contributed to volatility of unprecedented levels.

The Indian economy is influenced by the global economic and market conditions, including conditions in the United States, in Europe and in certain emerging market countries. The Bank has established operations in several other countries, including the United States, certain European countries, and certain emerging market countries. A loss of investor confidence in the financial systems of other markets and countries where the Bank has established operations or any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business. The outlook provides a list of downside risk factors, including mounting trade tensions, rising interest rates, political uncertainty and complacent financial markets. These factors, and any prolonged financial crisis, may have an adverse impact on the Indian economy, thereby resulting in a material adverse effect on the Bank's business, financial condition and results of operations.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crises, have led to increased liquidity and credit concerns and volatility in the global credit and financial markets. In February 2022, a military conflict erupted between Ukraine and Russia, involving a military incursion by Russia into Ukraine. As a result, the United States, the European Union and other countries imposed wide ranging sanctions against Russia and certain Russian entities and individuals connected to the Russian government. The escalating conflict has resulted in great uncertainty in the global markets, which could have an impact on the ability of companies to access capital in the global capital markets and result in liquidity constraints for companies. Any significant decrease in availability of funding through the international capital markets could have an adverse effect on the Bank. Additionally, the conflict between Ukraine and Russia may not be resolved for some time, and the situation could even degenerate even further.

As a result of these market conditions, the cost and availability of credit have been, and may continue to be, adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce and, in some cases, cease to provide credit to businesses and consumers. These factors have led to a decrease in spending by businesses and consumers alike and corresponding decreases in global infrastructure spending and commodity prices. Continued turbulence in the United States and international markets and economies and prolonged declines in business consumer spending may adversely affect the liquidity and financial condition of the Bank's customers, as well as the Bank's ability to access the capital markets to meet liquidity needs. These global market and economic conditions have had, and continue to have, an adverse effect on the Indian financial markets and the Indian economy in general, which in turn may continue to have a material adverse effect on the Bank's business and financial performance.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of

policy measures designed to add stability to the financial markets. See “*Supervision and Regulation.*” However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on the Bank’s cost of funding, loan portfolio, business, future financial performance and the trading price of the Notes. Adverse economic developments overseas in countries where the Bank has operations could have a material adverse impact on the Bank and the trading price of the Notes.

***A downgrade in ratings of India, the Indian banking sector or the Bank may affect the trading price of the Notes.***

As the Bank’s foreign currency ratings are pegged to India’s sovereign ceiling, any adverse revision to India’s credit rating for international debt will have a corresponding effect on the Bank’s ratings. India’s sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India’s foreign exchange reserves, which are outside the Issuer’s control. S&P Global Ratings (“**S&P**”), Fitch Ratings, Inc. (“**Fitch**”) and Moody’s Investor Services, Inc (“**Moody’s**”) currently have stable outlooks for India. In August 2025, S&P raised India’s long-term sovereign credit rating to “BBB” from “BBB-” with short-term rating upgraded to “A-2” from “A-3”. The transfer and convertibility assessment was also revised to “A-” from “BBB+”. Going forward, the sovereign ratings outlook will remain dependent on whether the Government adopts a cautious fiscal and monetary policy that diminishes the Government’s elevated debt and interest burden while bolstering economic resilience. The positive outlook reflects that continued policy stability, deepening economic reforms, and high infrastructure investment will sustain long-term growth prospects.

***If regional hostilities, terrorist attacks or social unrest in some parts of the country increase, the Bank’s business and the trading price of the Notes could be adversely affected.***

India has from time to time experienced social and civil unrest and hostilities both internally and with neighbouring countries. These hostilities and tensions may lead to political or economic instability in India and a possible adverse effect on the Bank’s business, its future financial performance and the trading price of the Notes. Furthermore, India may also experience social unrest in some parts of the country. If such tensions spread and lead to overall political and economic instability in India, it may adversely affect the Bank’s business, future financial performance and the trading price of the Notes.

***Natural calamities could adversely affect the Indian economy, the Bank’s business and the trading price of the Notes.***

According to an Emergency Event Database, India has been ranked at third position, after the U.S. and China, in recording the highest number of natural disasters since 1900. India recorded 764 instances of natural disasters (e.g., landslide, storm, earthquake, flood, drought, etc.) since 1900, with 402 events occurring during 1900-2000 and 361 during 2001-2022, indicating the preponderance of tail events at an alarming frequency and with each such event setting new records of economic stress. By disaster type, India is marred mostly by floods. Almost 41% of disasters occurred in the form of floods, followed by storms. These events in statistical parlance are commonly called fat-tail events. Since 2001, a total of 1 billion people have been impacted and almost 85,000 people have died due to these disasters since 2001. Apart from the human costs, there have been huge economic losses due to these disasters. Since 1900, India has suffered an economic loss of U.S.\$150 billion (where the loss is reported), with the largest loss recorded due to floods (U.S.\$92.1 billion) followed by storms (U.S.\$44.7 billion).

The occurrence of similar or other natural calamities could have a negative impact on the Indian economy, affecting the Bank’s business and potentially causing the trading price of the Notes to decrease.



***Investors in the Notes may not be able to enforce a judgment of a foreign court against the Bank, its directors or executive officers.***

All of the Bank's Directors and key managerial personnel are residents of India and most of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Bank or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Civil Procedure Code on a statutory basis. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except: (a) where it has not been pronounced by a court of competent jurisdiction; (b) where it has not been given on the merits of the case; (c) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained are opposed to natural justice; (e) where it has been obtained by fraud; and (f) where it sustains a claim founded on a breach of any law in force in India.

Under the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record, but such presumption may be displaced by proving want of jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards, save and except for any reciprocal arrangement that India has with foreign countries such as Singapore, Malaysia, Canada, and Australia.

The United Kingdom, Singapore, Hong Kong and United Arab Emirates, among others, have been declared by the Government of India to be a "reciprocating territory" for the purposes of Section 44A of the Civil Code, but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a fresh suit resulting in a judgment or order and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. A judgment of a superior court of a country which is a reciprocating territory 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 latter suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Execution of a judgment or repatriation outside of India of any amounts received is subject to the approval of the RBI, wherever required. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were to be brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, and is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

***Significant differences exist between Indian GAAP and other accounting principles, which may be material to investors' assessments of the Bank's financial condition.***

The Bank's financial statements, including the financial statements included in this Offering Circular, are prepared in accordance with Indian GAAP. The Bank has not attempted to quantify the impact of other accounting principles, such as U.S. GAAP or International Financial Reporting Standards ("IFRS"), on the financial data included in this Offering Circular, nor does the Bank provide a reconciliation of its financial statements to those prepared pursuant to U.S. GAAP or IFRS.

GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Offering Circular will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should, accordingly, consult their own professional advisors before relying on the financial disclosures presented in this Offering Circular.

***The Bank's transition to the use of the IFRS converged Indian Accounting Standards may result in changes in the presentation of its financial statements and could result in operational delays and resulting penalties.***

On February 16, 2015, the Ministry of Corporate Affairs (the "MCA") of the Government published the Companies (Indian Accounting Standards) Rules, 2015, which are effective from April 1, 2015, which provides that IFRS converged Indian Accounting Standards ("IND-AS") will be mandatorily implemented by the companies specified in the roadmap for the accounting periods beginning on or after April 1, 2016, with the comparatives for the period ended March 31, 2016, or thereafter. However, banking, insurance and non-banking finance companies were exempted from this road map.

On February 11, 2016, the RBI issued a notification for the implementation of IND-AS by banks. Under this notification, all scheduled commercial banks ("SCBs") (excluding Regional Rural Banks) was to follow IND-AS as notified under the Companies (Indian Accounting Standards) Rules, 2015, subject to any guideline or direction issued by the RBI in this regard from the accounting periods beginning on or after April 1, 2018 with the comparatives for the period ending March 31, 2018. The subsidiaries, joint ventures and associates of such banks shall also follow the road map applicable to banks. However, in April 2018, the RBI deferred the implementation of IND-AS for banks by a year, to April 1, 2019. On March 22, 2019, the RBI again deferred implementation of IND-AS, this time indefinitely.

As per the Reserve Bank of India (Financial Statements – Presentation and Disclosures) Directions, 2021 dated August 30, 2021, as amended or updated from time to time, commercial banks are required to ensure compliance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2021, as amended from time to time, subject to the directions or guidelines issued by the RBI.

The Bank has not determined with any degree of certainty the impact that such adoption will have on its financial reporting. Furthermore, the new accounting standards will change, among other things, the Bank's methodology for estimating allowances for probable loan losses and its revenue recognition policy. For estimation of probable loan losses, the new accounting standards may require the Bank to calculate the present value of the expected future cash flows realizable from its loans, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in the Bank recognizing allowances for probable loan losses in the future which may be higher or lower than under current Indian GAAP. Therefore, there can be no assurance that the Bank's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND-AS than under Indian GAAP. In the Bank's transition to IND-AS reporting, the Bank may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. There can be no assurance that the Bank's adoption of IND-AS will not

adversely affect its reported results of operations or financial condition and any failure to successfully adopt IND-AS could adversely affect the Bank's business and the trading price of the Notes.

There may be less company information available in the Indian securities markets than securities markets in developed countries.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other developed countries. The Securities and Exchange Board of India ("SEBI") is responsible for approving and improving disclosure and other regulatory standards for the Indian securities markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries.

***The effects of the adoption of Ind-AS are uncertain and any failure to successfully adopt Ind-AS could adversely affect our business, financial conditions and results of operations.***

The adoption of Ind-AS would change, among other things, the Bank's methodology for estimating allowances for expected loan losses, and its revenue recognition policy. For the estimation of expected loan losses, the new accounting standards may require the Bank to calculate the present value of the expected future cash flows realisable from its advances, including the possible liquidation of collateral (discounted at the loan's effective interest rate). This may result in the Bank recognising allowances for expected loan losses in the future that may be higher than under current Indian GAAP. The Bank has not attempted to quantify the impact of the differences between Indian GAAP and Ind-AS. However, it is possible that the Bank's financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under Ind-AS than under Indian GAAP.

If the Bank is required to report in Ind-AS, it may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, the Bank will have to modify its internal control framework and adopt new internal controls to report under Ind-AS. These new internal controls will require, among other things, a transition to more model-based evaluation of certain items, as well as personnel who are adequately knowledgeable about Ind-AS. If the Bank is required to report in Ind-AS, it may encounter difficulties in implementing effective internal controls in a timely manner.

***A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy which could adversely impact the banking industry in general. A rapid decrease in reserves may also create a risk of higher interest rates and a consequent slowdown in growth.***

India's current account deficit stood at US\$ 23.3 billion (0.6% of GDP) during 2024-25 was lower than US\$ 26.0 billion (0.7% of GDP) during 2023-24, primarily due to higher net invisibles receipts. Net invisibles receipts were higher during 2024-25 than a year ago on account of services and personal transfers. While merchandise trade deficit at US\$ 287.2 billion in 2024-25 was higher than US\$ 244.9 billion in 2023-24. Both Net inflow under FDI and FPI declined to US\$ 1.0 billion and US\$ 3.6 billion during 2024-compared to US\$ 10.2 billion and US\$ 44.1 billion during 2023-24 respectively. The widening trade deficit, combined with lower net capital inflows than in the previous year, led to a depletion in the foreign exchange reserves to the tune of U.S.\$5 billion on a balance of payments basis during 2024-25. Including valuation effects, India's foreign exchange reserves increased by U.S.\$19.8 billion to U.S.\$665.39 billion during 2024-2025. Since April 1, 2025, India's foreign exchange reserves have continued to rise and are valued at U.S.\$697.93 billion for the week ended June 20, 2025.

***Changing laws, rules and regulations in India and legal uncertainties including any adverse application of corporate and tax laws, may adversely affect our business, cash flows, prospects and results of operations.***

The Government has introduced two major reforms in Indian tax laws, namely the goods and services tax and provisions relating to General Anti-Avoidance Rules (“GAAR”). From July 1, 2017, the goods and services tax (“GST”) replaced the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state value added tax (“VAT”), surcharge and cess. While implementation of the new tax appears to have been generally effective, with limited disruption to economic activity, the longer-term effects of the GST remain to be seen.

Under the Income-tax Act, 1961 (“IT Act”), there are both specific as well as generic anti-avoidance provisions relating to tax such as transfer pricing provisions and GAAR provisions. Under the transfer pricing provisions, any income arising from an international transaction between two associated enterprises has to 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.

With respect to GAAR, the provisions came into effect from April 1, 2018. The GAAR provisions intend to cover arrangements that are deemed “impermissible avoidance arrangements,” which are defined under Section 96 of the IT Act, which is any arrangement with the main purpose or one of the main purposes of obtaining a tax benefit and which satisfies at least one of the following tests: (i) create rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) result, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) are entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. 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 disregarding, combining or re-characterizing any step in or part or whole of the impermissible avoidance arrangement, considering or looking through any arrangement by disregarding any corporate structure, and the denial of a tax benefit or the denial of a benefit under a tax treaty. An arrangement shall be presumed, unless it is proved to the contrary by the assessee, to have been entered into, or carried out, for the purpose of obtaining a tax benefit, if the main purpose of a step in or a part of the arrangement is to obtain a tax benefit even if the main purpose of the entire arrangement is not to obtain a tax benefit. Once tax authorities invoke the GAAR provisions, they are given the power to deny tax benefit among others. The GAAR provisions are relatively untested. As the taxation system is intended to undergo significant overhaul, its consequent effects cannot be determined, at present with respect to the banking sector. The manner in which these new rules are interpreted and implements and their effects on the Bank’s customers and economic activity generally is uncertain. There can be no assurance that such effects would not adversely affect its business, future financial performance and the trading price of the Notes. 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.

SEBI issued revised corporate governance guidelines under the equity listing agreement which have been effective from October 1, 2014 and April 1, 2015. Pursuant to the revised guidelines, the Bank is required to appoint at least one female director on the Board, establish a mechanism for directors and employees and reconstitute certain committees in accordance with the revised guidelines, among other things. The Bank may face difficulties in complying with any such requirements. Furthermore, the Bank cannot currently determine the impact of provisions of the revised SEBI corporate governance guidelines, which have come into force.

The role of Chairman and Managing Director has been separated in many banks, including public sector banks (“PSBs”), following the recommendations of PJ Nayak Committee (2014). The RBI issued operative guidelines with regard to the appointments of Managing Director and Chief Executive Officer, Whole Time Director, Chairperson, Non-Executive Directors and composition of important committees last month, as part of its measures to strengthen corporate governance standards in commercial banks.

RBI had issued instructions dated April 26, 2021, entitled “*Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board*”, which have now been withdrawn and replaced by the Reserve Bank of India (Commercial Banks - Governance) Directions, 2025 dated November 28, 2025. In respect of the Bank and nationalized banks, these guidelines would apply to the extent that the stipulations are not inconsistent with provisions of specific statutes applicable to these banks or instructions issued under the statutes.

Any increase in the Bank’s compliance requirements or compliance costs may have an adverse effect on its business, cash flows and results of operations.

***The Indian banking sector is subject to external economic forces.***

Elevated economic and trade policy uncertainties are testing the resilience of the global economy and the financial system. Multilateral agencies have downgraded global growth forecasts largely reflecting trade disruptions and heightened volatility. Financial markets remain volatile, especially core government bond markets, driven by shifting policy and geopolitical environment. Alongside existing vulnerabilities such as soaring public debt levels, excessive risk taking in the non-banking financial sector, and elevated asset valuations have the potential to amplify fresh shocks. As countries confront varying trade-offs between growth and inflation, monetary authorities are charting divergent policy trajectory. Emerging market economies face significant challenges from headwinds emanating from escalating trade tensions, prolonged and intensified geopolitical tensions, and spillovers from advanced economies.

The Bank has little or no control over any of these risks and may be unable to anticipate changes in economic conditions. Adverse effects on the Indian banking system could impact the Bank’s funding, profitability, asset quality or NPAs and adversely affect the Bank’s business growth and, as a result, impact future financial performance and the trading price of the Notes.

**Risks Relating to the Notes**

***The Notes are unsecured obligations, the repayment of which may be jeopardised in certain circumstances.***

Because the Notes are unsecured obligations, their repayment may be compromised if:

- the Bank enters into bankruptcy, liquidation, reorganisation or other winding-up procedures;
- there is a default in payment under the Bank’s future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Bank’s indebtedness.

If any of these events occurs, the Bank’s assets may not be sufficient to pay amounts due on any of the Notes.

Payment of principal of the Notes may be accelerated only in certain events involving the Bank’s bankruptcy, winding-up or dissolution or similar events, or if certain conditions have been satisfied. See “*Terms and Conditions of the Notes – Events of Default and Enforcement*”.

***The Notes may have limited liquidity.***

The Notes constitute a new issue of securities for which there is no existing market. Application has been made to list the Notes on the GSM of the India INX, Debt Securities Market of NSE IX and the SGX-ST. The offer and sale of the Notes is not conditional upon obtaining a listing of the Notes on either the GSM of the India INX, Debt Securities Market of NSE IX or SGX-ST or any other exchange.

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.

***Definitive Notes may not be available in certain denominations and 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.

***Early redemption of the Notes prior to its stated average maturity may require the prior approval of the RBI or other approvals in accordance with the ECB Guidelines.***

Any early redemption of the Notes (whether due to certain tax events described in Condition 6.2 or due to an Event of Default as specified in Condition 10.1 or otherwise) will be subject to limitations on the ability of the Issuer to redeem the Notes prior to their stated maturity date, including obtaining the prior written approval of the RBI or other approval, and compliance with any conditions that the RBI or other relevant Indian authorities may impose in accordance with ECB Guidelines at the time of such approval. Prior approval of the RBI may be required by the Issuer for the payment of withholding tax in any Tax Jurisdiction (as defined in Condition 8) other than India in a foreign currency. There can be no assurance that the RBI or other relevant Indian authorities will provide such approval in a timely manner, or at all.

### ***Reliance on Euroclear, Clearstream and DTC procedures.***

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 or may be deposited with a nominee for DTC. Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, 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 Issuer 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 Issuer 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 systems and its participants to appoint appropriate proxies.

### ***U.S. withholding on “dividend equivalent payments” may affect payments on the Notes.***

Under Section 871(m) of the Code and the U.S. Treasury regulations published thereunder (**Section 871(m)**), a 30% withholding tax will be imposed 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 ELIs**). 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. Additionally, the Issuer may withhold at a rate of 30% tax on any payment on the Notes in respect of any amount treated as a “dividend equivalent” arising with respect to such Notes regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a Noteholder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A Noteholder may be able to claim a refund of any excess withholding provided that the required information is timely furnished to the U.S. Internal Revenue Service. Prospective investors should refer to the section “*Taxation – U.S. Withholding on Dividend Equivalent Payments.*”

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

### ***Singapore Taxation Risk***

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2028 are, pursuant to the Income Tax Act 1947 of Singapore (the **Income Tax Act**) and the MAS Circular FDD Cir 08/2023 entitled “Qualifying Debt Securities and Primary Dealer Schemes – Extension and Refinements” issued by the Monetary Authority of Singapore (**MAS**) on 31 May 2023, intended to be “qualifying debt securities” for the purposes of the Income Tax Act, subject to the fulfilment of certain conditions more particularly described in the section “Taxation – Singapore Taxation”. However, there is no assurance that the Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

If the Notes are not regarded as debt securities for the purposes of the Income Tax Act or the interest payments made under the Notes are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. No assurance, warranty or guarantee is given on the tax treatment to investors and holders of the

Notes in respect of the interest payable to them. Investors and holders of the Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Notes. There is no assurance that the Inland Revenue Authority of Singapore will agree to treat the Notes as debt securities and interest payments as interest payable on indebtedness.

***Fungible Issue.***

The Issuer may, without notice to, or the consent of, the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with original issue discount (OID) for U.S. federal income tax purposes, even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

***Payments under the Notes or redemption of Notes may be subject to RBI guidelines regarding remittances of funds outside India.***

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 of India. The Bank is under no obligation to maintain liquidity at its overseas branches to make interest payments due on the Notes. Any approval for the remittance of funds outside of India is at the discretion of the RBI. Therefore, any payments under the Notes, including on account of indemnity, if made from India, will require the prior approval of the RBI. The Bank can give no assurance that it will be able to obtain such approvals.

***The Bank is subject to capital adequacy and liquidity requirements stipulated by the RBI, including Basel III, and any inability to maintain adequate capital or liquidity due to changes in regulations, a lack of access to capital markets or otherwise may impact the Bank's ability to grow and support its businesses.***

With effect from April 1, 2013, banks have complied with Basel III capital adequacy framework as stipulated by the RBI. The Basel III guidelines, among other things, impose a minimum Common Equity Tier 1 risk-based capital ratio of 8.60%, a minimum Tier 1 risk-based capital ratio of 10.10% and a minimum total risk-based capital ratio of 12.10%; require banks to maintain a Common Equity Tier 1 capital conservation buffer of 2.50% (with effect from October 1, 2021) of risk-weighted assets 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; impose a 4% Basel III leverage ratio of Tier 1 capital to exposure; and modify the RBI's Basel II guidelines with respect to credit risk, including counterparty credit risk and credit risk mitigation, and market risk. The guidelines were required to be fully implemented from March 31, 2019. Applying the Basel III guidelines, capital ratios of the Bank as of March 31, 2025 were: Common Equity Tier 1 risk-based capital ratio of 14.67%; Tier 1 capital ratio of 15.07%; and Capital to Risk Weighted Asset Ratio ("CRAR") of 17.07%. The minimum leverage ratio to be maintained by Domestic Systemically Important Banks is 4% with effect from October 1, 2019.

The RBI may require additional capital to be held by banks as a systemic buffer. Globally, capital regulations continue to evolve, including additional capital requirements for domestic systemically important banks. The RBI has increased the D-SIB requirement for the Bank by 20 bps from 60 bps to 80 bps with effect from April 1, 2025. The RBI has also released guidelines for dealing with domestic banks that are of systemic importance in June 2014 and was subsequently updated in December 2023 with respect to the revisions in the



methodology and the timelines for the assessment. It also released guidelines on counter-cyclical capital buffers (“CCCB”) in February 2015, which were to be activated as and when the appropriate circumstances arose. However, in April 2025, the RBI deferred the implementation of CCCB on banks till further notice. In addition, with the approval of the RBI, banks in India may migrate to advanced approaches for calculating risk-based capital requirements in the medium term. These evolving regulations may impact the amount of capital that the Bank is required to hold. The Bank’s ability to grow its business and execute its strategy is dependent on its level of capitalization. See “*Supervision and Regulation — RBI Regulations.*” Any increase in capital adequacy requirements applicable to the Bank or any deterioration in the Bank’s capital ratios may require it to raise additional regulatory capital, limit its ability to grow its business and may affect the Bank’s future performance and strategy.

***Notes issued as Green Bonds, Social Bonds or Sustainability Bonds may not be a suitable investment for all investors seeking exposure to green or sustainable assets.***

Any failure to use the net proceeds of any Series of Green Bonds, Social Bonds or Sustainability Bonds in connection with green, social or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds, Social Bonds or Sustainability Bonds may affect the value and/or trading price of the Green Bonds, Social Bonds and Sustainability Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

The Bank may issue Notes under the Programme where the use of proceeds is specified in the applicable Pricing Supplement to be for the financing and/or refinancing of specified “green”, “social” or “sustainability” projects of the Bank, in accordance with certain prescribed eligibility criteria prepared by the Bank in the context of its Sustainable Financing Framework (see Annex A titled “The Bank’s Sustainable Financing Framework”) as in each such case shall be set out in the applicable Pricing Supplement (any Notes which have such a specified use of proceeds are referred to as Green Bonds, Social Bonds or Sustainability Bonds respectively). In connection with the Programme, the Issuer has requested, and in connection with any issue of Green Bonds, Social Bonds or Sustainability Bonds under the Programme, the Issuer may request, a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability projects (any such second-party opinion, a Second-party Opinion). Any Second-party Opinion will not be incorporated into, and will not form part of, this Offering Circular or the applicable Pricing Supplement relating to any Green Bonds, Social Bonds or Sustainability Bonds. Any such Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding to the net proceeds of the relevant issue of Notes in the form of “Green Bonds”, “Social Bonds” or “Sustainability Bonds”. A Second-party Opinion would not constitute a recommendation to buy, sell or hold securities and would only be current as of the date it is released.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as “green”, “social” or “sustainable”, and therefore no assurance can be provided to potential investors that the green, social or sustainable projects to be specified in the applicable Pricing Supplement will meet all investors’ expectations regarding sustainability performance or continue to meet the relevant eligibility criteria. Although applicable green, social and sustainable projects are expected to be selected in accordance with the categories recognised by the International Capital Markets Association (ICMA) Green Bond Principles, the ICMA Social Bond Principles, the ICMA Sustainability Bond Guidelines and/or the ASEAN Capital Markets Forum ASEAN Green, Social and Sustainability Bond Standards, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any

such green or sustainable projects. Where any negative impacts are insufficiently mitigated, green, social or sustainable projects may become controversial, and/or may be criticised by activist groups or other stakeholders. Further, although the Bank may agree at the Issue Date of any Green Bonds, Social Bonds or Sustainability Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green, social or sustainable projects (as specified in the applicable Pricing Supplement), it would not be an event of default under the Green Bonds, Social Bonds or Sustainability Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the applicable Pricing Supplement and/or (ii) the Second-party Opinion were to be withdrawn. Any failure to use the net proceeds of any Series of Green Bonds, Social Bonds or Sustainability Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds, Social Bonds or Sustainability Bonds may affect the value and/or trading price of the Green Bonds, Social Bonds or Sustainability Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets which may cause one or more of such investors to dispose of the Green Bonds, Social Bonds or Sustainability Bonds held by them which may affect the value, trading price and/or liquidity of the relevant Series of Green Bonds, Social Bonds or Sustainability Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green assets. Neither the Bank nor the Dealers make any representation as to the suitability for any purpose of any Second-party Opinion or whether any Green Bonds, Social Bonds or Sustainability Bonds fulfil the relevant environmental and sustainability criteria of any potential investor in the Notes. Prospective investors should have regard to the eligible green bond, social bond or sustainable bond projects and eligibility criteria described in the applicable Pricing Supplement. Each potential purchaser of any Series of Green Bonds, Social Bonds or Sustainability Bonds should determine for itself the relevance of the information contained in this Offering Circular and in the applicable Pricing Supplement regarding the use of proceeds and its purchase of any Green Bonds, Social Bonds or Sustainability Bonds should be based upon such investigation as it deems necessary.

#### **Risks Relating to Renminbi-Denominated Notes.**

*If in the event that any offering of Notes under the Programme is denominated in Renminbi, the official currency of the PRC, prospective investors should carefully take into account the following considerations, in addition to the other information contained in the Offering Circular, before investing in the Notes.*

***Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC that may adversely affect the liquidity of Renminbi Notes.***

Renminbi is not freely convertible at present. The government of the PRC (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being gradually developed.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future that have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot

be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Bank to source Renminbi to finance its obligations under Notes denominated in Renminbi.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Bank's ability to source Renminbi outside the PRC to service such Renminbi Notes.***

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China (**PBoC**) has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the **Renminbi Clearing Banks**), including but not limited to Hong Kong, and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the **Settlement Arrangements**), the current size of Renminbi-denominated financial assets outside the PRC is limited.

Although, starting from 1 October 2016, the Renminbi will be added to the Special Drawing Rights basket created by the International Monetary Fund, there are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Bank is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Bank will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in Renminbi Notes is subject to exchange rate risks.***

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. Dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. Dollar or another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

***An investment in Renminbi Notes is subject to interest rate risks.***

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

As Renminbi Notes may carry a fixed interest rate, the trading price of the Renminbi Notes will consequently vary with the fluctuations in the Renminbi interest rates. If holders of the Renminbi Notes propose to sell their Renminbi Notes before their maturity, they may receive an offer lower than the amount they have invested.

***Payments in respect of Renminbi Notes will only be made to investors in the manner specified in the terms and conditions of the relevant Notes.***

Investors may be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. All Renminbi payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Notes held with the common depositary for Euroclear and Clearstream or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and/or Clearstream rules and procedures, or (ii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than described in the Conditions, the Bank cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

***Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws.***

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise holders or individual Holders may be subject to PRC enterprise income tax (**EIT**) or PRC individual income tax (**IIT**) if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20% of the gains derived by such non-PRC resident enterprise or individual Holder from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10%. The PRC Individual Income Tax Law and its implementation rules (as amended from time to time) levies IIT at a rate of 20% of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and their respective relevant implementing rules.

According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

If such gains are determined as income sourced in the PRC by the relevant PRC tax authorities, (a) the non-PRC resident enterprise Holders may be subject to EIT at the rate of 10% of the gains derived by such non-PRC resident enterprise Holders and (b) the non-PRC resident individual Holders may be subject to IIT at the rate of 20% of the gains derived by such non-PRC resident individual Holders.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

***Remittance of proceeds in Renminbi into or out of the PRC.***

In the event that the Bank decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from, and/or registration or filing with, the relevant PRC government authorities. However, there is no assurance that the necessary approvals from, and/or registration or filing with, the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

There is no assurance that the PRC Government will continue to gradually liberalise the control over cross-border Renminbi remittances in the future, that the pilot schemes introduced will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that the Bank does remit some or all of the proceeds into the PRC in Renminbi and the Bank subsequently is not able to repatriate funds out of the PRC in Renminbi, it will need to source Renminbi outside the PRC to finance its obligations under the Renminbi Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

**Risks Relating to the Subordinated Notes**

***Tax treatment of the Subordinated Notes that contain non-viability loss absorption provisions is unclear.***

It is not clear whether the Subordinated Notes, which contains non-viability loss absorption provisions will be regarded as debt securities by the Inland Revenue Authority of Singapore (“IRAS”) for the purposes of the Income Tax Act and whether the tax concessions available for qualifying debt securities under the qualifying debt securities scheme (as set out in “Taxation – Singapore Taxation”) would apply to the Subordinated Notes. There is also no assurance that the Subordinated Notes to be issued from time to time under the Programme will be able to enjoy such tax concessions should the relevant tax laws be amended or revoked at any time.

If the Subordinated Notes are not regarded as debt securities for the purposes of the Income Tax Act and/or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of the Subordinated Notes should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Subordinated Notes.

***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 1.1 of the Terms and Conditions of the Notes) which will be subordinated obligations of the Bank. The Subordinated Notes will constitute unsecured and subordinated obligations of the Bank. Each of the Additional Tier 1 Notes and the Tier 2 Notes will rank *par passu* and without preference among the Additional Tier 1 Notes and the Tier 2 Notes respectively. The Subordinated Notes are not deposits of the Bank and are not guaranteed or insured by the Bank or any party related to the Bank and they may not be used as collateral for any loan made by the Bank or any of its subsidiaries or affiliates.

In the event of a liquidation or winding up ((as determined pursuant to the (Indian) Companies Act, 2013, as amended and the Banking Regulation Act, 1949, as amended) of the Bank, the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness ranking, or expressed to rank equal to or junior to the claims of the holders of Tier 2 Notes and any relative Receipts and Coupons, if any) of the Issuer in the manner and to the extent provided in the Trust Deed.

In the event of a liquidation or winding up (as determined pursuant to the (Indian) Companies Act) of the Bank, claims of the holders of the Additional Tier 1 Notes and any relative Receipts and Coupons pursuant thereto will rank: (a) senior to the rights and claims of holders of equity shares and perpetual non-cumulative preference shares, if any, of the Issuer, (b) *pari passu* and without preference among themselves and with any other claims in respect of subordinated debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines and, to the extent permitted by the RBI Guidelines, at least *pari passu* with any subordinated obligation that was eligible for inclusion in hybrid Tier 1 capital under the Basel II guidelines of the RBI prevailing as at its issue date, and (c) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Issuer (including holders of Tier 2 Notes) other than any subordinated debt qualifying as Additional Tier 1 Capital of the Issuer (as defined under the RBI Guidelines). As a consequence of these subordination provisions, in the event of a winding-up of the Bank's operations in accordance with the (Indian) Companies 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 down 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 RBI 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 RBI Basel III Capital Regulations were expected to be fully implemented by 31 March 2019. However, the RBI had deferred the implementation of the last tranche of 0.625% of capital conservation buffer to 31 March 2020, which is further deferred to 01 October 2021.

The Basel III Reforms include a requirement for all Additional Tier 1 instruments and Tier 2 instruments (such as the Additional Tier 1 Notes and the Tier 2 Notes) to be written down or converted into ordinary shares upon the occurrence of a PONV Trigger Event (the **PoNV rule**). The PoNV rule may be met contractually (by the 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, the earlier of: (a) a decision that a conversion or write off, without which the Bank 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 would have become non-viable, as determined by the RBI. The Subordinated Notes will be permanently written-down on the occurrence of such PONV Trigger Event (see Condition 7.1). 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 or paid 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 a nominal amount of Subordinated Notes Written Down from (and including) the last Interest Payment Date falling on or prior to the Loss Absorption Event Notice. In the case of a Write-Down in respect of a PONV Trigger Event only, any such Write-Down will be permanent and the Noteholders will, upon the occurrence of such Write-Down, not receive any shares or other participation rights of the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank, or be entitled to any subsequent write-up or any other compensation in the event of a recovery of the Bank.

It will be difficult to predict when, if at all, a principal Write-Down of Subordinated Notes will occur. The RBI has provided limited guidance as to how it would determine non-viability. Under RBI regulations, non-viability could result from the Bank's financial and other difficulties likely to result in financial losses and affect its ability to continue as a going concern. Non-viability may be declared if the resultant augmentation of equity is likely to restore depositors' and investors' confidence or improve the rating and creditworthiness of the Bank. A bank facing financial difficulties and approaching a point of non-viability will be deemed to achieve viability if within a reasonable time in the opinion of RBI, it will be able to come out of the present difficulties if appropriate measures are taken to revive it. The measures including augmentation of equity capital through writeoff / conversion/public sector injection of funds are likely to: restore depositors'/investors' confidence; improve the bank's credit rating or creditworthiness and thereby improve its borrowing capacity and liquidity and reduce cost of funds; and augment the resource base to fund balance sheet growth in the case of a fresh injection of funds. However, it is possible that the RBI's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of the Bank. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, domestically or globally, may affect the viability of the Bank. Accordingly, trading behaviour in respect of any Additional Tier 1 Notes or Tier 2 Notes may not follow the trading behaviour associated with other types of securities. Potential investors in any Additional Tier 1 Notes or Tier 2 Notes should consider the risk that a holder may lose all of its investment, including the principal amount plus any accrued interest, if such regulatory loss absorption measures are acted upon.

Furthermore, there can be no assurance that the Basel Committee will not propose further amendments to the Basel Accord or that the relevant authorities in India will not impose requirements on banks that are more onerous than those contained in the Basel III Reforms. Further changes in law after the date hereof may affect the rights of holders of the Subordinated Notes as well as the market value of the Subordinated Notes.

In addition, Additional Tier 1 Notes will be Written-Down upon the occurrence of a CET1 Trigger Event. If the Bank's Common Equity Tier 1 Ratio is at or below 6.125%, 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 or written down (see Condition 7.2 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. The Write-off of any Common Equity Tier 1 capital shall not be required before any Write-Down of the Additional Tier 1 Notes whether pursuant to a PONV Trigger Event or a CET1 Trigger Event.

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 Issuer and is 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. There can be no assurance that the Issuer 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 Common Equity Tier 1 Capital Ratio. Any indication that the Bank's Common Equity Tier 1 Capital Ratio is trending towards 6.125% may have an adverse effect on the market price of the Additional Tier 1 Notes. The level of the Bank's Common Equity Tier 1 Capital Ratio may significantly affect the trading price of the Additional Tier 1 Notes.

***The terms of the Subordinated Notes contain no limitation on issuing senior or pari passu securities.***

The Additional Tier 1 Notes, the Tier 2 Notes, the Trust Deed and the Agency Agreement do not limit the amount of liabilities ranking senior to the relevant Subordinated Notes which may be hereafter incurred or assumed by the Bank. Pursuant to Condition 2.2 and 2.3 of the terms and conditions of the Notes respectively, the Additional Tier 1 Notes will rank pari passu with the claims of subordinated obligations of the Bank which rank, or are expressed to rank, pari passu with the claims in respect of the Additional Tier 1 Notes, and any subordinated obligations of the Bank that were eligible for inclusion in hybrid Tier 1 capital under the Basel II guidelines, only to the extent permitted by the RBI guidelines at the relevant time, and the Tier 2 Notes will rank pari passu with the claims of subordinated obligations of the Bank which rank, or are expressed to rank, pari passu with the claims in respect of the Tier 2 Notes. As at the date of this Offering Circular, the interpretation of the RBI guidelines on this point is unclear. Accordingly, investors should be aware that a particular series of the Additional Tier 1 Notes may rank junior to other Additional Tier 1 Notes and any outstanding instrument that qualified as hybrid tier I capital under the Basel III Guidelines in any winding-up proceedings of the Bank.

***The Bank may vary the terms of Subordinated Notes.***

The Bank may, without the consent or approval of the Noteholders or the Trustee, but subject to the prior approval of the RBI, vary the terms of any Subordinated Notes, so that they remain or, as appropriate, become Qualifying Subordinated Notes, subject to certain conditions. The terms of such varied Subordinated Notes may contain one or more provisions that are substantially different from the terms of the original Notes, provided that the Subordinated Notes remain Qualifying Subordinated Notes in accordance with the Conditions. While the Bank cannot make changes to the terms of the Subordinated Notes that would result in the varied securities having terms and conditions materially less favourable to a Noteholder than the Subordinated Notes, the Bank will determine whether such terms and conditions are materially less favourable and will not be required to take into account the tax treatment of the varied securities in the hands of all or any holder of Subordinated Notes. Furthermore, the Trustee has no obligation or ability to verify whether the requirements for such variations have been satisfied and will have no discretion in determining whether any such variation results in terms that are materially less favourable to the holders of Subordinated Notes. Accordingly, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholder from the tax and stamp duty consequences 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 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 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 2.3(c) 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 2.3(c) 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, such payment needs to be made out of (a) profits brought forward from previous years, and/or (b) 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. Such payments are subject to the Bank meeting its minimum regulatory requirements for CET1, Tier 1 and Total Capital ratios including, if applicable, the additional capital requirements for Domestic Systemically Important Banks at all times and subject to the restrictions under the capital buffer frameworks and countercyclical capital buffer in terms of paragraphs 250 to 252 and 258 to 261 of the Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, No. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated 28 November 2025 forming part of the RBI Guidelines). A failure to meet these requirements will result in a mandatory cancellation of interest payments. In addition, in certain events, depending on the interest rate and regulatory requirements at the time, coupon reset may require RBI consultation or approval.

Condition 2.3(c) 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 2.3(c).

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 buffer frameworks and countercyclical capital buffer in terms of paragraphs 250 to 252 and 258 to 261 of the Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025, No. RBI/DOR/2025-26/151 DOR.CAP.REC.70/21-01-002/2025-26 dated 28 November 2025 forming part of the RBI Guidelines), 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:

	As of 31 March		
Minimum Capital Adequacy Ratios (%)	2023	2024	2025
Common Equity Tier 1 (CET 1) .....	5.5	5.5	5.5
Capital Conservation Buffer (CCB) .....	2.5	2.5	2.5
Minimum CET 1 + CCB.....	8.0	8.0	8.0
Minimum Tier I Capital.....	7.0	7.0	7.0
Minimum Tier I Capital + CCB.....	9.5	9.5	9.5
Minimum Total Capital .....	9.0	9.0	9.0
Minimum Total Capital + CCB .....	11.5	11.5	11.5

Any actual or anticipated cancellation of interest on the Additional Tier 1 Notes will likely have an adverse effect on the market price of Additional Tier 1 Notes. In addition, as a result of the interest cancellation provisions of the Additional Tier 1 Notes, the market price of the Additional Tier 1 Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Bank's financial condition.

***The 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, the Conditions for Redemption must have been satisfied prior to the 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 at all or 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 at all or 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 a winding-up/insolvency petition is admitted against the Bank.

If a winding up proceeding or liquidation proceeding should occur, Holders of the Additional Tier 1 Notes may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Bank. 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.

### **Risks relating to an Investment in Notes denominated in INR**

***Notes denominated in INR are subject to selling restrictions and may be transferred only to a limited pool of investors.***

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

Notes denominated in INR can only be issued to and held by investors resident in jurisdictions which are a member of the Financial Action Task Force (“FATF”) or a member of an FATF-style regional body and should not be a country identified in the public statement of the FATF as: (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies; or an investor who is a resident of a country whose securities market regulator is a signatory to IOSCO’s ‘Multilateral Memorandum of Understanding (Appendix A Signatories)’ or a signatory to a bilateral ‘Memorandum of Understanding’ with the SEBI for information sharing arrangements.

The Notes denominated in INR can only be sold, transferred or offered as security overseas subject to compliance with aforesaid FATF Requirements or IOSCO jurisdictional requirements.

The Notes denominated in INR are denominated in INR but settled in U.S. dollars. Investors in the Notes denominated in INR are required to pay the issue price for their Notes denominated in INR in U.S. dollars at the prevailing exchange rate between INR and the U.S. dollar as at the pricing date of the Notes denominated in INR. This entails risks which are not associated with a similar investment in a U.S. dollar denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between INR and U.S. dollars if such currency risk is unhedged and 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, so the risk pertaining to exchange rate fluctuation persists.

***Notes denominated in INR are not freely convertible.***

Notes denominated in INR are not freely convertible. The Rupee is not a freely convertible currency. 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. 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 devaluation of a currency, or 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. The taking of any one or more of such measures could adversely affect the value of the Notes denominated in INR as well as any amount which may be payable upon redemption of the Notes. Early redemption of Notes denominated in INR may require RBI approval. Early redemption of Notes denominated in INR prior to its stated maturity (whether as a result of an event of default or any early redemption event) requires prior RBI or AD Bank approval, 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.

***Early redemption of Notes denominated in INR prior to its stated average maturity or its stated maturity requires prior RBI or AD Bank approval, as the case may be.***

Any early redemption of the Notes prior to the expiry of the Minimum Average Maturity Period stipulated under the ECB Guidelines will require the prior approval of the RBI in accordance with the ECB Guidelines and such approval may not be forthcoming. An early redemption of Notes (including for an exercise of the Issuer Call, an event of default, change of control or any early redemption event) prior to the Minimum Average Maturity Period stipulated under the ECB Guidelines will require prior approval of the RBI or the AD Bank, as the case may be in accordance with the ECB Guidelines. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

## SELECTED FINANCIAL AND OPERATING DATA

The following tables set forth the Bank's selected financial and operating data and should be read together with the standalone Financial Statements and related notes included elsewhere in this Offering Circular. The financial data, where applicable, has been derived from the Bank's audited standalone Financial Statements prepared in accordance with Indian GAAP as applicable to banks. Unless otherwise stated, the summary income statement data for fiscals 2023, 2024 and 2025, and the six months ended 30 September 2024 and 30 September 2025, and the summary balance sheet data as at 31 March 2023, 31 March 2024, 31 March 2025, 30 September 2024 and 30 September 2025, are derived from the Bank's audited/limited review standalone Financial Statements, as applicable. The Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time. In accordance with Indian GAAP, adjustments to reflect such changes are made on a prospective basis, and financial statements for earlier periods are not restated. U.S. dollar translations have been made using the exchange rate of Federal Reserve as at 31 March 2025, which was U.S.\$1.00 = ₹85.43 and as at 30 September 2025 was U.S.\$1.00 = ₹88.78.

### Standalone Balance Sheet

	As on September 30, 2025	As on March 31, 2025	As on March 31, 2024	As on March 31, 2023 <sup>(1)</sup>
	( ₹ in millions)			
<b>CAPITAL AND LIABILITIES</b>				
Capital.....	6,206	6,195	6,173	6,154
Employees’ Stock Options Outstanding .....	11,938	11,082	8,266	4,234
Reserves & Surplus .....	1,893,266	1,779,975	1,496,177	1,243,779
Deposits.....	12,034,869	11,729,520	10,686,414	9,469,452
Borrowings.....	1,995,060	1,841,465	1,968,117	1,863,000
Other Liabilities and Provisions .....	824,805	731,062	606,939	586,636
<b>Total Capital and Liabilities .....</b>	<b>16,766,144</b>	<b>16,099,299</b>	<b>14,772,086</b>	<b>13,173,255</b>
<b>ASSETS</b>				
Cash and Balances with Reserve Bank of India.....	638,426	736,384	860,775	661,178
Balances with Banks and Money at Call and Short Notice .....	193,929	260,937	283,769	402,930
Investments .....	3,918,508	3,961,418	3,315,272	2,888,148
Advances .....	11,167,030	10,408,113	9,650,684	8,453,028
Fixed Assets .....	64,135	62,917	56,846	47,339
Other Assets .....	784,116	669,530	604,740	720,632
<b>Total Assets .....</b>	<b>16,766,144</b>	<b>16,099,299</b>	<b>14,772,086</b>	<b>13,173,255</b>
Contingent Liabilities .....	27,167,611	28,756,481	19,088,925	14,412,489
Bills for Collection .....	806,635	769,312	736,251	681,765

Notes: (1) Financial information as of and for the year ended March 31, 2023 includes exception items comprising of (i) full amortization of Intangibles and Goodwill amounting to Rs. 119.49 billion; (ii) impact of policy harmonisation of operating expenses and provisions amounting to Rs. 3.61 billion; and (iii) one-time acquisition related expenses amounting to Rs. 1.79 billion; on account of acquisition of Citibank India consumer business. Bank has fully charged to the profit and loss account all the exceptional items in March 2023. The cumulative impact of all the exceptional items on Bank's profit and loss account (net of taxes) is Rs. 123.53 billion.

## Standalone Profit & Loss Account

	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023 <sup>(1)</sup>
	(₹ in millions)		
<b>I INCOME</b>			
Interest earned .....	1,226,770	1,093,686	851,638
Other income .....	252,571	224,420	165,009
<b>Total Income .....</b>	<b>1,479,341</b>	<b>1,318,106</b>	<b>1,016,647</b>
<b>II EXPENDITURE</b>			
Interest expended .....	683,292	594,742	422,180
Operating expenses .....	374,999	352,133	396,560
Provisions and contingencies .....	157,315	122,617	102,110
<b>Total Expenditure .....</b>	<b>1,215,606</b>	<b>1,069,492</b>	<b>920,850</b>
<b>III NET PROFIT FOR THE YEAR (I – II) .....</b>	<b>263,735</b>	<b>248,614</b>	<b>95,797</b>
Balance in Profit & Loss Account Brought Forward .....	602,540	441,450	381,006
<b>IV Amount Available For Appropriation/Transfers .....</b>	<b>866,275</b>	<b>690,064</b>	<b>476,803</b>
<b>V Appropriations/Transfers</b>			
Transfer to Statutory Reserve .....	65,934	62,154	23,949
Transfer to Capital Reserve .....	2,143	1,396	678
Transfer to Special Reserve .....	10,247	9,681	8,410
Transfer to Investment Reserve .....	–	2,423	(1,485)
Transfer to Investment Fluctuation Reserve .....	2,480	8,790	730
Dividend paid during the year .....	3,091	3,080	3,071
Balance carried over to the Balance Sheet .....	782,380	602,540	441,450
<b>Total .....</b>	<b>866,275</b>	<b>690,064</b>	<b>476,803</b>
<b>VI Earnings Per Equity Share (Face value ₹2/– per share)..</b>			
Basic (in ₹) .....	85.28	80.67	31.17
Diluted (in ₹) .....	84.77	80.10	31.02

Notes: (1) Financial information as of and for the year ended March 31, 2023 includes exception items comprising of (i) full amortization of Intangibles and Goodwill amounting to Rs. 119.49 billion; (ii) impact of policy harmonisation of operating expenses and provisions amounting to Rs. 3.61 billion; and (iii) one-time acquisition related expenses amounting to Rs. 1.79 billion; on account of acquisition of Citibank India consumer business. Bank has fully charged to the profit and loss account all the exceptional items in March 2023. The cumulative impact of all the exceptional items on Bank's profit and loss account (net of taxes) is Rs. 123.53 billion.

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
	<i>(₹ in millions)</i>	
<b>I INCOME</b>		
Interest earned .....	604,806	620,337
Other income .....	125,053	138,827
<b>Total Income .....</b>	<b>729,859</b>	<b>759,164</b>
<b>II EXPENDITURE</b>		
Interest expended .....	335,492	347,294
Operating expenses .....	186,180	192,593
Provisions and contingencies .....	78,665	110,319
<b>Total Expenditure .....</b>	<b>600,337</b>	<b>650,206</b>
<b>III NET PROFIT FOR THE PERIOD (I – II) .....</b>	<b>129,522</b>	<b>108,958</b>
<b>IV Earnings Per Equity Share (Face value ₹2/- per share) ..</b>		
Basic (in ₹) .....	41.92	35.14
Diluted (in ₹) .....	41.63	34.95

## Cash Flow Statement

	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023 <sup>(1)</sup>
	<i>(₹ in millions)</i>		
<b>Cash flow from operating activities</b>			
<b>Net profit before taxes</b> .....	343,466	330,601	169,058
<b>Adjustments for:</b>			
Depreciation and amortisation on fixed assets, intangibles and goodwill .....	16,991	13,338	130,945
Mark-to-Market (gain)/loss on investments .....	(7,005)	(4,313)	5,956
Amortisation of premium/discount on investments .....	6,516	8,942	8,891
Provision for Non Performing Assets (including bad debts)/Restructured assets .....	113,553	64,528	62,394
Provision on standard assets and other contingencies .....	2,124	3,828	(4,696)
Profit/(loss) on sale of land, buildings and other assets (net) .....	94	37	68
Dividend from Subsidiaries .....	(246)	(414)	(150)
Employee stock options/units expense .....	4,240	4,543	2,855
	<b>479,733</b>	<b>421,090</b>	<b>375,321</b>
<b>Adjustments for:</b>			
(Increase)/Decrease in investments .....	(128,697)	(363,503)	52,321
(Increase)/Decrease in advances .....	(873,215)	(1,263,611)	(1,434,102)
Increase /(Decrease) in deposits .....	1,043,106	1,216,962	1,249,737
(Increase)/Decrease in other assets .....	(63,157)	105,547	27,734
Increase/(Decrease) in other liabilities & provisions .....	111,224	14,623	59,849
Direct taxes paid .....	(74,872)	(66,501)	(61,839)
<b>Net cash flow generated/(used) from operating activities</b> .....	<b>494,122</b>	<b>64,607</b>	<b>269,021</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets .....	(23,282)	(22,945)	(13,250)
Purchase consideration for acquisition of Citibank India consumer business .....	—	(3,298)	(116,025)
(Increase)/Decrease in Held to Maturity investments .....	(471,701)	(63,820)	(197,142)
Increase in investment in Subsidiaries / Associates .....	(28,756)	(3,009)	(4,066)
Decrease in investment in Subsidiaries/ Associates .....	3,293	—	—
Proceeds from sale of fixed assets .....	112	79	113
Dividend from Subsidiaries .....	246	414	150
<b>Net cash flow generated/(used) from investing activities</b> .....	<b>(520,088)</b>	<b>(92,579)</b>	<b>(330,220)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of subordinated debt, Additional Tier I instruments .....	—	—	123,827



	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2023 <sup>(1)</sup>
Repayment of subordinated debt, Additional Tier I instruments .....	(8,264)	—	(60,000)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net)) .....	(118,388)	105,117	(52,165)
Proceeds from issue of share capital .....	22	19	14
Proceeds from share premium (net of share issue expenses) .....	6,837	5,553	3,789
Payment of dividend .....	(3,091)	(3,080)	(3,071)
<b>Net cash flow generated from/(used) from financing activities</b>	<b>(122,884)</b>	<b>107,609</b>	<b>12,394</b>
Effect of exchange fluctuation translation reserve .....	1,627	799	3,042
<b>Net increase in cash and cash equivalents .....</b>	<b>(147,223)</b>	<b>80,436</b>	<b>(45,763)</b>
Cash and cash equivalents at the beginning of the year.....	1,144,544	1,064,108	1,109,871
<b>Cash and cash equivalents at the end of the year</b>	<b>997,321</b>	<b>1,144,544</b>	<b>1,064,108</b>

**Notes to the Cash Flow Statement:**

1. Cash and cash equivalents includes the following.....

Cash and Balances with Reserve Bank of India .....	736,384	860,775	661,178
Balances with Banks and Money at Call and Short Notice	260,937	283,769	402,930
<b>Cash and cash equivalents at the end of the year</b>	<b>997,321</b>	<b>1,144,544</b>	<b>1,064,108</b>

2. Amount of Corporate Social Responsibility related expenses spent during in year ended March 31, 2025, March 31, 2024 and March 31, 2023 in cash was ₹2.87 billion, ₹2.17 billion and ₹1.72 billion respectively .....

*Notes: (1) Financial information as of and for the year ended March 31, 2023 includes exception items comprising of (i) full amortization of Intangibles and Goodwill amounting to Rs. 119.49 billion; (ii) impact of policy harmonisation of operating expenses and provisions amounting to Rs. 3.61 billion; and (iii) one-time acquisition related expenses amounting to Rs. 1.79 billion; on account of acquisition of Citibank India consumer business. Bank has fully charged to the profit and loss account all the exceptional items in March 2023. The cumulative impact of all the exceptional items on Bank's profit and loss account (net of taxes) is Rs. 123.53 billion.*

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
<i>(₹ in millions)</i>		
<b>Cash flow from operating activities</b>		
<b>Net profit before taxes.....</b>	<b>165,754</b>	<b>144,330</b>
<b>Adjustments for:</b>		
Depreciation and amortisation on fixed assets, intangibles and goodwill .....	8,192	8,792
Mark-to-Market (gain)/loss on investments.....	(7,851)	(1,307)
Amortisation of premium/discount on investments .....	2,979	4255

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
	<i>(₹ in millions)</i>	
Provision for Non Performing Assets (including bad debts)/Restructured assets .....	55,661	75,785
Provision on standard assets and other contingencies.....	2,482	14,581
Dividend from Subsidiaries.....	(246)	(150)
Employee stock options/units expense .....	2,176	2,192
<b>Adjustments for:</b>		
(Increase)/Decrease in investments .....	67,272	235,293
(Increase)/Decrease in advances.....	(404,717)	(834,616)
Increase /(Decrease) in deposits .....	181,026	305,349
(Increase)/Decrease in other assets.....	(47,157)	(113,873)
Increase/(Decrease) in other liabilities & provisions .....	25,397	74,872
Direct taxes paid (net of refunds) .....	(36,843)	(31,668)
<b>Net cash flow generated/(used) from operating activities.....</b>	<b>14,125</b>	<b>(116,165)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets.....	(10,723)	(10,127)
(Increase)/Decrease in Held to Maturity investments .....	(201,492)	(195,346)
Increase in investment in Subsidiaries / Associates .....	(19,020)	(300)
Decrease in investment in Subsidiaries / Associates.....	1,631	-
Proceeds from sale of fixed assets .....	49	75
Dividend from Subsidiaries.....	246	150
<b>Net cash flow generated/(used) from investing activities</b>	<b>(229,309)</b>	<b>(205,548)</b>
<b>Cash flow from financing activities</b>		
Repayment of subordinated debt, Additional Tier I instruments ...	-	(12,153)
Increase/(Decrease) in borrowings (other than subordinated debt, Additional Tier I instruments (net)).....	(70,005)	165,748
Proceeds from issue of share capital.....	13	11
Proceeds from share premium (net of share issue expenses) .....	4,162	3,337
Payment of dividend.....	(3,091)	(3,101)
<b>Net cash flow generated/(used) from financing activities</b>	<b>(68,921)</b>	<b>153,842</b>
Effect of exchange fluctuation translation reserve .....	311	2,905
<b>Net increase / (decrease) in cash and cash equivalents .....</b>	<b>(283,794)</b>	<b>(164,966)</b>
Cash and cash equivalents at the beginning of the year .....	1,144,544	997,321
<b>Cash and cash equivalents at the end of the year / period</b>	<b>860,750</b>	<b>832,355</b>

## Key Ratios

	As at September 30	As at or for the year ended 31 March		
	2025	2025	2024	2023
	(₹ in millions)			
<b>Profitability Ratios</b>				
Return on average total assets <sup>(1)</sup> .....	1.35%	1.74%	1.83 %	0.80%
Return on average net worth <sup>(2)</sup> .....	12.09%	16.52%	18.86 %	8.47%
Dividend pay-out ratio <sup>(3)</sup> .....	N.A	1.17%	1.24 %	3.21%
Net interest margin <sup>(4)</sup> .....	3.77%	3.98%	4.07 %	4.02%
Cost income ratio <sup>(5)</sup> (Reconciliation)* .....	46.76%	47.11%	48.68 %	66.71%
<b>Capital Adequacy Ratio (under Basel III)<sup>(6)</sup></b>				
Capital to Risk Weighted Assets Ratio (“CRAR”) .....	16.55%	17.07%	16.63 %	17.64%
Tier I capital adequacy ratio .....	14.83%	15.07%	14.20 %	14.57%
Tier II capital adequacy ratio .....	1.72%	2.00%	2.43 %	3.07%
<b>Asset Quality</b>				
Gross non-performing advances as a percentage of gross advances .....	1.49%	1.33%	1.47 %	1.98%
Gross non-performing assets as a percentage of gross customer assets <sup>(7)</sup> .....	1.46%	1.28%	1.43 %	2.02%
Net non-performing advances as a percentage of net advances	0.46%	0.35%	0.34 %	0.41%
Net non-performing assets as a percentage of net customer assets <sup>(8)</sup> .....	0.44%	0.33%	0.31 %	0.39%

\* The following table sets forth the reconciliation of cost income ratio:

	Year ended 31 March			
	2023	2024	2025	2025
	(₹ in millions)			
				U.S.\$
<b>Total Income (A)</b> .....	<b>10,16,646</b>	<b>13,18,106</b>	<b>14,79,341</b>	<b>17,316</b>
Interest expended (B) .....	4,22,180	5,94,742	6,83,292	7,998
<b>Operating Revenue (C=A-B)</b> .....	<b>5,94,466</b>	<b>7,23,364</b>	<b>7,96,049</b>	<b>9,318</b>
Operating expenses (D) .....	3,96,560	3,52,133	3,74,999	4,390
<b>Cost to Income ratio (D/C*100)</b> .....	<b>66.71</b>	<b>48.68</b>	<b>47.11</b>	<b>47.11</b>

(1) Net profit divided by average month-end assets for the fiscal.

(2) Net profit divided by the sum of the year end average of share capital, share premium and year-end average of other reserves and surplus as reduced by the year-end average of deferred tax assets.

(3) Represents the ratio of total dividends payable on equity shares relating to each fiscal, excluding the dividend distribution tax, as a percentage of net profit of that year. Dividends of each fiscal are typically paid in the following fiscal.

- (4) Represents the ratio of net interest income to daily average interest earning assets.
- (5) Represents the ratio of operating expenses to the sum of net interest income and non-interest income.
- (6) Capital adequacy ratios are computed in accordance with RBI guidelines.
- (7) Gross customer assets include advances, credit substitutes before provisions.
- (8) Net customer assets include advances, credit substitutes after deductions of provisions.

	<b>As at September 30</b>	
	<b>2024</b>	<b>2025</b>
	<i>(₹ in millions)</i>	
<b>Total Income (A)</b> .....	7,29,859	7,59,164
Interest expended (B).....	3,35,492	3,47,294
<b>Operating Revenue (C=A-B)</b> .....	<b>3,94,367</b>	<b>4,11,870</b>
Operating expenses (D) .....	1,86,181	1,92,593
<b>Cost to Income ratio (D/C*100)</b> .....	<b>47.21%</b>	<b>46.76%</b>

## DESCRIPTION OF THE BANK

*Some of the information contained in this section, including information with respect to the business plans and strategies of the Bank, contain forward-looking statements that involve risks and uncertainties. You should read the section titled “Forward-Looking Statements” of this Offering Circular for a discussion of the risks and uncertainties related to those statements and also the section titled “Risk Factors” for a discussion of certain factors that may affect the Bank’s business, financial condition or results of operations. The actual results of the Bank may differ materially from those expressed in or implied by these forward-looking statements.*

*The manner in which some of the operational and financial performance indicators (Refer Non-GAAP Measures) are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other banks in India and other jurisdictions. The Bank’s fiscal year ends on 31 March of every year, so all references to a particular fiscal year are to the twelve-month period ended 31 March of that year. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Offering Circular, including the information contained in “Risk Factors” and “Indian Financial Sector”.*

*Certain information in this section includes extracts from publicly available information, data, and statistics, and has been derived from various publications and industry sources, including from the RBI. Neither the Bank, nor the Arrangers or Dealers has independently verified such information.*

*Unless otherwise stated, references to “the Bank”, are to Axis Bank Limited on a standalone basis and references to “we”, “us”, “our”, are to Axis Bank Limited on a consolidated basis.*

### OVERVIEW:

The Bank is the third largest private sector bank in terms of total assets in India, offering a wide range of products and services to corporate and retail customers through a variety of delivery channels. The Bank commenced operations in April 1994 and over the last 30 years, has grown both in terms of the size of its asset base and its physical network of branches, extension counters and ATMs.

As of September 30, 2025, the Bank was the third largest private sector bank in India in terms of total assets, based on public filings of private sector banks. The Bank’s total assets as of September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, were ₹16,766.14 billion, ₹16,099.30 billion, ₹14,772.09 billion and ₹13,173.26 billion, respectively, and the Bank’s net advances as at September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, amounted to ₹11,167.03 billion, ₹10,408.11 billion, ₹9,650.68 billion, and ₹8,453.03 billion, respectively, and deposits as at September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, amounted to ₹12,034.87 billion, ₹11,729.52 billion, ₹10,686.41 billion, and ₹9,469.45 billion, respectively.

The Bank’s primary business consists of commercial banking operations for Indian corporate and retail customers. The Bank provides a range of commercial banking products and services, including loan products, fee and commission-based products and services, deposit products and foreign exchange and derivatives products to India’s leading corporations, middle market companies and small and medium enterprises. The Bank’s retail operations primarily consist of retail lending, payments, deposit taking and distribution of third-party insurance and investment products. The Bank also offers agricultural and rural banking products.

The Bank delivers its products and services through a variety of channels, including bank branches, ATMs, call centres, the internet and mobile phones. As of September 30, 2025, the Bank had a network of 5,976 domestic branches and extension counters, 5,940 ATMs and 7,237 Recyclers distributed across 3,238 locations in India. In addition to the Bank’s extensive branch and ATM network, the Bank also offers telephone banking in various cities, as well as Internet banking and mobile banking facilities. The Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India. The Bank’s foreign branches primarily offer corporate banking, trade finance and treasury and risk management services.

The Bank’s principal business activities are divided into the following main business units:

- Retail Banking;
- Wholesale Banking; and
- Treasury.

The Bank's core income stream is comprised of interest income earned from its retail, corporate and SME loan portfolios, as well as from its money-market operations and investment portfolio. The Bank also earns fee and commission income from the processing of loans, documentary credits, bank guarantees, placements and syndication, service charges, cash management services, advisory services, depository services, capital market services, ATM interchange and cards, remittance, wealth management and sale of third-party products.

Since 2011, the Bank has experienced significant growth in its customer and geographical base, which expanded to approximately 37 million savings customer accounts as at September 30, 2025. The Bank's total assets have increased from ₹13,173.26 billion as at March 31, 2023 to ₹14,772.09 billion as at March 31, 2024, ₹16,099.30 billion as at March 31, 2025 and was ₹16,766.14 billion as at September 30, 2025, with net retail advances (retail advances net of provisions) increasing from ₹4,875.71 billion as at March 31, 2023 to ₹5,832.65 billion as at March 31, 2024, ₹6,228.97 billion as at March 31, 2025, and ₹6,354.60 billion as at September 30, 2025. Furthermore, total deposits increase from ₹9,469.45 billion as at March 31, 2023 to ₹10,686.41 billion as at March 31, 2024, ₹11,729.52 billion as at March 31, 2025 and was ₹12,034.87 billion as at September 30, 2025. As at September 30, 2025, the Bank had 5,940 ATMs and 7,273 cash deposit and withdrawal machines.

The Bank believes that it is now well-positioned to capitalize on future growth opportunities. The Bank believes that its strong liability profile, diversified and secured lending portfolio and strong credit underwriting and risk management practices will enable the Bank to withstand during uncertain times and gather momentum to deliver performance on a sustainable and consistent basis.

### **Competitive Strengths**

The Bank considers the following to be its principal competitive strengths:

#### ***Strong capital position***

The Bank's total capital adequacy ratio as on September 30, 2025, March 31, 2025, March 31 2024 and March 31, 2023, was 16.55%, 17.07%, 16.63% and 17.64%, respectively, and CET-1 ratio was 14.43%, 14.67%, 13.74% and 14.02%, respectively well above the regulatory requirements. The Bank believes it is in a strong capital position in the current uncertain times. The Bank has a healthy provision coverage ratio (PCR) for NPAs of 91.83% (including prudential write-offs) as on September 30, 2025.

#### ***Strong distribution network***

The Bank has a nationwide distribution network with one of the largest number of branch outlets among private sector banks in India. As at September 30, 2025, the Bank had a network of 5,976 branches & extension counters and 13,177 ATMs & cash recyclers spread across the country. As at March 31, 2025, the Bank had a network of 5,879 branches & extension counters and 13,941 ATMs & cash recyclers spread across the country. As at March 31 2024, the Bank had a network of 5,377 branches & extension counters and 16,026 ATMs & cash recyclers spread across the country.

Through its extensive distribution network, the Bank offers a wide array of traditional asset and liability products and services to its customers and is continually working to offer additional products to meet the needs of its diverse customer base. The Bank's distribution network is further complemented by its digital platforms, including online and mobile banking solutions, which offer 24-hour access to customer accounts and the ability to conduct routine banking transactions, such as online bill payment and application for loans. The Bank believes this extensive nationwide network provides it with a strong sales platform, which enables the Bank to cross-sell its products and to deliver high-quality and convenient services to its customers.

#### ***Large customer base***

The Bank has a large customer base of around 58 million spread across retail, corporates and SME, as at September 30, 2025. The Bank has been investing in building a strong customer-focused franchise. The Bank believes, the

customers choose its network because of its strong brand, the convenience of its branch locations, convenient access to ATMs and remote banking services, as well as diverse product offerings. The large customer base provides the Bank with opportunities to cross-sell various banking and financial products based on their needs and deepen the existing relationship. The Bank continues to drive the strategy of delivering granular growth and a clear focus on staying close to the needs and aspirations of its customers.

### ***Strong digital presence***

The Bank has set up Axis 2.0 – a fully digital bank within the Bank. The Bank continues to have strong digital presence with 30% market share in NEFT volume for fiscal 2025 and 9% market share in RTGS (value) for fiscal 2025. The Bank has witnessed improvement in digital adoption with 97% of financial transactions being done by individuals through digital channels in the second quarter of fiscal 2026. The Bank's mobile app is world's highest rated mobile banking app with a rating of 4.7 on the Play store and around 15 million mobile banking monthly active users in September 30, 2025. We aim to further grow our digital play through Neo - an integrated corporate digital bank platform offering an omni-channel experience for relevant journeys. The corporates will be offered the full breadth of digital solutions across the Bank's channels, ERP integration leveraging APIs as well as seamless banking on third party platforms. Neo has consistently won market recognition for customer experience and innovation which exemplifies the differentiation from peers that the bank has been able to demonstrate.

### ***One Axis***

The Bank has a unique opportunity to provide a complete range of solutions to corporates leveraging the corporate banking franchise and the strong capabilities of the subsidiaries. The Bank's One Axis strategy is yielding good results and its key subsidiaries continue to deliver steady performance. These coordinated efforts help in providing a differentiating value proposition and strengthening relationships with the clients.

### ***Broad product offering to meet financial needs of customers***

The Bank offers a wide range of products and services which cover the banking requirements of individuals as well as non-individual customer base through universal banking platform spanning across diverse business units and several specialized subsidiaries. The Bank has a large number of customer relationships. The wide range of solutions offered by the Bank are provided across its physical and digital network, allowing it to service customers across several market sectors which the Bank believes is a substantial competitive advantage. In addition, the Bank's products focus on superior service and execution which provides cross-selling opportunities leading to customer retention. By establishing itself as a one-stop financial centre for its customers under the Bank's "One Axis" vision, the Bank is able to employ an integrated approach towards providing a suite of products and services relevant to the customer. For example, the Bank is able to showcase and cross-sell its products and services across the retail and corporate verticals like savings accounts, term deposits, insurance, mutual fund investments, credit cards, home loan, auto loan, gold loan, education loan, personal loan, loan against property, business loan, and wealth management services on the retail front, investment banking, capital markets services, foreign exchange and derivatives solutions, commercial banking services, such as working capital, term loans and bank guarantees, cash management, current account, trade finance, foreign exchange and derivatives and custodial services, correspondent banking services on the corporate front. The Bank sees this as a core strength enabling it to strengthen its existing customer relationship and to acquire new customers across various sectors.

### ***Experienced management team***

Bank's senior management team comprises career banking professionals who have significant experience in the banking and financial services sector. The Bank believes the collective industry knowledge and leadership of its senior management team and their record of accomplishment in responding to challenging market conditions and achieving growth will enable the Bank to generate profitable growth in future years.

Over the last few years, the Bank has strengthened the leadership team across most functions with a clear focus on improving the Bank's performance. The Bank is led by the Managing Director and Chief Executive Officer and other experienced industry executives. In January 2019, Shri Amitabh Chaudhry joined the Bank as its Managing Director and Chief Executive Officer. Since his arrival, he has spearheaded a review of the Bank's policies and strategies that resulted in the implementation of the Bank's strategy, which is focused on growth, profitability and sustainability (GPS).

The Bank's current management team has strengths in key areas including retail, corporate and international banking, and is focused on delivering on the Bank's business strategies.

## Strategies

The Bank's strategy is centered on three important vectors – Growth, Profitability and Sustainability and the Bank continues to be guided by the pillars of the aforesaid strategy.

The key elements of the Bank's business strategy are outlined below:

### ***Growth – the Bank intends to continue its growth momentum by employing the following strategies:***

- *Broaden the Bank's low-cost deposit base to grow deposits in line with loans* – the Bank aims to fund its loan growth objectives largely by growing granular CASA deposit base. The Bank plans to continue expanding its retail banking business by growing its distribution network, increasing its customer base, diversifying its banking product mix, providing banking convenience to customers, driving improvement in resource productivity through leveraging and optimizing its digital and phone banking channels along with its physical distribution and offering differentiated products and solutions to meet the specific needs of particular customer demographics. The Bank is focused on growing retail term deposits in addition to current accounts and savings accounts. Various initiatives are underway for deposit mobilisation that are specifically focused on accelerating granular retail SA and individual term deposit franchise. At the same time, the Bank is equally focused on scaling up its current account book, both wholesale and retail. The Bank has transformed its core liability channel by making them self-sufficient in sourcing (increasing productivity and end-to-end lead management) and also activating other parts of the bank (assets, cards, Bharat banking etc.) to garner deposits.

The Bank believes that its initiatives and such customer-specific orientation will help it to expand its pool of low-cost funding and improve share of LCR-accretive deposits.

- *Continue momentum in Bank's retail asset growth* – the Retail Banking business unit is expected to remain one of the important drivers of the Bank's overall growth strategy. The thrust of the lending business has been to grow the high RAROC business while maintaining portfolio quality and yields. The Bank intends to focus on existing customers as well as on obtaining new customers, by leveraging its digital lending platform as a channel to market its asset products. The Bank continues to invest in building risk management and analytical capabilities to mitigate risks, drive cross-selling opportunities and improve the profitability of its retail products. The Bank intends to have the right mix of secured and unsecured assets, adjusted from time to time based on prevailing internal and external factors in its quest for increasing the market share. The Bank will focus on the following:
  - Making right choices on distribution channel i.e., growing disbursements through its low-cost channels and focusing on disbursement from Bharat branches
  - Extensive digitization of customer journeys and impactful transformations
  - Maintain strong risk & compliance culture and sustained governance
  - Leverage advanced analytics and universal underwriting to acquire more customers
  - Drive deeper customer engagement including digital engagement with existing customers for effective cross-sell & continue identifying new spaces
- *Accelerate growth in the Bank's Wholesale Banking business unit* – the Bank's strategy will be to continue to deliver healthy profitable growth. The Bank intends to maintain its focus on corporate lending while also increasing this business unit's income by capturing a greater share of non-credit fee income. The corporate capex cycle and the investment cycle are picking up pace on the back of healthy corporate balance sheets. The Bank expects lending opportunities arising from capex/investments, infrastructure and government spending. The Bank intends to accelerate growth in its asset portfolio by focusing on identified SBUs and reviewing them from time to time. The Bank continues to invest in digital solutions for corporate customers through its Neo offering in an effort to obtain a greater share of transaction banking business.



- *Digital Bank* – The Bank intends to remain focused on and intensify its efforts towards scaling-up its enterprise level digital capabilities to address changing customer needs, introducing new products and simplifying and improving customer experience. Digital strategy will continue to drive on the 5 priorities:
  1. Build digital lending and liability propositions
    - Focus on NTB / KTB / ETB
    - Partnership led acquisition
  2. Build on existing Mobile app - Open by Axis Bank: NTB acquisition, Fraud protect, Accessibility, Affluent App, etc.
  3. Continue strengthening the brand “Open” by Axis Bank
  4. Become the leader in platform businesses by selectively focusing on priority platforms (based on impact potential and regulatory stance)
    - Account aggregator
    - Central Bank Digital Currency (CBDC)
    - Reserve Bank Innovation Hub (RBIH)
  5. Build digital wholesale bank
- *Significantly scale-up the Bank’s subsidiaries* – The Bank’s subsidiaries are an important part of the Bank’s overall growth strategy as they provide a wide range of products and services. A number of the Bank’s subsidiaries, such as Axis Capital Limited, Axis Securities Limited, Axis Finance and Axis Asset Management Company, are well-positioned to capitalize on significant growth opportunities. While the Bank’s subsidiaries have been performing well, currently, subsidiaries’ contribution to the group revenue, profit and valuation is less than that of private peers. The Bank’s aspiration is to grow the subsidiaries in a material way so that their contribution to the group’s revenues increases.
- *Delivering solutions across the customer value chain under the “One Axis” vision* – The Group aims to become a ‘one-stop shop’ for the banking needs of Indian corporates across commercial banking, transaction banking and investment banking/ capital markets, with linkages to retail bank. The Bank has developed a significant number of corporate and retail relationships throughout its years of operations, and it intends to continue leveraging those relationships by cross-selling products offered by other business units to those customers. The Bank also intends to further diversify revenue sources by expanding its product and offerings, particularly fee and commission-based offerings, as well as offering third party products, such as insurance, and mutual funds, which it can market to existing and prospective customers.

***Profitability – the Bank intends to implement a number of measures that it believes will both increase revenue derived from its existing businesses and reduce costs***

- *Optimize the business mix to improve overall profitability* – the Bank intends to increasingly diversify revenue sources and overall revenue by expanding its product offerings, particularly fee- and commission-based offerings. The Bank is especially focused on core income streams such as net interest income and fee-based income. It expects to cross-sell other products and services to increase fee-based income from the Bank’s corporate and retail banking businesses. This will be done with deeper customer engagement including enhancing digital engagement. The Bank will continue to broaden its skill base and expertise in financial product development. The Bank also aims to diversify its portfolio mix towards products offering higher risk-adjusted returns or/and basis our relative strengths & position. On the liability side, the Bank continues to focus on low-cost deposits to reduce the funding cost and expand the Net Interest Margins (NIMs).
- *Improve operating efficiency to minimize costs* – the Bank believes it can further streamline its operations and processes and minimize costs in order to increase profitability. Such measures may include, for example, centralization of procurement and outsourcing and optimizing utilization of office space.
- *Maintain control over credit costs* – The Bank will continue to maintain control over its credit costs and reposition retail assets in the current credit cost environment. The Bank will also focus on strengthening its collections infrastructure.

***Sustainability – sustainability forms the foundation of the Bank’s strategy***

- *Strengthen the Bank's core around technology, operations and process excellence* – the Bank intends to continue undertaking various technology-enabled strategies to strengthen the Bank's sustainable growth. It continues to focus on modernizing its core technology to be the leading tech and digital bank committed to technological excellence and innovation, delivering a secure and resilient banking system, while driving cost efficiency and maximizing return on investment. It also aims to continue building a cost efficient and customer centric, future ready, resilient, predictable operational platform enabled by automation, predictive analytics and faster resolution.

In addition, Bank has been working towards building & retaining talent and enhancing productivity.

- *Risk and compliance culture:* – The Bank works on the basis of its risk philosophy of “No Surprises, No Design Failures”. The Bank will look to enhance and deploy best in class models / frameworks for key emerging risks and strategies. The Bank aims to use technologies and analytics capabilities in order to build best-in-class underwriting standards across wholesale and retail. The Bank has a strengthened assurance framework through an integrated assurance approach in the Bank which is monitored by the Board. The Bank has always emphasized on building a strong risk and compliance culture along with focus on Group governance to support the sustainable achievement of strategy.
- *Be distinctive* – the Bank believes that in the Indian banking sector, there is opportunity for a bank to create a positioning of distinctiveness. The Bank wants to be distinctive in select areas for sustainable competitive advantage. The Bank has identified two areas where it will strive to build a position of distinctiveness. These two areas are (a) Customer Experience and (b) Bharat banking.

- Customer Experience

The Bank has embarked upon a distinctiveness program ‘Sparsh’ to drive customer obsession in the Bank. This journey is aimed to build customer experience as a true differentiator for the Bank with the core credo being to "delight customers and fulfill their dreams, through smart banking everyday." Sparsh aims to drive excellence in customer experience by focusing on recrafting customer journeys that are low on NPS and/or top complaint areas, culture transformation, granular measurement of relevant customer experience metrics, and building institutional capabilities and platforms which would help in the sustenance of this journey.

- Bharat Banking

Growth in consumption, along with changing trends, will present huge growth opportunities in rural and semi-urban India. The Bank's strong infrastructure in rural and semi urban India positions it well to tap into it. Moreover, a strong Bharat play will help the Bank in meeting Priority Sector Lending (PSL) commitments. Bank's focus will be to provide Bharat customers best-in-class products, services and advisory. The Bank also intends to leverage its strong data analytics capability to underwrite and cross-sell products and redesign end-to-end customer journeys to deliver distinctiveness.

- *Execution Excellence* – A framework to drive Execution Excellence has been put in place which includes initiatives across 3 themes (platform, process and people) and flip the mix (rebalancing operations to tech headcount mix). A central Project Management Team (PMT) has been setup to improve scale and efficiency of execution. We have launched a suite of initiatives under the Execution Excellence framework. Key initiatives that have progressed are enumerated below:
  - Proactive tech upgrade for enhancing dominant need fulfilment of key tech systems
  - Rebalancing human to tech mix with Operations as a test-bed
  - Defined framework for Agile eligibility, Agile maturity assessment of tech applications and external validation of Agile maturity
  - Ease of doing business (EODB) initiative for reducing friction for the frontline
  - Interventions to enable speed to productivity for new joiners

- The Bank will continue with the Annual Operating Plan review rigor with a clear focus on institutionalization and accountability.

### **Capital and Liquidity position**

The Bank's weighted average liquidity coverage ratio for the six months ended September 30, 2025, and fiscals 2025, 2024 and 2023 was 119.04%, 119.35%, 121.17% and 129.59%, respectively, which is well above the regulatory requirement. As at September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023, the Bank had excess SLR of ₹1,010.12 billion, ₹1,146.09 billion, ₹850.56 billion and ₹750.71 billion, respectively, which is well above the regulatory requirement. The Bank's capital adequacy ratio and CET-1 ratio were 16.55% and 14.43%, as at September 30, 2025. The Bank's capital adequacy ratio and CET-1 ratio were 17.07% and 14.67%, as at March 31, 2025 and stood at 16.63% with CET 1 ratio of 13.74% as at March 31, 2024.

The Bank believes that during periods of uncertainty, people generally tend to avoid higher risk assets and shift to safer ones such as bank deposits. The Bank further believes that depositors also shift to larger banks that are considered safer, better capitalized and better able to withstand economic shock. In line with this trend, the Bank has seen an increase in its average deposits during the year ended March 31, 2025, and the six months ended September 30, 2025. However, any failures at smaller private sector banks or large non-banking financial institutions could lead to risk aversion among depositors and creditors, creating funding and liquidity challenges for smaller private banks with weaker franchises, which may also adversely affect the customer and creditor confidence in larger banks. Further, short term surpluses resulting from higher liquidity, may need to be invested in poor yielding securities, in an environment where riskier advances may be less attractive.

### **Provisions**

As of September 30, 2025, the Bank had a provision coverage ratio for NPAs (including prudential write-offs) of 91.83%. As of March 31, 2025, the Bank had a provision coverage ratio for NPAs (including prudential write-offs) of 93.56%. During the previous year ended March 31, 2024, the World Health Organisation (WHO) has declared that COVID-19 is no longer a public health emergency of international concern, hence the provision of ₹50.12 billion carried by the Bank towards COVID-19 related risks is no longer required. Consequently, post approval of the Board of Directors, the Bank's management prudently elected to carry forward the aforesaid provision amount in its entirety, towards potential expected losses on certain standard advances and / or exposures. The said amount was accordingly reclassified to provision for other contingencies and disclosed as other liabilities under Schedule 5 of the Balance Sheet as on reporting date.

### **Stress testing**

The Bank conducts stress testing on an annual basis as part of its ICAAP exercise as well as on a quarterly basis as part of internal management and Board reporting. The Bank continues to review and enhance its stress testing frameworks across various elements of risk - credit, trading, liquidity and operational risk.

### **History and Corporate Information**

The Bank was formerly known as UTI Bank Limited, having corporate identity number L65110GJ1993PLC020769, and obtained its certificate of incorporation on December 3, 1993 and its certificate of commencement of business on December 14, 1993 under the Companies Act, 1956 from the Registrar of Companies, Gujarat Dadra and Nagar Haveli, India. The Bank was granted its banking license by RBI in February 1994. The Bank began operations by opening its first branch in Ahmedabad on April 2, 1994 and was one of the first private sector banks established under guidelines issued in 1993 by the RBI in line with the Government's policy to reform India's financial sector. In 2007, the Bank changed its name from "UTI Bank Limited" to "Axis Bank Limited", obtaining its fresh certificate of incorporation consequent upon change of name on July 30, 2007, from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, India.

### **Recent Investments**

#### **Max Life Insurance Limited ('Max Life')**

Axis Bank has infused approximately ₹16.12 billion in Max Life in April 2024 through preferential allotment of equity shares of Max Life, resulting in Axis Bank's direct stake in Max Life increasing to 16.22% and the collective stake of Axis entities (through Axis Securities Limited and Axis Capital Limited) increasing to 19.02%.

## **Go Digit Life Insurance Limited ('Go Digit Life Insurance')**

Further to initial investment in May 2023, the bank infused ₹588.30 million in Go Digit Life Insurance in their rights issue round in June 2024 as part of the definitive agreement to invest ₹699.00 million in two tranches. As at June 2025 the Bank held 8.22% stake in the company.

## **IBDIC Private Limited ('IBDIC')**

Axis Bank invested ₹25 million in rights issue round of IBDIC (formerly known as IBBIC Private Limited) in June 2024 resulting in its shareholding increasing to 5.77% from 5.56%.

## **The Bank's Principal Activities**

### **Overview**

The Bank's principal business activities are divided into the following main business units:

- **Retail Banking:** offers a variety of products and services in the domain of liabilities and assets and payments to retail customers. Retail Banking activities include liability products, retail lending, card services, internet banking, mobile banking, ATM services, depository, wealth management services and NRI services to individuals and small businesses through the branch network and other delivery channels.
- **Wholesale Banking:** The Bank's Wholesale Banking business unit offers various loan and fee-based products and services to large, mid-corporate and multi-national clients as well as small and medium enterprises (including micro, small and medium enterprises). These products and services include cash credit facilities, demand and short-term loans, project finance, export credit, factoring, supply chain financing, structured products, discounting of bills, documentary credits, guarantees, foreign exchange and derivative products, cash management services, capital market solutions, cross-border trade and correspondent banking services and tax payments. Liability products including current accounts, certificates of deposit and term deposits are also offered to corporate customers.

The Wholesale Banking segment is divided into two sub-groups: (i) the Corporate sub-group (managed by the Wholesale Banking Coverage Group), which manages government, large, conglomerates and corporations, multi-national, mid-sized & Medium Enterprises corporate clients; and (ii) the Small Enterprises and Small Business Banking group (managed by the Commercial Banking Coverage Group), which caters to SMEs / MSMEs (including micro, small and medium enterprises). Supply Chain Finance (SCF) is under Wholesale Banking and is distributed by all coverage segments.

- **Treasury:** The Treasury business unit manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. This business unit invests in sovereign and corporate debt instruments and engages in proprietary trading in equity and fixed income securities, foreign exchange, currency futures and options. It also invests in commercial paper, mutual funds and floating rate instruments as part of the management of short-term surplus liquidity. In addition to proprietary trading and liquidity management, the Treasury also offers a wide range of treasury products and services to the Bank's corporate customers, including derivative instruments such as forward contracts, interest rate swaps, currency swaps and foreign currency options in addition to services such as loan and debt syndication and placement.

The presentation of the Bank's business units as set forth above corresponds to the Bank's own internal organization of its operations, with each business unit comprising a distinct group of assets and operations engaged in providing products and services that are subject to their own distinct set of risks and returns. This presentation of the Bank's business units may differ from that of the Bank's segments as prepared in accordance with the segment reporting guidelines issued by the RBI. The segment reporting guidelines issued by the RBI apply unilaterally across the financial sector in India for comparison purposes and are disclosed by the Bank for regulatory purposes. Accordingly, the term "business unit" refers to the Bank's own internal organization of its operations, while the term "segment" refers to the Bank's segment reporting for regulatory purposes.

### **Retail Banking**

The Retail Banking business unit offers a comprehensive range of products and services across liabilities, assets, payments, and third-party offerings, tailored to meet the needs of retail customers.

Retail liability products include a variety of savings accounts designed with distinctive features and benefits to cater to diverse customer segments, including high net-worth individuals (HNWIs) and salaried employees, along with term deposits.

Retail asset products encompass home loans, loans against property, personal loans, auto loans, business loans, two-wheeler loans, gold loans, education loans, and a broad selection of both secured and unsecured lending options.

In addition, the Retail Banking unit provides a suite of services such as debit and credit cards, forex cards, bill payment services, and wealth management solutions. It also markets third-party products like mutual funds, life and non-life insurance policies, and Government-issued savings bonds. A wide range of liability and asset products is also offered to Non-Resident Indians (NRIs).

To access a larger segment of India's population, the Bank has developed a wide network of fully interconnected retail branches, extension counters, ATMs, loan centers, internet banking channel, Axis Virtual Center and mobile banking.

Customers, depending on their preference, can choose to interact with the Bank and access its various products and service offerings through any of these channels. The Bank's branches distribute savings account, current account, term deposits, debit cards, travel currency cards, credit cards, prepaid cards, UPI payments, merchant acquiring business and depository services. The bank also sells third party products such as mutual funds, insurance and promote Government schemes. The Bank's loan centers distribute retail lending products such as mortgage loans, personal loans, vehicle loans, educational loans, gold loans and business loans.

In the six months ended September 30, 2025, the Retail segment contributed 73.92% of the Bank's deposits, 56.91% of the Bank's advances and 70.61% of the Bank's fee income. In fiscal 2025, the Retail segment contributed 73.47% of the Bank's deposits, 59.85% of the Bank's advances and 71.99% of the Bank's fee income.

### ***Retail Deposits***

The Bank has made significant progress in key areas, particularly in acquiring savings accounts (SA). The acquisition channels have become more self-sufficient. By strategically increasing the average ticket size in metro and urban markets, there was an increase in the average ticket size. Additionally, efforts to attract premium customers led to a rise in the share of premium customers. New-to-bank (NTB) salary uploads also similarly improved.

Operational improvements also contributed significantly to growth. Over 50 process enhancements reduced the account opening turnaround time from 7 days to 3 days, improving onboarding efficiency. The increased use of the "Siddhi" App, seamless cross-sell journeys, and smart nudges enhanced the overall ease of doing business for both customers and employees. Furthermore, the introduction of an effort-based credit architecture for term deposit led to an increase in inflows in fiscal 2025.

The focus on premiumization of deposits will continue by increasing the share of premium accounts in overall acquisitions, targeting high-value customers. As part of our long-term growth strategy, we have shifted towards premiumization in mass market variants, focusing on high-value customer segments while reducing reliance on lower-variant offerings in metro and urban branches. This strategy aligns with market dynamics and our commitment to enhancing profitability and brand positioning. We aim to further strengthen our premium product portfolio, leverage technology, and enhance customer experiences. This strategic focus will drive sustainable long-term growth and establish leadership in the premium banking segment. We have also streamlined processes by reducing friction points, enhancing digital journeys, and empowering service channels such as phone banking, leading to fewer complaints and improved Net Promoter Scores (NPS). The Bank maintained a steady share of CASA deposits at 41% of total deposits as at March 31, 2025, and 40% of total deposits as at September 30, 2025.

The Corporate Salary Suvidha proposition has been further explored to make better inroads into corporate clients. Key requirements for corporates wanting to disburse reimbursements to their employees were activated both physically and digitally through Employee Reimbursement Accounts, ensuring easy and quick conversions compared to paper-based accounts. Worksites in corporates were transformed and innovated beyond the traditional helpdesk

approach. We added brand partnerships with the largest electric two-wheeler companies, multinational electronics, and consumer durable companies for deeper employee engagement at worksites and induction programs.

We also launched an upgraded Salary Suvidha that enabled effortless digital onboarding and reimbursements including virtual masterclasses series with curated topics such as digital fraud prevention, tax filing, succession planning, financial and estate planning, and will writing through virtual sessions for employees in top corporates.

The bank continues to focus on fraud prevention and regulatory features, strengthening the onboarding mechanism with thorough verification of customer details via NSDL and UIDAI checks, complete authentication of customer contact details, enhanced customer profiling checks, and redesigning the geo-tagging process for address verification.

Digital banking is enhancing the retail liabilities franchise by enabling the bank to source more accounts through seamless onboarding, personalized offerings, and data-driven engagement. Additionally, digital banking strengthens the overall customer relationship value by integrating savings, investments, and lending products into a unified experience, fostering long-term loyalty and higher wallet share.

In the transformational space centred around customer experience, the bank launched a Lean Digital Savings Onboarding journey for existing assets and payments customers, where all their demographic details and KYC are pre-filled in the savings application, and only incremental or missing details are fetched from the customer along with the necessary initial funding. In the assisted mobile-based onboarding space, the bank is an early adopter of UIDAI's facial recognition technology-based KYC, allowing customers to be onboarded based on face match with customer records in the Aadhar repository. The bank also enabled a savings application tracker that allows customers to check real-time updates and status of the savings application from submission to account activation seamlessly.

The Bank continued to focus on retail term deposits throughout the year by leveraging new individual customers through its strong acquisition channels. This was complemented by the revamp of its journeys on digital channels, such as the ability to book fixed deposits (FD) from outside funds and booking non-callable FDs online. Total term deposits increased in fiscal 2025.

During the year, the bank introduced several new product propositions, including the 'ARISE' savings account for women and the Doctors Banking Program, to offer the best banking services and life experiences under one bouquet. Premiumization of the deposits franchise continues to be an important imperative for the bank.

**ARISE Women's Savings Account:** During the year, the bank launched the ARISE savings account, a thoughtfully designed proposition for women seeking financial security, independence, and growth. Women customers have always been at the forefront of disciplined saving, often maintaining higher balances in fixed deposits and mutual funds.

With ARISE, we aim to not only enhance our deposit focus but also provide a product that caters to women's financial needs.

**Doctors Banking Program:** In line with the premiumization strategy of the bank, we launched a Doctors Banking Program specifically targeting doctors as a micro-segment, which constitutes a high-income cohort. We intend to take a holistic "One Axis" proposition to them with this program, catering to all their needs comprehensively and increasing cross-selling opportunities for the bank, thereby building stickiness with these customers.

### ***Retail Forex and Remittance business***

The Bank offers a range of forex and remittance products to its retail customers, which include forex cards, inward and outward wire transfers, remittance facilities through online portal as well as through collaboration with correspondent banks and exchange houses. The Bank provides multiple inward remittance solutions to customers based on target customer profile and geography. Remit Money is the Bank's online remittance platform, which is available to NRI customers in the United States of America, United Kingdom, Canada, Australia, Singapore, Switzerland, South Africa, Hong Kong and the UAE. Customers can log on to the platform and remit money from their overseas bank account to any bank account in India conveniently.

### ***Third Party Distribution***

Our Bank is committed to provide a comprehensive suite of financial solutions that caters to every stage of a customer's life journey from protection to wealth creation. By embracing a holistic approach, we empower our customers to safeguard their future while growing their wealth through a wide array of Insurance and Investment products.

To ensure maximum choice and value for our customers, the Bank has adopted a Truly Open Architecture Model - a pioneering move in the Banking Industry with 8 General Insurance Partners and 6 Life Insurance Partners. This approach allows us to offer a wide range of customized insurance solutions from multiple leading insurers under one roof, giving customers the freedom to choose the plan that best suits their needs.

As of March 31, 2025, the Bank's mutual fund assets under management (AUM) stood at ₹916.61 billion, reaffirming its position as the third largest banking distributor in the industry. The Bank serviced a mutual fund customer base of approximately 1.2 million as on March 31, 2025, reflecting growing investor trust and engagement.

In addition to mutual funds, the Bank also provides access to select Alternate Investment products from SEBI-registered providers, offering customers a broader range of wealth creation opportunities.

The Bank offers online as well as offline trading services to its customers in collaboration with Axis Securities Ltd. under the brand name Axis Direct. Through its branches, the Bank has sourced around 6.36 million total customers for Axis Direct with 7.7 lacs customers being added in fiscal 2025.

The Bank continued to be one of the largest Bancassurance player in terms of both Life and Non-Life Insurance volume among private Banks.

The Bank secured more than 160,000 retail accounts for National Pension System product. Continued innovation in this space includes Digital integration journeys in core Bank platforms and enabling SIP option for customers to invest.

The Bank has a user-friendly digital interface - Axis Marketplace - to facilitate distribution of insurance solutions. Axis Marketplace offers third-party products integrated directly with insurance partner systems thereby providing seamless journeys and instant issuance facilities.

The Bank continues to focus on reimagining end to end journeys and build a digital ecosystem for Investment Products on its mobile banking app and internet banking to ensure seamless access anytime, anywhere.

### ***Retail Liabilities Products and Services***

The Bank's retail deposit products include the following:

- **Savings Bank Accounts.** Demand deposits from retail customers that are interest-bearing and offer a withdrawal facility through cheque books and debit cards. As of September 30, 2025, the Bank had approximately 37 million savings accounts.
- **Fixed Deposits.** Tenure-based deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates and conditions.
- **Recurring Deposits.** Tenure-based periodic deposits of a fixed amount over a fixed term that accrue interest at a fixed rate and may be withdrawn before maturity in accordance with applicable rates and conditions.

In addition to the Bank's conventional deposit products, it offers a variety of specialized products and services suited to meet the demands of the Bank's varied customer base.

The following provides a discussion of the main retail liability products and services offered by the Bank's Retail Banking business unit:

- **Burgundy Private** - The Bank launched the Burgundy Private proposition for high and ultra-high net-worth customer segments in December 2019. The Burgundy Private proposition leverages the strength of 'One Axis' and offers the combined expertise of the Bank and its subsidiaries to cater to the distinct and advanced wealth

needs of this client segment. As of March 31, 2025, asset under management for customers of Burgundy Private was ₹ 2,090.67 billion.

- **Burgundy** - Burgundy is the Bank's wealth management offering for high-net-worth individuals. Launched in September 2014, Burgundy brings solutions offered by various groups within the Bank (including both retail and corporate divisions) under one integrated platform to comprehensively meet all banking requirements of the customers. Every Burgundy customer is provided a dedicated relationship manager who, backed by a team of experts, offers a range of customizable wealth management, personal banking, business and lending solutions to its customers. As of March 31, 2025, asset under management for customers of Burgundy was ₹ 2,849.10 billion.
- **Priority Banking Program** - The Priority Banking Program targets an affluent customer base to meet such customers' banking and investment needs. The program offers personalized services, convenience, preferential pricing across various banking products and a dedicated relationship manager to service them effectively. As on March 31, 2025, the Axis Bank Priority Program accounted for ₹ 532.59 billion in SA deposits, constituting 21.5% of the total savings bank deposits of the Bank.
- **Prestige** - The Bank launched the Prestige proposition for emerging affluent customer segment in 2012. The product was positioned between *Liberty* and *Priority* proposition as a step towards premiumization of customers. The product intends to provide premium banking experience to emerging affluent customers and give them a sense of individualized services. This is an opportunity for customers to move from mass segment to premium segment.
- **Sampann**: The Bank Launched Bharat Banking Sampann Account in June 2023. Savings account today is very vital from financial aspects as every financial inclusion activity such Aadhaar based government grants, payments to individuals for social security measures, NREGA payments and so on are being directly linked to bank accounts. Thus, it is important to penetrate not only in metro & urban geographies but also cater rural economy. We introduced a new scheme code under Prestige segment for RUSU locations i.e., Bharat Bank Sampann Savings Account (BBSPN). This Sampann account which will be replica of Prestige Savings Account (SBPRP).
- **Liberty** - **Liberty** product aims to render clutter breaking, industry first features to the mass segment target customers, broadly classified as customers with an average annual income of ₹800,000, early jobbers, and age group preferably between 30-45 years. This value proposition is positioned on the "Power of Choice" which is delivered through flexible balances maintenance criteria - Flexibility to maintain via balances or through spends (an Industry First Feature). As on March 31, 2025, the Liberty portfolio size is more than ₹ 200 billion in SA Deposits.
- **Arise Women's Savings Account** – this product aims to be an enabler of financial independence, security and personal growth. Designed to meet the banking needs of women, we recently launched the ARISE Women's savings accounts in December 2024. The ARISE Women's Savings accounts offers a curated bouquet of offerings like tailored financial solutions for women, health care benefits to prioritize women's well-being and a host of lifestyle benefits to enhance everyday convenience.
- **Easy** – Easy Access Savings Account and variants, offer prompt and easily accessible banking services to customers in the mass segment. Customers get easy access to the Bank's wide network of branches, extension counters, ATMs and cash deposit and withdrawal machines, Internet Banking, phone banking and mobile banking app. Benefits of the savings account include a debit card, rewards program, dining discounts and access to deals. As of March 31, 2025, SA deposits under the Easy segment aggregated ₹ 734.94 billion, constituting 29.66% of the Bank's retail savings bank deposits.
- **Savings Bank Account for Trusts and NGOs**. The Bank's Trust/NGO/Institutional Savings accounts are tailor made to suit the specific needs of these institutions. The Bank provides comprehensive financial solutions for this sector through its extensive network of branches and ATMs, digital banking, collection and payment services and other value-added services. As of March 31, 2025, this product accounted for ₹ 157.53 billion constituting 6.36% of the retail savings deposits of the Bank.
- **Salary Accounts**. To offer complete banking solutions to salaried employees, the Bank introduced a comprehensive payroll product consisting of differential privileges and offered based on the net monthly



salary of an employee. It allows the employer to manage salaries across various centres, with the employee benefiting from banking facilities including retail loans, a debit card and overdrafts, and privileges including concessional average balance requirements. As of March 31, 2025, the payroll product portfolio totalled ₹ 568.99 billion in SA Deposits.

## **Investment Products**

The following provides a discussion of the products and services of the Bank's retail investment products:

### ***Life Insurance.***

The Bank has a corporate agency partnership with Max Life Insurance Company Limited, Life Insurance Corporation of India and Bajaj Allianz Life Insurance Company Limited for the sale of life insurance products. As per the corporate agency guidelines, the Bank's staff are eligible to solicit life insurance products post getting an SP license from IRDAI. The Bank's strategy of adopting open architecture helped in increasing penetration and faster growth which was backed by strong product offerings and improvement in persistency. Digital initiatives continue to be a top priority for the bank that will help in streamlining the customer on-boarding process as well as enhancing the customer servicing experience.

In fiscal 2025, the Bank earned fee income of ₹27.47 billion from selling life insurance policies as compared to ₹19.79 billion in fiscal 2024.

### ***Non-Life Insurance.***

As a corporate agent of Niva Bupa Health Insurance Company Limited, ICICI Lombard General Insurance Company Limited, Aditya Birla Health Insurance Company Limited and Tata AIG General Insurance Company Limited, the Bank offers health, motor and other non-life insurance products to its customers. Introduction of new General and Health Insurance partners have enabled the bank to offer comprehensive product suite and bring in most suited products for its customers.

In fiscal 2025, the Bank earned fee income of ₹4.27 billion from selling non-life insurance policies as compared to ₹3.84 billion in fiscal 2024.

### ***Wealth Management.***

The Bank is a leading wealth management player in the industry and one of the largest distributors of mutual funds (MF), Portfolio Management Schemes (PMS) and Alternate Investment Fund (AIF) products in India, through its tie up and distribution arrangement with some of the leading product providers. The Bank distributes suitable schemes based on the requirements of its clients and the due diligence done by its in-house research team. The wealth management products are distributed through the Bank's branch network and its digital platforms (Internet Banking and Mobile App). The Bank earns fee income on the investment AUM. The Bank earned a fee income of ₹8.56 billion through the distribution of investment products in fiscal 2025 as compared to ₹7.02 billion in fiscal 2024.

### ***Equity Brokerage.***

The Bank offers equity brokerage & online trading services in collaboration with Axis Securities Limited, a wholly owned subsidiary of the Bank, under the name AxisDirect. AxisDirect offers a diverse range of products including equity, derivatives, currency & commodities trading, initial public offerings, mutual funds, exchange traded funds, and non-convertible debentures, among others. AxisDirect, a three-in-one investment account with online and phone trading capabilities, is available to both Resident and NRI customers. AxisDirect was launched in January 2011.

## **Retail Lending and Payments**

The growth of retail and consumer lending in India is a consequence of growing affluence and changing consumer behavior. Retail Lending is one of the Bank's core growth areas. The Bank's focused marketing approach, product innovation, risk management systems and competent back-office processes contribute to the strength of the Bank's retail lending strategy. The target markets identified for retail loans are salaried or self-employed professionals and other self-employed individuals, Hindu undivided families, trusts, firms, private limited and public limited companies.

The Bank offers a variety of retail credit products such as mortgage loans, automobile loans, commercial vehicle loans, personal loans, education loans, credit cards, loans against term deposits, loans against securities, small business banking loans and agriculture loans. The major components of the Bank's retail lending portfolio are home loans, loan against property, agriculture loans, personal loans and automobile finance.

The Small Business Banking division is dedicated to cater to the financing needs of micro-entrepreneurs and continues to be a growth engine for the Bank. The Retail Banking business unit's micro-entrepreneur customers are provided with secured and unsecured credit facilities in the form of fund-based as well non-fund-based limits that are tailored for their needs. Similarly, the Retail Banking business unit also offers a diverse range of template products targeted at agricultural loan customers that have not yet achieved sufficient scale to be covered by the Bank's SME business unit. These products include, for example, the Kisan Credit Card which provides farmers with credit facilities for their various needs, loans for farmers against pledges of gold ornaments, as well as a comprehensive scheme for warehouse receipt financing.

The Bank's net retail advances as at September 30, 2025, March 31, 2025, March 31, 2024 and March 31, 2023 were ₹6,354.60 billion, ₹6,228.97 billion, ₹5,832.65 billion and ₹4,875.71 billion, respectively, constituting 56.91%, 59.85%, 60.44%, and 57.68%, respectively, of the Bank's net advances.

These loans are provided by the Bank directly through loan centers and branches. Loan centers serve as the focal point for marketing, distribution and servicing of retail loan products.

### ***Retail Advances Portfolio by Category***

The Bank's retail advances portfolio consists of schematic and non-schematic loans. As at March 31, 2025, the portfolio mainly consisted of mortgage loans, personal loans, automobile loans, gold loans, agriculture loans, and non-schematic loans (comprising credit cards, loans against deposits and loans against securities, among others). The Bank's retail advances portfolio also includes loans acquired through portfolio buyouts.

The Bank's home and mortgage finance business involves extending long-term secured housing and commercial property loans to individuals and companies for the purchase, construction and extension of residential and commercial premises. As at March 31, 2025, the Bank's total home and mortgage finance portfolio was predominantly comprised of floating rate loans. Personal loans are unsecured loans provided to customers for various purposes, such as medical expenses and social obligations, and are generally repayable over the term of four years. Automobile finance, which includes financing four-wheelers, commercial vehicles, and construction equipment, involves providing consumer credit for an average period of three to five years to acquire a new or used vehicle. Automobile loans are secured by a lien on the purchased asset. The Bank has developed relationships with several established non-banking financial companies in India, providing both direct automobile finance (to individual borrowers) as well as indirect automobile finance (portfolio buy-outs).

The Bank's portfolio of credit card offerings includes featured cards, co-branded cards and premium cards. Based on RBI data, in terms of total credit cards in force, the Bank's credit card business had a 14.2%, 14.0% and 14.0% market share of the Indian credit card market in fiscals 2023, 2024 and 2025 respectively.

The Bank believes there are significant opportunities to grow its personal loans and credit card portfolio by cross-selling to the existing customer base of partner technology companies. The Bank launched a co-branded credit card with a large e-commerce company based in India. The Bank sees this co-branded credit card as a means to tap into this partner e-commerce company's large customer base. Among its main features, this credit card is issued electronically and ready for use instantly following credit approval and provides cashback on spending at partner merchants as well as other spending categories with no upper limit on cashback earned, promotional welcome bonuses, complimentary lounge access and fuel surcharge waiver. Holders of this credit card are able to electronically monitor cashback earned, request credit limit increases, convert purchases to equated monthly instalments, apply for instant loans, block or replace their credit cards, or view their latest bills.

The Bank's total net retail advances portfolio by category is set forth below for the periods indicated:

Product	As at March, 31 2023	As at March 31, 2024	As at March 31, 2025	As at September 30, 2025
	(₹ billion)			
Automobile loans	522.78	587.47	583.19	574.87

Product	As at March, 31 2023	As at March 31, 2024	As at March 31, 2025	As at September 30, 2025
	(₹ billion)			
Mortgage loans	1,573.92	1,658.99	1,671.44	1,657.03
Loans against property	507.56	636.73	753.16	822.59
Personal loans	545.61	715.92	773.32	787.09
Retail agriculture loans	709.18	918.66	982.32	914.00
Education loans	22.29	32.66	41.83	42.99
Gold loans	16.89	21.43	43.79	84.85
Small business loans	429.82	572.19	667.57	706.63
Credit card loans	316.84	413.24	430.84	469.56
Other retail loans <sup>(1)</sup>	230.82	275.36	281.51	294.99
<b>Total</b>	<b>4,875.71</b>	<b>5,832.65</b>	<b>6,228.97</b>	<b>6,354.60</b>

(1) Other retail loans primarily include business equipment loans, loans against deposit and other non-schematic loans

The Bank expects personal loans and small business loans to be the main sources of growth in the Bank's retail loans portfolio in the near term.

### ***Credit Evaluation: Retail Loans***

All prospective borrowers are granted loans only if they pass the credit evaluation process. The Bank has detailed product lending parameters and has devised a credit-scoring sheet for all major products. For a loan to be approved, a minimum cut-off score must be achieved by a borrower. This credit rating mechanism is periodically updated and reviewed. The Bank has devised a separate risk evaluation model for agricultural loans with an objective to measure and mitigate the risk involved in financing this sector.

### ***Other Products and Services***

Other products and services offered by the Retail Banking business unit include debit cards, meal cards, gift cards, rewards cards, Smart Pay cards, credit cards, card acceptance services and loans against gold.

The following provides a discussion of the other products and services of the Bank's Retail Banking business unit.

- ***Merchant acquiring.*** Under its merchant acquiring business, the Bank focuses on strengthening its relationship with its merchant partners to open up avenues of cross selling the Bank's transactional products. The Bank generated total revenue of ₹4.10 billion in fiscal 2023, ₹3.48 billion in fiscal 2024 and ₹3.75 billion in fiscal 2025 from its merchant acquiring business.
- ***Non-Resident Retail Products and Services.*** The Bank offers a wide suite of banking and investment products under its NRI Services brand for Indians living and working overseas. NRIs may, for example, choose to open an account or invest in deposits, secondary market or mutual funds. The Bank also offers a range of other services to NRI customers under the NRI Burgundy and NRI Priority program. Key products include savings and term deposits, non-resident foreign currency term deposits, resident foreign currency accounts for returning NRIs and a host of investment products such as life and general insurance, mutual funds and bonds, as permitted by the relevant regulators. The Bank also offers loan and overdraft facilities to NRI customers against their term deposits with the Bank. The Bank offers portfolio investment scheme services across all its branches.
- ***Retail Remittances.*** The Bank provides multiple inward remittance solutions to customers based on target customer profile and geography. Remit Money is the Bank's online remittance platform, which is available to NRI customers in the United States of America, United Kingdom, Canada, Australia, Singapore, Switzerland, South Africa, Hong Kong and the UAE. Customers can log on to the platform and remit money from their overseas bank account to any bank account in India conveniently.
- ***Retail Forex.*** The products offered under the retail forex sector include forex cards and outward wire transfers.

### ***Retail Fees***

Fee income for the Retail Banking business unit is generated from ATM transactions, cards, safe deposit lockers, service charges on deposit transactions, processing fees from retail loans as well as fees earned from third party product sales. Fee income from the Bank's retail operations have grown between fiscal years 2023, 2024 and 2025.

The table below sets forth the distribution of fee income from the Bank's retail operations for the periods indicated:

Fee Income from Retail Operations	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2025	For the six months ended September 30, 2025
	<i>(₹ billion)</i>			
<b>Card fees</b>	39.23	58.21	62.53	33.75
<b>Non-card fees</b>	67.52	86.76	99.49	49.25
Out of which				
MF and insurance distribution fees (including distribution fees relating to bonds, gold coins etc.)	20.95	30.78	40.50	20.29
Other retail fees (including foreign exchange service fees)	46.57	55.98	58.99	29.16
<b>Total fee income from retail operations</b>	<b>106.75</b>	<b>144.97</b>	<b>162.02</b>	<b>83.20</b>

Total fee income from the Bank's retail operations accounted for 18.07%, 20.04% and 20.35% of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for fiscal years 2023, 2024 and 2025 respectively, and 67.31%, 71.56% and 71.99% of the Bank's total fee income for fiscal years 2023, 2024 and 2025. Total fee income from the Bank's retail operations accounted for 19.23% and 20.20% of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for the six months ended September 30, 2024 and 2025, respectively, and 70.79% and 70.61% of the Bank's total fee income for the six months ended September 30, 2024 and 2025, respectively.

## Wholesale Banking

**Wholesale Banking business** unit delivers a comprehensive suite of loan and fee-based products tailored to the needs of conglomerates, large corporates, mid-sized companies, multinational firms, financial institutions including PSU & Government entities and small and medium enterprises (SMEs), including micro-enterprises.

We offer a wide range of financial solutions, including:

- **Credit Facilities:** Cash credit, demand and short-term loans, project finance, export credit
- **Trade & Working Capital Solutions:** Factoring, bill discounting, supply chain finance, documentary credits, guarantees
- **Treasury & Risk Management:** Foreign exchange and derivative products
- **Transaction Banking:** Cash management services, tax payments, cross-border trade, correspondent banking
- **Capital Markets & Liability Products:** Capital market solutions, current accounts, certificates of deposit, and term deposits

Wholesale Banking segment is structured into two focused sub-groups:

- **Corporate Sub-Group** (managed by the Wholesale Banking Coverage Group): Serves government entities, strategic accounts, large corporates, multinationals, mid-sized companies, and medium enterprises.
- **Small Enterprises Group** (managed by the Commercial Banking Coverage Group): Caters specifically to SMEs, including micro and small businesses.

**Supply Chain Finance (SCF)** is a key offering under the Wholesale Banking Product (WBP) vertical and is distributed seamlessly across all coverage segments.

### ***Corporate Sub-group (managed by Wholesale Banking Coverage)***

The Corporate sub-group, a key pillar of the Bank's Wholesale Banking business, delivers a full spectrum of loan and fee-based solutions to a diverse client base ranging from government bodies and strategic accounts to large corporates, multinational companies, and mid-sized to medium enterprises.

This segment plays a pivotal role in mobilizing low-cost funds by offering a robust suite of current account products and transaction banking solutions. These offerings are tailored to meet the evolving needs of clients across sectors, including corporates, institutions, central and state governments, and small and retail businesses.

Our current account portfolio is designed with flexibility at its core, enabling clients to select products aligned with their operating scale and average balance requirements. Complementing this is a seamless omnichannel experience clients can transact and manage their accounts through our extensive branch and ATM network, as well as through secure digital platforms including internet banking, mobile banking, and phone banking.

By combining deep sectoral expertise with integrated banking solutions, the Corporate sub-group ensures clients receive high-impact, relationship-driven service that supports their growth and operational efficiency.

To create an integrated corporate banking franchise, the Bank reorganized the coverage structure of its corporate sub-group in fiscal 2025, as follows:

The Bank's Wholesale Banking Coverage model is structured to deliver specialized financial solutions across a diverse spectrum of corporate clients. Each segment is defined by strategic relevance, business scale, and sectoral focus, ensuring tailored relationship management and product delivery.

Coverage Segment	Key Coverage Areas	Client Profile
Conglomerates and Large Corporates ("C&LC")	<ul style="list-style-type: none"><li>Comprises pre-identified Corporate groups of strategic importance to the Bank.</li><li>Includes all corporates with turnover exceeding ₹1,000 crore, excluding those classified under Mid Corporates (MC) or Multinational Corporates (MNC), except in Specified Geographies (Mumbai, Delhi-NCR, Chennai, Bengaluru, Kolkata, Hyderabad, Pune), where the threshold is ₹750 crore.</li><li>Focused on deep, multi-product relationships with high-impact clients.</li></ul>	Strategic corporate groups; turnover > ₹1,000 crore (₹750 crore in specified geographies)
Real Economy Group ("REG")	<ul style="list-style-type: none"><li>Covers Indian corporates and financial sponsors engaged in infrastructure and real estate development.</li><li>Infrastructure includes sectors as defined by RBI: roads, power generation, transmission &amp; distribution, ports, airports, oil &amp; gas transportation, telecom towers, data centers, social infrastructure, warehousing, and industrial parks.</li><li>Real Estate includes commercial, residential, retail, and emerging segments such as co-working spaces, student housing, and leased residential assets. Hybrid structures like REITs &amp; Invits also gets catered to by this segment.</li></ul>	Infrastructure & Real Estate developers; Financial Sponsors
Mid Corporates ("MC")	<ul style="list-style-type: none"><li>Corporates with turnover between ₹250 crore and ₹1,000 crore, not classified under C&amp;LC, PSU, or MNC.</li><li>In Specified Geographies, this segment includes clients with turnover up to ₹1,500 crore.</li><li>Focused on scalable businesses with growth potential across sectors.</li></ul>	Turnover ₹250 crore – ₹1,000 crore (up to ₹1,500 crore in specified geographies)

Coverage Segment	Key Coverage Areas	Client Profile
Medium Enterprise Group (“MEG”)	<ul style="list-style-type: none"> <li>Covers clients with turnover between ₹75 crore and ₹250 crore.</li> <li>Now integrated within the Mid Corporate framework for streamlined coverage and product delivery.</li> </ul>	Turnover ₹75 crore – ₹250 crore
Multinational Corporates, New Economy Group & Financial Sponsors (MNC, NEG & FS)	<ul style="list-style-type: none"> <li>MNCs: Entities with foreign ownership exceeding 50% or majority control by a foreign parent.</li> <li>New Economy Group: Companies in emerging sectors such as FinTech, SaaS, D2C, Agritech, etc., with Series A and above funding.</li> <li>Financial Sponsors: Includes PE, VC, and venture debt firms with active investments in India.</li> </ul>	Foreign-owned corporates, New Economy firms, PE/VC sponsors
Institutional & Government Coverage	<ul style="list-style-type: none"> <li><b>FIG:</b> Covers banks, NBFCs, mutual funds, insurance firms, capital market intermediaries, and investment firms (PE/VC), both domestic and offshore excluding entities mapped under GCG, C&amp;LC, MNC, or MC.</li> <li><b>PSUs:</b> Government-owned entities, departments, and undertakings with active credit relationships, excluding NHAI, Railways, and mapped group entities.</li> <li><b>GCG:</b> Dedicated to entities majorly owned by the Government of India, including departments, federations, and statutory corporations.</li> <li><b>GSSCA-</b> Custody &amp; Capital Account Product team has been restructured under the Financial Institutional Group (Capital Markets) and renamed Global Securities Services &amp; Capital Account Business (GSSCA). GSSCA offers specialized services across Custodial &amp; Fund Services, Capital Fund products (IPO, QIP, Buyback, Dividend, Escrow, RERA, CSR), and Capital Account solutions (FI, OI, ECB), regulated by SEBI, RBI, and IFSCA.</li> </ul>	Financial institutions, Govt. undertakings with credit relationships along with Govt.-owned entities, departments, federations, Insurance, capital markets & Fis
SAG	<ul style="list-style-type: none"> <li>Manages the Bank’s NPA book and stressed assets.</li> <li>Covers identified companies/groups requiring resolution and strategic turnaround support.</li> </ul>	Stressed assets and NPA accounts requiring resolution

This framework ensures focused relationship management, optimized product delivery, and strategic alignment with the Bank’s growth priorities across sectors and client segments.

## Wholesale Banking – Products & Services Overview

The Bank’s Wholesale Banking business unit offers a comprehensive suite of financial products and services tailored to meet the diverse needs of corporate, SME, and corporate agriculture clients. These offerings are designed to support clients across their business lifecycle—from working capital and project financing to transaction banking and risk management.

### Product Classification

#### Fund-Based Products

These are direct credit facilities extended to clients, including:

- Working Capital Finance:** Overdrafts, cash credit, demand loans
- Corporate Finance:** Medium- and long-term loans

- **Project Finance:** Structured funding for infrastructure and industrial projects
- **Bill Discounting:** Liquidity solutions through receivables financing

Facility structuring is based on:

- Purpose of the loan
- Nature and quality of collateral
- Repayment terms
- Risk profile and credit behaviour
- Client-specific requirements

### **Non-Fund-Based Products**

These are contingent credit facilities that enhance client credibility and support trade and contractual obligations:

- Documentary Credits
- Standby Letters of Credit
- Bank Guarantees

### **Liability Products & Fee-Related Services**

Designed to support liquidity management and transactional efficiency:

- Current Accounts
- Non-Retail Term Deposits

### **Fee-Based Services**

Value-added services that enhance operational convenience:

- Domestic & Cross-Border Fund Transfers
- Cash Management Services
- Government Tax Collection
- Trade Services

### **Delivery Channels**

Clients can access these products and services through:

- The Bank's nationwide branch network
- Correspondent banking partnerships
- Digital platforms: Internet banking, mobile banking, phone banking
- ATMs and self-service kiosks

### **Credit Risk & Policy Framework**

The Bank adheres to RBI-mandated credit classification norms, ensuring robust risk governance across its wholesale portfolio. Key features include:

- **Risk Classification:** Each client and transaction are assigned a risk rating based on exposure, collateral, and credit behaviour.
- **Credit Scoring Models:** Advanced models assess client profiles and determine credit limits and pricing.
- **Policy-Driven Lending:** Credit decisions are guided by a dynamic policy framework that allows for differentiated interest rates based on risk.
- **Back-Office Validation:** All transactions are verified for documentation, limit adherence, and compliance.

The Bank's credit policy and scoring models are reviewed periodically to align with market dynamics and portfolio performance indicators.

This structured approach ensures that Wholesale Banking clients receive customized, risk-aligned financial solutions delivered through a seamless and secure banking experience.

### **Commercial Banking Coverage**

CBG is a critical and vital segment of the Bank, contributing significantly to both business growth and profitability. CBG caters to the evolving needs of MSMEs across the entire customer value chain. This includes Loans, Trade/Forex, Liabilities, and Fee-based products, providing tailored banking solutions for both business owners and their employees, ensuring seamless financial support at every stage of their journey.

CBG's wide network of dedicated MSME centres enables the delivery of contextual, relationship-driven banking, empowering businesses with the tools and insights they need to operate more efficiently and grow with confidence.

The MSME sector has consistently demonstrated its resilience and remains critical to the Indian economy. Recognizing this, CBG is committed to serving their diverse financial needs through innovative solutions, a customer-centric approach, and strategic partnerships. CBG strives to be a trusted partner, enabling MSMEs to scale and succeed. CBG's digital first approach and robust credit delivery framework have enhanced reach and engagement during fiscal 2025. The advanced digital renewal journey streamlined loan servicing. Our relationship managers, equipped with real-time data through advanced digital tools, played a key role in delivering proactive, personalized service.

Loans to SMEs (including SME agricultural loans) amounted ₹927.23 billion, ₹1,036.54 billion, ₹1,185.21 billion and ₹1,315.06 billion as at March 31, 2023, 2024, 2025 and September 30, 2025, respectively, constituting 10.58%, 10.74%, 11.39% and 11.78% of the Bank's total loan portfolio as at such dates, respectively.

As MSMEs progress in their journey, CBG aims to be their trusted financial partner, providing comprehensive banking solutions that fuel their growth and contribute to the nation's economic prosperity. In fiscal 2025, the CBG segment made substantial contributions to Priority Sector Lending (PSL), aligning its efforts with national developmental goals while strengthening its liability portfolio to enhance stability and profitability.

### **Products and Services**

A broad classification of products and services offered by the Bank's Wholesale Banking business unit to its corporate and SME clients (including corporate agriculture clients), is set forth below.

- **Fund-based products.** Loans and advances for working capital, corporate finance and project finance.
- **Non-fund-based products.** Non-funded advances such as documentary credits, standby letters of credit and guarantees.
- **Liability products and fee related services.** Non-retail term deposits and current accounts.
- **Fee-based services.** Including fund transfers, cash management services, collection of Government taxes, trade services.



These products and services are delivered to customers through the Bank's network of branches, correspondent banking networks, telephone banking, mobile banking and the internet.

### ***Fund-Based Products***

Fund-based limits are generally granted by way of overdrafts, cash credit, demand loans, medium-and long-term loans and discounting of bills. Generally, the type of facility to be granted is determined based on factors such as the loan purpose, the security offered, the size of the advance, repayment terms, risk profile and the requirements of the customer.

The RBI requires all Indian banks to classify their credit transactions in accordance with their level of risk, and the criteria the Bank uses to classify loans in its portfolio correspond to those established by the RBI. All of the Bank's wholesale banking business customers receive a risk classification, and each loan granted to each client also receives a risk classification, depending on the risk level of the transaction and the amount the Bank receives as collateral. Classifications are determined by the loan type and amount of collateral to be received and spread to be applied. All transactions are confirmed by the Bank's back-office, which confirms the limits and receipt of all relevant documentation. The Bank uses credit and behaviour scoring models to determine the volume of credit that it will grant and to establish its credit limits. The Bank's credit policy is implemented through its system, providing for individual analysis based on the client's profile and allowing for the differentiation of interest rates, based on the client's credit risk profile. The Bank's credit policy and scoring models are reviewed periodically, based on estimated performance and non-performance credit indicators.

Set out below are internal ratings distribution of the standard corporate exposure as at the dates indicated.

	Rating Distribution Value	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at September 30, 2025
		% of total	% of total	% of total	% of total
1	AAA	29	27	28	25
2	AA <sup>(1)</sup>	38	40	41	43
3	A <sup>(2)</sup>	22	22	21	22
4	BBB <sup>(3)</sup>	10	10	9	9
5	BB and below	1	1	1	1
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

(1) Includes AA+, AA and AA-.

(2) Includes A+, A and A-.

(3) Includes BBB+, BBB and BBB-.

The four industry groups with the highest representation in the standard Corporate sub-group's loans rated BB and below are power (representing 32.59% of the Corporate sub-group's loans rated BB and below as at March 31, 2025), infrastructure and construction (representing 10.18% of the Corporate sub-group's loans rated BB and below as at March 31, 2025), real estate (representing 6.87% of the Corporate sub-group's loans rated BB and below as at March 31, 2025) and Food processing (representing 6.19% of the Corporate sub-group's loans rated BB and below as at March 31, 2025).

As a percentage of gross customer assets (which is defined as gross advances and gross credit substitutes), the pool of the standard Corporate sub-group's outstanding loans rated BB and below represented 0.38% and 0.28% as at March 31, 2023 and March 31, 2024, as compared to 0.23% as at March 31, 2025. As a percentage of the Corporate sub-group's total outstanding loans, the pool of the Corporate sub-group's loans rated BB and below represented 1.31% and 1.07% as at March 31, 2023 and March 31, 2024, as compared to 0.85% as at March 31, 2025.

The Bank believes that its SME loan portfolio is well diversified, which results in decreased concentration risk. Set forth below is the internal ratings distribution of the standard SME exposure as at the dates indicated.

	Rating Distribution Value	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at September 30, 2025
		% of total	% of total	% of total	% of total
1	SME1	11	10	8	4
2	SME2	22	19	18	21
3	SME3	48	45	45	60
4	SME4	14	17	20	12

	Rating Distribution Value	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at September 30, 2025
		% of total	% of total	% of total	% of total
5	SME5 -7	6	8	8	3
	<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

The following provides a discussion of the products and services of the Wholesale Banking business unit's fund-based products.

**Working Capital Finance.** Cash credit, working capital demand loans and overdraft facilities are funded facilities, usually secured by current assets such as inventory and receivables. These facilities are generally extended for a period of one year. In almost all cases, facilities are subject to an annual review and are repayable on demand. Interest is collected on a monthly basis, based on daily outstanding amounts. Bill discounting involves discounting negotiable instruments, which are generally issued for trade receivables. These can also be re-discounted with other banks and financial institutions, if required.

**Term Loans.** Term loans are offered to customers based on the Bank's appraisal of the quality of management, industry, prospects, business model and financial strength of the firm. This financing is provided by way of term loans of various tenors. These corporate financing term loans, which the Bank offers to companies in the manufacturing, service and infrastructure sectors by way of medium- and long-term loans. The Bank also offers asset-based lending such as receivables financing and customized corporate finance products to meet specific customer needs.

#### Non-Fund-Based Products

The following provides a description of the products and services of the Wholesale Banking business unit's non-fund-based products.

- **Acceptances, Endorsements and Other Obligations.** The Bank provides documentary credits to customers to meet their working capital requirements as well as for capital equipment purchases. Documentary credits are approved together with a working capital assessment or a project finance assessment. Typically, a working capital line can be drawn down on a revolving basis over the term of the facility. Customers pay fees for drawdowns of the acceptances, endorsements and other obligations, and the Bank may require additional collateral by way of a cash margin. The percentage of any such margin is determined according to the Bank's perception of the transaction's risk.
- **Guarantees.** Guarantees, which also include standby letters of credit, can be drawn down in a revolving manner over the life of the facility. Guarantees are also assessed during the course of working capital requirements. Guarantees are issued for various purposes such as bid bonds, performance guarantees on behalf of borrowers for execution of contracts, deferral or exemption from payment of statutory duties against performance obligations, advance payments, release of retention monies and other purposes. The tenor of guarantees is generally 36 months or less depending on the underlying obligations being guaranteed, although certain guarantees with a longer term may be approved. As with documentary credits, the Bank sometimes obtains additional collateral by way of a cash margin which, in the case of certain types of guarantees, may be as much as 100%.

#### Liability Products and Fee-Related Services

The following provides a discussion of the liability products and fee-related services offered by the Wholesale Banking business unit.

- **Current Accounts and Term Deposits.** As at March 31, 2023 and March 31, 2024, the current account deposit balance with the Bank totaled ₹1,491.20 billion and ₹1,572.68 billion respectively, compared with ₹1,667.99 billion as at March 31, 2025. As at March 31, 2023 and March 31, 2024, the term deposits account balance with the Bank totaled ₹5,004.09 billion and ₹6,092.41 billion, compared with ₹6,947.64 billion as at March 31, 2025. As at September 30, 2025, the current account deposit balance with the Bank and term deposit balance with the Bank was ₹1,612.83 billion and ₹7,244.80 billion, respectively.

- **Transaction Banking.** The Wholesale Banking business unit's transaction banking services are offered across both the Corporate and SME sub-groups. These services comprise transactional banking activities such as collection and payments solutions, trade services, foreign exchange remittances and capital market solutions. The major revenue streams for these transaction banking services are derived from current account float balances and fee income. Total revenue for the Wholesale Banking business unit's transaction banking services totaled ₹29.67 billion, ₹33.13 billion and ₹35.50 billion for fiscal years 2023, 2024 and 2025 respectively.

### ***Fee-Based Services***

The Bank offers a comprehensive range of fee-based services designed to meet the evolving needs of corporate, institutional, and government clients. These services are structured to enhance operational efficiency, optimize liquidity, and support digital transformation across sectors. In addition to traditional offerings such as cash management, tax collection, trade services, remittances, collections, and loan syndication, the Bank also provides tailor-made solutions through its Structured Products Group to address specific corporate requirements.

- **Cash Management** solutions are designed to help businesses optimize liquidity, streamline collections, and improve working capital efficiency. The Bank provides a full spectrum of services across payments, collections, liquidity management, and commercial cards. Leveraging its extensive branch network and robust API infrastructure, clients can seamlessly integrate their ERP or treasury systems with the Bank's platform enabling real-time balance visibility, instant payments, and automated reconciliation. These capabilities ensure businesses can manage their cash flows efficiently and securely.
- **Government Services** are offered under authorisation from the Reserve Bank of India and various government bodies. The Bank provides specialized banking solutions for central, state, and local governments including tax payments, utility collections, and welfare disbursements. These services are built on a foundation of speed, accuracy, compliance, and security, ensuring efficient fund management and promoting financial inclusion across the country.
- **Trade & Supply Chain** solutions cater to businesses engaged in domestic and international trade. These services are accessible through both branch networks and digital platforms, with seamless integration into client systems. Key offerings include export and import financing, bank guarantees, working capital optimization and liquidity and risk management. A dedicated team of product specialists across sales, product, and operations ensures tailored support for client requirements.
- **Correspondent Banking and Payments** are facilitated through a robust network of Nostro and Vostro relationships enabling cross-border banking and payment services. These offerings include retail and non-retail remittances, cheque clearing, trade finance and treasury payments. By leveraging global connectivity, the Bank provides customers with efficient and secure options for international transactions.
- **Corporate Digital Transformation is driven by "NEO by Axis Bank,"** the Bank's flagship digital initiative that reflects its commitment to becoming a leading digital transaction bank. NEO offers a comprehensive suite of solutions, including API Banking, Corporate Internet Banking, Host-to-Host integration and strategic fintech partnerships. The platform has established a strong product-market fit and achieved widespread adoption among corporate clients. The Bank has developed tailored digital solutions to meet the needs of businesses across varying levels of digital maturity. A key feature of this initiative is the Corporate Developer Portal which enables seamless, self-service integration, empowering clients to innovate and digitize their financial operations efficiently.

Fee income generated by the Bank's Wholesale Banking business unit is a significant revenue stream for the Bank. The table below sets forth the distribution of fee income from the Bank's Wholesale Banking operations for the periods indicated:

Fee income from Wholesale Banking operations	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2025	For the six months ended September 30, 2025
	(₹ million)			
Corporate sub-group fees	28,015	30,925	33,311	18,138
SME sub-group fees	5,700	6,115	7,011	3,905
Transaction banking fees	18,125	20,564	22,702	12,588
<b>Total fee income from Wholesale Banking operations</b>	<b>51,840</b>	<b>57,604</b>	<b>63,024</b>	<b>34,631</b>

Fee income derived from the Corporate sub-group accounted for 4.74%, 4.28%, 4.18% and 4.40% of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for fiscal years 2023, 2024, 2025 and for 30<sup>th</sup> September, 2025 respectively, and 17.67%, 15.27%, 14.80% and 15.39% of the Bank's total fee income for fiscal years 2023, 2024, 2025 and for 30<sup>th</sup> September, 2025. Fee income from the Bank's SME sub-group accounted for 0.96%, 0.85%, 0.88% and 0.95% of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for fiscal years 2023, 2024, 2025, and for 30<sup>th</sup> September, 2025 respectively, and 3.59%, 3.02%, 3.12% and 3.31% of the Bank's total fee income for fiscal years 2023, 2024, 2025, and for 30<sup>th</sup> September, 2025. Fee income derived from the Transaction banking fees accounted for 3.07%, 2.84%, 2.85% and 3.06% of total operating revenue of the Bank (which represents the aggregate of net interest income and other income for the relevant period) for fiscal years 2023, 2024, 2025 and for 30<sup>th</sup> September, 2025 respectively, and 11.43%, 10.15%, 10.09% and 10.68% of the Bank's total fee income for fiscal years 2023, 2024, 2025 and for 30<sup>th</sup> September, 2025.

### ***Credit Selection Strategy***

The Bank has framed its risk appetite and internal processes with the objective of increasing the credit quality of its new lending business. The Bank's strategic focus in recent years has been towards building a higher rated lending book, increase the share of working capital loans and reducing the concentration risk.

The Bank's criteria for acceptability of credit include:

- An acceptable internal /external credit rating;
- Strong cash flows;
- Satisfactory quality of management in terms of past track record of performance, competence, professionalism, integrity and corporate governance practices;
- Sustainability of business model in the long term;
- Likely market share
- Likely future leader in emerging businesses;
- Acceptable underlying security and credit enhancement measures;
- Probability of credit rating enhancement in the medium term;
- Appropriate pricing and acceptable rate of return on capital; and
- Opportunities for boosting return on capital from ancillary businesses.

The credit selection strategy and pricing policy used in the SME sub-group follow substantially the same procedures as those used for the Corporate sub-group.

The Bank uses an early warning signals tool which helps it identify unfavourable sectional trends early in the cycle and take corrective action if necessary. The Bank uses its internal credit rating model, which utilizes a combination of quantitative and qualitative input to arrive at a view of the risk profile of the SME counterparty and assigns an internal rating grade corresponding to a distinct possibility of default over a period. It has also adopted a practical approach to increase the SME portfolio by focusing primarily on better-rated SME accounts. Business analytics is being used to identify potential borrowers across various sectors.

### ***Pricing Policy***

The Bank prices its credit products based on its assessment of the risk profile of borrowers, largely based on:

- internal/external credit rating of customers;
- tenor of the loan;
- the specific structure of the product (such as embedded options);
- available collateral and credit enhancement;
- overall relationship value; and
- market conditions.

### ***Treasury***

The Treasury manages the funding position of the Bank and also manages and maintains its regulatory reserve requirements. As part of liquidity management, the Treasury invests in sovereign and corporate debt instruments, commercial paper, mutual funds and floating rate instruments. The Treasury also undertakes proprietary trading in equity, fixed income securities, foreign exchange, currency futures and options. Apart from proprietary trading, the Treasury also offers a wide range of treasury products and services to customers, including derivative instruments such as forward contracts, interest rate swaps, currency swaps, foreign currency options and remittances, as well as services such as loan and debt syndication and placement.

The Treasury business unit also generates fee income.

### ***Funding and Asset Liability Management***

The Treasury manages short-term liquidity through short-term borrowings such as overnight inter-bank borrowings, repo, re-discounting bills and through other money market operations. The ALM group within Treasury manages the regulatory requirements of Cash Reserve Ratio (CRR), Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR). The group also manages the liquidity, interest rate and currency risks in the Bank's portfolio, under the guidance of the Asset Liability Committee (ALCO) of the Bank. The group is responsible for overall liquidity management of the domestic book and longer term liquidity management of the overseas branches across geographies. The Bank raises foreign currency borrowings from local banks and foreign counterparties. The Bank also raises retail foreign currency deposits from NRIs at rates regulated by the RBI.

The table below sets out the deposits position of the Bank as at specified dates.

	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	September 30, 2025
	<i>(₹ billion)</i>			
Savings bank deposits	2,974.16	3,021.32	3,113.89	3,177.24
Demand deposits	1,491.20	1,572.68	1,667.99	1,612.83
Term deposits	5,004.09	6,092.41	6,947.64	7,244.80
<b>Total deposits</b>	<b>9,469.45</b>	<b>10,686.41</b>	<b>11,729.52</b>	<b>12,034.87</b>

The Treasury ensures day-to-day funding for branch operations and asset build-up. Since the CRR balances earn no interest from the RBI, the funding (ALM) desk also ensures that only optimal CRR balances are maintained and that additional surpluses are deployed in the form of short-term investments in commercial paper, certificates of deposit or debt (Liquid) schemes of mutual funds.

The Treasury measures and monitors the spreads of the Bank. Yields on assets and cost of funds are monitored on an ongoing basis. Maturity profiles of new deposits are adjusted to ensure that the Bank reaches its targeted spreads and that its liquidity profile remains comfortable.

The asset liability management group considers suitable hedging options for items on the balance sheet at appropriate times to protect or increase the Bank's spreads.

### ***Trading Operations***

The Treasury manages integrated trading operations in foreign exchange and domestic money markets. It is responsible for maintaining regulatory reserves and using the trading portfolio to earn profits through exchange income and capital gains.

The investment policy is designed to address the following:

- compliance with regulatory requirements;
- guidelines for taking exposure in various debt instruments; and
- risk mitigation.

The Treasury maintains the RBI-mandated SLR requirements in the form of investments in Government bonds and treasury bills. This portfolio is actively managed and churned and, depending on an internal view of interest rates, surpluses are maintained in the trading book. The Treasury uses these surpluses to take advantage of favourable movements in interest rates to book capital gains on the investment book. In accordance with the RBI guidelines, investments are categorized as "Fair value through Profit and Loss", "Available for Sale" "Held to Maturity" and "Subsidiaries and Associates".

The size of the Bank's equity portfolio is restricted by a ceiling imposed by the RBI on the capital market exposure of banks to 40% of their net worth as at March 31 of the previous year. The Bank's aggregate limit for exposure to the capital markets as at March 31, 2025 was ₹419.59 billion.

In general, the Bank pursues a strategy of active management of its equity portfolio to maximize its return on investments. To ensure compliance with the SEBI insider trading regulations, all dealings in equity investments in listed companies are undertaken by the equity-trading desk, which is securely segregated from the Bank's other business groups.

The Treasury also offers investment options to retail and institutional investors and servicing support through all branches of the Bank. In this regard, the Bank facilitates the holding of Government securities. Commission and trading profits are earned through these transactions.

### ***Foreign Exchange and Derivatives***

The trading desk deals in several major currencies and manages the Bank's exposure through foreign exchange and money market instruments and derivatives within the guidelines and limits stipulated by the RBI and management. Appropriate internal limits for counterparty and currency exposure are in place. The Bank is a market maker in the spot and forward exchange markets, swaps and options.

The Bank offers both off-the-shelf and specifically structured products to its customers to meet funding and risk management requirements in foreign currencies.

The Bank offers forward contracts to customers to hedge against exchange risk on foreign currency receivables and payables, usually of up to one year. The Bank also acts as market maker in interest rate and currency swaps for proprietary trading and customer hedging. Commission and exchange income is earned from such transactions. The Bank had ₹26,261.82 billion in outstanding forward exchange and derivatives contracts as at March 31, 2025.

### ***Debt Capital Markets (DCM)***

In fiscals 2023, 2024 and 2025, the Bank acted as arranger for ₹2,657.98 billion, ₹2,773.65 billion and ₹3,558.66 billion, respectively.

In January 2025, The Asset Triple A Sustainable Finance Awards 2025 awarded the bank for Best Bond – NBFI and Best Bond – Airport. In October 2024, “Asset Benchmark Research 2024” awarded the bank as "Top arranger - Investors' Choice for primary issues - Corporate bonds and "Top sellside firm in the secondary market - Corporate bonds". In fiscal 2023, the Bank won ASSOCHAM's Issuer Investment Banker (Merchant Banker of the Year) award. In fiscal 2022 the Bank won IFR Asia's Asian Bank of the Year and India Bond House award and in fiscal 2021, the Bank was awarded “Best DCM House” in India by Finance Asia. Also, employees of the Bank's sales team were included in the list of Indian Rupee Best Sellside Individual for Asset Benchmark Research Awards 2024. The Bank is a significant player in the international debt capital markets business covering U.S.\$ and EUR-denominated bonds, masala bonds and green bonds among others. The Bank believes that its DCM business' prominent position makes it well-placed to take advantage of profitable opportunities in India's growing corporate bond markets. While the Bank continues to handle the debt syndication activities described above, the investment banking activities relating to equity capital markets, mergers and acquisitions, and private equity advisory business are now conducted by the Bank's wholly owned subsidiary, Axis Capital Limited.

### **Overseas Operations**

As on September 30, 2025, the Bank has overseas branches at Singapore, DIFC - Dubai and an Offshore Banking Unit at the International Financial Service Centre (IFSC), Gujarat International Finance Tec-City (GIFT City), Gandhinagar, India.

The Bank's foreign branches primarily offer corporate banking, trade finance and treasury and risk management services. The total assets (net of inter branch adjustments) at the Bank's overseas branches amounted to ₹565.32 billion and 577.11 billion, which constituted 3.51% and 3.44% of the Bank's total assets as at March 31, 2025 and September 30, 2025, respectively.

### **Financial Inclusion**

The RBI has mandated banks in India to have a financial inclusion plan for the expansion of banking services to rural and unbanked centers and to customers who currently do not have access to banking services. Apart from a regulatory requirement and a corporate social responsibility initiative, the Bank regards the financial inclusion sector as a strategic opportunity to expand its reach into the unbanked rural market and underserved sectors of the urban market.

The Bank utilizes the services of business correspondents in select areas to expand its reach in areas unserved or underserved by the banking industry. The Bank has also taken several initiatives to implement financial awareness program for the underprivileged sections throughout India, comprising of trainings, workshops and awareness campaigns.

As on September 30, 2025 the Bank had opened approximately 2.9 million basic savings accounts PAN India and had a network of 110,645 customer service points PAN India. The Bank is equipped to handle interoperable transactions on the Aadhaar Enabled Payment System, an electronic system in India that enables financial transactions based on customers' Government-issued Aadhaar identification numbers. This, in turn, has empowered the Aadhaar enabled customers of the Bank to transact at other banks' Aadhaar enabled business correspondent outlets and vice versa.

### **Priority Sector Lending**

Commercial banks in India, including the Bank, are required by the RBI to lend 40% of their adjusted net bank credit of the previous year to specified sectors known as “priority sectors”. Priority sector advances include loans to the agriculture sector, micro, small and medium enterprises (MSME), microfinance loans, housing and education finance up to certain ceilings, and loans to fund the purchase of eligible assets and investments in eligible securitized assets. . Additionally, the regulator mandates loans to certain sectors deemed “weaker” within the overall target for the priority sector, Deposits with NABARD on account of shortfall in priority sector business targets are eligible for priority sector lending.

As March 31, 2025, the Bank had a total priority sector lending portfolio of ₹4,122.11 billion. The following is a breakdown of the Bank's priority sector lending position as at the dates indicated.

	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025	As at September 30, 2025
	<i>(₹ billion)</i>			
Agricultural advances <sup>(1)</sup>	1,332.27	1,504.65	1,598.02	1,827.33
Micro and small enterprises <sup>(2)</sup>	1,322.64	1,716.24	1,508.17	1,845.63
Other priority sector lending <sup>(3)</sup>	348.13	281.30	1,015.91	988.83
<b>Total</b>	<b>3,003.04</b>	<b>3,502.19</b>	<b>4,122.11</b>	<b>4,661.78</b>

(1) Agriculture advances includes deposits with NABARD and PSLCs purchased.

(2) Micro and small enterprises advances include deposits with Small Industries Development Bank of India (SIDBI) and MUDRA. It also includes PSLC purchased.

(3) Other priority sector lending includes deposits with NHB and PSLC purchased.

Following an RBI advisory, post its fiscal 2025 annual financial inspection, the Bank in Q2-fiscal 2026 made an additional one-time standard asset provision of ₹12.31 billion for two discontinued crop loan variants. These loans have since been declassified entirely for PSL compliance for fiscal 2026 and the Bank has purchased PSLCs in Q2-fiscal 2026 to address a substantial part of the said declassification.

To encourage banks to extend long-term loans to the infrastructure sector, Indian banks are allowed to issue infrastructure bonds and provided a relaxation in cases of priority sector lending by way of allowing banks to claim for a deduction in adjusted net bank credits.

### Agriculture Lending

Agriculture continues to be a priority sector for the Bank, with RBI norms requiring 18% of the previous year's ANBC to be deployed towards agricultural lending. To deliver stronger outcomes in this space, the Bank has reshaped its rural strategy by establishing Bharat Banking as a dedicated franchise for agri and rural customers. This division has been designed to operate as a specialised ecosystem—building deep farmer relationships, delivering differentiated products and strengthening our participation across the wider rural economy.

Rather than approaching agriculture only through traditional farm credit, the Bank now looks at the sector through the lens of the entire value chain. This includes tailored credit for crop production cycles, structured programs for post-harvest stages, and financing for allied infrastructure such as storage, logistics, processing and agri-services. Technology-led distribution and digital journeys further ensure that our offerings reach remote markets efficiently and at scale.

A significant shift in our strategy has been the move towards portfolio diversification. We are expanding beyond core crop-based lending to include high-potential agri-allied segments—such as dairy, fisheries, sericulture and poultry—allowing us to serve a broader and more resilient rural customer base. In parallel, the Bank has launched its “Corporate to Retail (C2R)” initiative, engaging with large agri and food processing companies to onboard their vendor farmers and associated value-chain players into our lending programs. This approach gives us access to concentrated pools of customers with strong repayment behaviour and better data trails.

Together, these interventions are shaping a distinctive rural banking identity for the Bank—one that blends specialised products, deeper market participation and institution-driven partnerships to scale agricultural lending portfolio.

### Delivery Channels

The Bank distributes its products and services through various access points ranging from traditional bank branches to ATMs, call centers for telephone banking, mobile banking and the Internet. The Bank's channel migration effort is aimed at reducing costs while enhancing customer satisfaction levels by providing customers access to their accounts at all times.

### Branch Network



The Bank has a well-distributed branch presence across several of India's regions and market sectors. As on September 30, 2025, the bank had a network of 5,976 banking outlets with 5,965 branches, 11 extension counters, 152 specialized branches, 259 BCBOs and 3 Digital Banking Units (DBU) as compared to 5,879 branches and extension counters as at March 31, 2025.

As at September 30, 2025, the Bank had 302 central processing centers and 152 specialized branches (lending centres) and 5,940 ATMs and 7,237 recyclers. As of September 30, 2025, the Bank's geographical reach in India extended to 35 states and union territories, covering around 3,235 centres and 703 districts.

Branch premises are generally leased. Back-office operations are centralized at a central processing unit in Mumbai, allowing the Bank's branch network to focus on business acquisition and expanding customer relationships. From a monitoring perspective, the Bank has divided its franchise of branches into 47 Circle Offices and nine regional offices, which are administrative units that controls a cluster of branches, to provide for adequate supervision across various levels.

The following table sets forth the number of the Bank's branches (excluding extension centers) in India, classified by category based on the India 2011 census, as at September 30, 2025.

Category	Number of Branches	Percentage of Branches
Metro	1,815	30.43%
Urban	1,349	22.62%
Semi-urban	1,704	28.57%
Rural	1,097	18.39%
<b>Total</b>	<b>5,965</b>	<b>100.00%</b>

The following table sets forth the number of the Bank's branches in India, classified by geographical distribution (based on RBI classification), as at September 30, 2025.

Category	Number of Branches	Percentage of Branches
Northern	1,553	26.02%
Eastern	941	15.77%
Western	1,100	18.43%
Southern	1,361	22.80%
Central	1,013	16.97%
<b>Total</b>	<b>5968</b>	<b>100.00%</b>

### ***Cashless and Digital Platforms***

The Bank's distribution network is further complemented by its digital platforms, including online and mobile banking solutions, among others, which offer 24-hour access to customer accounts and the ability to conduct routine banking transactions, such as online bill payment and application for lines of credit.

Increased availability of internet access and broadband connectivity across India requires a comprehensive digital strategy to proactively develop new methods of connecting with customers. In response to these trends, the Bank has made substantial investments in its technology platforms.

### ***Mobile Banking***

The Bank's mobile banking channel has emerged as a convenient option for customers to access their account information anytime. Through the Open by Axis application, customers can use their accounts to pay bills, transfer funds, recharge prepaid mobile phones, create and liquidate deposits, log requests for cheque books, stop cheque, change card PINs, among other services. Open application is available for retail saving accounts, current accounts, NRI savings accounts, credit cards, forex and loan customers.

### ***Cashless and Digital Payments***

The Bank offers various cashless and digital payment services to its customers and remains committed towards promoting a less-cash focused, digital economy in India. The Bank believes that its recent investments in technology and data analytics have allowed it to build and sustain a strong market position across many digital and cashless payments spaces in India.

In the digital-first era, our pioneering initiatives like 'NEO' are catalysing transformative change, redefining banking experiences for customers. Through end-to-end digital journeys and innovative solutions, the Bank is driving impressive growth in digital adoption and engagement. From instant digital onboarding to seamless lending journeys and beyond, the Bank's commitment to continuous innovation ensures cutting-edge services that prioritise customer needs and convenience.

**Neo by Axis Bank**, our industry-leading digital initiative, is driving impactful outcomes while empowering businesses through **Neo for Business** and **Neo for Corporates**.

Neo leverages advanced technology and strategic partnerships to position our Bank as the choice transaction bank for corporates, while delivering measurable improvements in integration, operational scale, and client engagement. The platform's sustained increase in adoption, transaction metrics, and mandate wins show its strong alignment with market needs and ongoing digital transformation.

The Bank continued strengthening its cards and payments business, expanding its portfolio through strong organic growth and successfully integrating Citibank's high-value consumer portfolio.

In recent years, we have consistently pushed the boundaries of digital innovation in the payments space. The introduction of feature-rich Debit Cards and Video KYC-based savings accounts laid the foundation for seamless customer onboarding and instant transaction capabilities. Building on this, the Bank expanded its wearable payments portfolio with the launch of the Axis Bank Active Watch, enabling contactless transactions directly from a smartwatch. These advancements were complemented by the enablement of Axis Bank Debit Cards on multiple payment platforms, allowing customers to make secure, tokenized payments via their mobile devices.

Axis Bank has also collaborated with a major e-commerce giant to introduce the Axis Bank Flipkart Debit Card as part of the Advantage Savings Account, further expanding its digital offerings and delivering a tailored payment experience to online shoppers. These initiatives reflect the Bank's continued commitment to building innovative, secure, and customer-centric digital solutions.

The Bank's digital initiatives have received widespread recognition. The bank was honoured with the Infosys Finacle Innovation Award in the Corporate Banking Innovation category for its Neo for Corporates platform. Additionally, the Bank was named Best Digital Bank by Financial Express. Further cementing its leadership in digital transformation, the Bank received the India Domestic Digital Transformation Bank of the Year Award for Neo for Corporates at the Asian Banking & Finance Wholesale Banking Awards 2025.

## **Digital Banking**

It is a key strategic initiative and an area of distinctiveness for the Bank. The Bank has an inhouse full stack engineering team, and today a large number of the Bank's digital products are built inhouse. Further, the Bank has a large digital product and marketing team and a design team.

The Bank rebranded Axis 2.0 as "Open by Axis Bank", as it upgraded and redesigned the journeys and its mobile app to deliver seamless and personalized end to end customer experiences. The Bank today has a large suite of over 30 digital services live as part of "Open" – across assets, liabilities, fee income products. The Bank has built fully digital onboarding journeys for Savings account, Salary account, Current account and Term deposits. Similarly on the assets side, the Bank caters to both unsecured and secured asset journeys across Personal loans, Business loans, Auto-loans, Gold loans, Home loan journeys, etc. The Bank also upgraded its end-to-end digital journeys for Credit Card customer onboarding, cross-sell/up-sell as well as servicing. In fiscal 2025, the Bank added several new products/customer propositions in addition to continued investments in existing products. Some of these included My Money – a personal finance manager, fixed deposit using UPI, One-view – multi-bank account aggregator.

The bank has also launched 'One View' on Axis Mobile Banking App, 'open' that can help customers see all their bank balances, track every transaction undertaken with any other bank, monitor borrowings, and view their entire investment portfolio—all in one seamless, intuitive dashboard. It's a complete financial world, simplified and accessible at the fingertips.

## **Internet Banking Services**

The Bank provides Retail Internet Banking platform to its customers which offers various features and services. Through the platform, customers can view accounts, statements, loans, credit and debit cards, forex prepaid cards,

demat details and can utilize services such as cross-border remittances, fund transfers, bill payments, initial public offering (IPO) applications and mutual fund applications. In addition, the Bank offers an online direct debit facility to customers for purchase of products and services through a host of online merchants in the e-commerce space. Customers can also use this platform to pay their taxes, including goods and services tax, directly from their bank account.

With the objective of increasing the digitization of services, the internet banking channel also offers instant credit card, instant personal loan, mutual funds buy and sell, IPO purchase and book locker functionalities. Digitization of services for cost savings is an important focus area for the Bank. Internet banking services allow customers to update their personal profile details, change purchase limits of cards, set internet banking transaction limit, access online tax filing certificates, order cheque book and check status of clearing instruments, thereby reducing the need to visit a branch for day to day banking requirements and fill physical forms for services. With features that are easily accessible and categorized, Axis internet banking portal is aimed at making day to day banking experience convenient for customers of any age group.

Internet banking services are provided only in respect of existing customer accounts for which the necessary identity documentation has been obtained prior to providing the customer with a user identity and password to access its account online. The Bank has in place a two-factor authentication system for transactions. As an additional control feature, the Bank has also implemented a risk-based (adaptive) authentication system for all retail Internet banking users.

Retail Internet Banking has seen customer centric initiatives and uptake of new technologies this past year. Host of banking services have been made available for IB users for better experience. Internet banking has also moved to a new platform with upgraded technology stack on March 02<sup>nd</sup>, 2021.

The Bank's internet banking platform has received the following awards: "Best Banking Technology at The Internet & Mobile Association of India Digital Awards, 2020" and "Best Use of Data & Analytics for Business Outcome amongst large banks by the Indian Bank's Association in 2019".

### **Conversational Banking (Chat Bot)**

Axis Aha! is an AI-powered conversational banking channel which can respond to voice or text inputs and determine the intent of the user in a fraction of a second. Axis Aha! is designed to enhance online customer experience, resolve customer queries, assist with service requests and transactions such as account balance, cheque book requests, card blocking requests, managing debit card limits, paying credit card bills and check available limits.

WhatsApp banking was made available to customers beginning in January 2021 to service customers' banking needs. This provides a faster, more convenient platform for customers to interact with Bank. Currently there are several live services and also supports FAQs.

### **Credit Ratings**

The following table sets forth, as at September 30, 2025, the details of the Bank's domestic and international credit ratings by the indicated ratings agencies:

Rating Agency	Long term rating	Outlook
S&P Ratings	BBB-	Stable
Moody's	Baa3	Stable
Fitch*	BB+	Stable
CRISIL	AAA/AA+	Stable
CARE	AAA	Stable
ICRA	AAA/AA+	Stable
India Ratings	AAA/AA+	Stable

\* Ratings by Fitch have been withdrawn as of the date of this Offering Circular

### **Competition**

The Bank faces strong competition in all its principal lines of business. The Bank's primary competitors are large public sector banks, other private sector banks, foreign banks and, in some product areas, development financial institutions. As at March 31, 2025, there were 137 scheduled commercial banks in India, including 12 nationalized banks, following the amalgamation of certain public sector banks as at March 31, 2020, 21 private sector banks (including the Bank) and 44 foreign banks with branches in India.

Recently, non-bank financial companies, particularly international technology companies including large e-commerce players, have been increasing their presence in the financial sector and offering payment platforms and select services.

Consolidation in the Indian banking industry may increase competitive pressures experienced by the Bank. For example, in one of the largest consolidations in the Indian banking industry, the SBI merged with its five associate banks and the Bharatiya Mahila Bank, which merger became effective from April 1, 2017. In fiscal 2019, the Government announced the merger of three other public sector banks, Bank of Baroda, Vijaya Bank and Dena Bank, effective from April 1, 2019. In fiscal 2020, the Government announced several additional mergers of public banks: Canara Bank's merger with Syndicate Bank; United Bank of India's merger with Oriental Bank of Commerce and Punjab National Bank; Andhra Bank's merger with Corporation Bank and Union Bank of India; and Allahabad Bank's merger with Indian Bank. Following these mergers, the number of public sector banks is 12, down from 27 in fiscal 2022.

New banks in the private sector have also increased competitive pressures. Two new private sector banks were set up and began banking operations in fiscal year 2016. Ten small finance banks and seven payments banks have recently begun operations. The RBI has granted licenses to entities, which includes large telecom companies and pre-paid wallet providers, to establish payments banks. The RBI has also granted licenses for the establishment of small finance banks, which include micro-finance non-banking finance companies. The RBI has released a discussion paper on licensing of wholesale and long-term finance banks that will largely lend to infrastructure and core industries. A discussion paper on licensing of other differentiated banks such as custodian banks has also been indicated. The RBI has released guidelines with respect to a continuous licensing policy for universal banks as compared to the earlier practice of intermittently issuing licenses and has demonstrated an intention to allow small finance banks to apply for universal banking license under this framework, which may result in greater competitive pressure. The RBI has also indicated that it plans to give greater access to foreign banks in the Indian market.

The Bank's corporate banking products and services face competition from a number of banks and financial institutions. Public sector banks, which pose major competition to the Bank, have a significant history of operations. These competitors have, over time, built extensive branch networks, providing them with the advantage of a low-cost deposit base, and enabling them to lend at competitive rates. In addition, the extensive geographic reach of many of these institutions enables product delivery in remote parts of the country. The Bank seeks to compete with these banks through faster response to customer requirements, quality of service, a fast-growing inter-connected branch network and technology-enabled delivery capabilities.

In retail banking, the Bank's principal competitors are the large public sector banks, which have much larger deposit bases and branch networks, as well as aggressive new private sector banks and foreign banks. The retail savings deposit share of foreign banks in India is quite small in comparison to the public sector banks, and has declined in the last five years, which the Bank's management attributes principally to competition from new private sector banks. However, some foreign banks have a significant presence among NRIs and also compete for non-branch-based products such as auto loans.

### **Customer Base**

The Bank's customer base is comprised of large and mid-sized corporates, SMEs and individuals, and is highly fragmented. Although the Bank has an extensive customer base, it has a relatively high concentration of loans to certain borrowers, borrower groups and industry sectors.

The Bank calculates the level of its exposure to any industry or customer in accordance with the guidelines established by the RBI. The Bank's loan portfolio and non-performing asset portfolio have a high concentration in certain industries, the most significant of which are Trade, Infrastructure, NBFCs, Basic metal and metal products, Banking and Finance, and representing 5.76%, 5.13%, 3.96%, 2.79% and 2.75% and respectively, of the Bank's gross advances outstanding as at March 31, 2025 which is as per the published financial statements. As of March 31, 2025, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-

fund based) amounted to ₹1,509.27 billion, representing 76.59% of the Bank's total capital (comprising Tier I capital and Tier II capital) and amounted to ₹1,607.52 billion, representing 77.32% of the Bank's total capital (comprising Tier I capital and Tier II capital) as of September 30, 2025.

### **Seasonality**

The Bank typically does not experience, and in the last three financial years has not experienced, any significant seasonality in its business.

### **Employees**

The Bank believes that employees are its most important asset. The Bank is an equal opportunity employer and is committed to hiring, developing and promoting individuals who best meet the requirements of available positions, possess the required competencies, experience and qualifications to carry out assigned tasks, and have the potential for growth within the organization.

The Bank had 1,04,332 employees as at March 31, 2024 compared with 1,04,453 employees as at March 31, 2025 and had 102,835 employees as at September 30, 2025.

### **ESG and Corporate Social Responsibility**

As one of India's largest private sector banks, the Bank is firmly aligned to the global sustainable development agenda underscored by the Sustainable Development Goals and India's commitments under the Paris Agreement.

The Bank's ESG agenda is guided by its purpose statement - 'Banking that leads to a more inclusive and equitable economy, thriving community and a healthier planet'.

In 2021, the Bank became the first Indian bank to establish a standalone ESG Committee at the Board level. Under the Committee's oversight and led by its senior management, the Bank is driving a multi-pronged ESG strategy focused on its business activities, risk management, human capital management, business operations and community impact. The Bank has taken pertinent ESG-aligned commitments and continues to focus on driving deeper ESG integration across each aspect of the organization. The Bank is represented on key thought leadership and policy advocacy platforms focused on driving the ESG, CSR, and climate action agenda in India, including at IBA, FICCI, CII, among others.

The Bank is committed to playing an active role in building an inclusive and resilient Indian society. Guided by the CSR Committee of the Board and aligned to India's CSR (Corporate Social Responsibility) regulations, the Bank is implementing impactful CSR interventions focused on bringing meaningful socio-economic change in the lives of marginalized and vulnerable communities and protect India's rich biodiversity. The Bank's CSR programs span the entire country, especially focusing on India's North-east and the interiors of Eastern and Central India. The Bank's CSR programs are implemented through the Axis Bank Foundation as well as experienced and reputed implementation partners, across the themes of Lives and Livelihoods, Financial Inclusion and Financial Literacy, Education, Environment, Sports, and Healthcare.

The Bank has been included in the FTSE4Good Emerging Index for the ninth consecutive year in 2025. In addition, the Bank is now rated 'AA' by MSCI ESG Ratings in 2025 and has a Score of 'C' in the CDP in 2024. With a score of 57, the Bank has the second highest score among Indian banks in the S&P DJSI in 2024 and has a Sustainalytics ESG Risk Rating of 19.1 (Low Risk) as of August 2025. The Bank has been placed in the highest 'Leadership' Grade in the IiAS Indian Corporate Governance Scorecard for 2024. The Bank is a constituent of leading domestic ESG indices including the MSCI India ESG Leaders Index and the Nifty 100 ESG Sector Leaders Index.

### **Information Technology**

Axis Bank is advancing its vision to become a technology-driven, digital-first organization, with IT at the core of this transformation. The focus remains on creating secure and resilient systems while redefining customer and employee journeys through innovation and automation. Strategic priorities include embedding Generative AI across processes, strengthening data and analytics capabilities, and modernizing tech. infrastructure to enhance scalability and compliance. These efforts aim to deliver seamless digital experiences, uphold strong cybersecurity standards by deploying security-by-design concepts, and position the Bank for sustained growth through technology excellence.

Axis Bank has accelerated its Generative AI adoption to enhance customer experiences and operational efficiency. Employee productivity has scaled through tools like ADI (GenAI-based chatbot) and AI-driven SDLC assistants, empowering over 55,000 staff and developers. The Bank has embedded AI across SDLC through multi-cloud AI code assistants enabling faster code generation, upgrades, and design automation. Over 20 AI-assisted projects are ongoing for onboarding, personalization, NLP, and code generation, delivering significant efficiency and turnaround improvements.

Additionally, capability pilots integrate AI for BRD-to-JIRA workflows, functional test automation, and iterative development, reducing lead time and improving compliance. GenAI also strengthens risk and compliance through automated audits and fraud analytics, backed by strong governance and real-time data platforms- positioning Axis Bank as a future-ready, AI-led organization.

Furthermore, the Bank has bolstered its digital engagement by enhancing mobile and conversational banking capabilities. The mobile banking app delivers a seamless experience with advanced features and robust performance, supported by high user ratings. The Bank has expanded its omni-channel presence through AI-powered voice bots and real-time agent assistance, making customer interactions more intuitive and efficient.

The Bank's 'Support' website is now accessible in 10 languages, making it more inclusive and user-friendly. WhatsApp banking channel has surpassed 30 million customers, having executed over 100 campaigns and 40m communications. The Bank continues to strengthen its MB platform, now offering over 250 features to 33.7m registered users. The app has received outstanding ratings—4.8 on iOS Store (349,000 reviews), and 4.7 on Google Store (3.1 million reviews).

The Bank is strengthening its leadership in payments by innovating across digital channels and enhancing UPI with features like conversational payments, real-time agent assistance, and AI-powered fraud detection for secure and seamless transactions. GenAI and automation are improving payment efficiency and customer experience, while integration with emerging platforms is building a foundation for future-ready payment solutions.

The Bank has built a solid foundation by accelerating cloud adoption, embedding agile and cloud-native best practices. It is leveraging automation and DevSecOps to deliver faster while ensuring robust security and compliance standards. Advanced data platforms and AI-driven engineering capabilities are driving scalability, resilience, and operational excellence, enabling secure and future-ready digital financial services.

The Bank became the first in India to receive ISO certification for cloud security on both AWS and Azure. A major milestone in fiscal 2025 was the launch of Bank's first Data Lakehouse for UPI on Google Cloud. The Bank intends to focus on hyper-automation through Infrastructure-as-Code and has enhanced application observability using Cloud-based Site Reliability Engineering capabilities.

### ***Infrastructure Resiliency and Data Centers:***

Axis Bank has built a strong, centralized IT infrastructure with two primary data centers in Mumbai and Bengaluru across two separate seismic zones, supported by a near-site disaster recovery facility. These centers are connected through a secure, high-capacity WAN using leased lines and MPLS for uninterrupted service. Designed to meet stringent industry benchmarks, the facilities feature redundant power, cooling systems, and advanced security controls, including access management, network protection, and disaster recovery protocols. This architecture ensures seamless, secure, and resilient digital experiences for customers, employees, and partners.

### ***Information Security***

The Bank follows a holistic cyber security program with a comprehensive Cyber Security Policy and Standards based on industry best practices in compliance with regulatory guidelines. The Bank has deployed its cyber security structure and framework based on NIST and ISO27001 Standards. The Bank's cyber security framework is built and operated around the fundamental areas including Identify, Protect, Detect, Respond and Recover. The Bank is compliant to ISO27001 Information Security Management System (ISMS), ISO27017 Cloud Security Standards, ISO27034 Business Application Security Certification for its Software development & management domain and The Payment Card Industry Data Security standards (PCIDSS), and the Bank has been certified for ISO27018 PII Data Security Standard Certification this is a unique achievement and demonstrates enhanced cyber security resilience, privacy and security controls on the Bank's IT and application assets.

The Bank has a 24x7 Security Operations Centre and Cyber Security Operations System. 100% of the digital products of the Bank are under Dark Net / Deep Web monitoring. The Bank has a BitSight Rating of 810 out of 900 (with 820 as maximum possible score) indicating a well-controlled internet facing security posture. The Bank's current BitSight score is higher than 90% of the Banking and Finance entities tracked by BitSight. The Bank has a zero-trust architecture internally, adding security technology and process controls. The Bank has deployed Cyber Security controls to protect its information assets from unauthorized access, hacking attempts, data loss, external cyber-attacks, etc., and has implemented various detection and monitoring technologies, to proactively detect and respond to any cyber threats. Information & Cyber Security governance framework is in place at a strategic level through the Board, Risk Management Committee, Information Technology & Digital Strategy Committee and at an executive level through Information System Security Committee which oversees the Bank's Information and Cyber Security initiatives so that those controls commensurate with the risks and threats applicable to the Bank and its information assets. Bank is focused on enhancing its security capabilities through ransomware resilience controls and data privacy frameworks to safeguard customer trust in an increasingly complex digital landscape

### ***Intellectual Property***

The Bank utilizes a number of different forms of intellectual property in its business including its AXIS BANK brand and the names of the various products it provides to its customers. The Bank has made applications for registration of its AXIS BANK brand name and certain other trademarks, including words and logos with the relevant trademarks' registry in different jurisdictions where the Bank has operational presence and in some jurisdictions the Bank has completed the formalities of registration, while few of the applications are currently pending.

### ***Insurance***

The Bank maintains its own insurance policies and has coverage that it deems appropriate and customary for a bank of its size and nature.

The Bank's insurance policies include a Banker's Indemnity insurance policy, which is a comprehensive insurance policy that offers coverage for various forms of risks. Some of the items covered under this insurance policy include: money (cash and precious metals) on premises and in vaults of agencies; money (cash and precious metals) in transit; cash in onsite ATMs/dispensers owned by the Bank; losses from external/internal fraud; losses from transactions through mobile banking; electronic banking transactions; and electronic crime; any loss due to human error (of employees); terrorism.

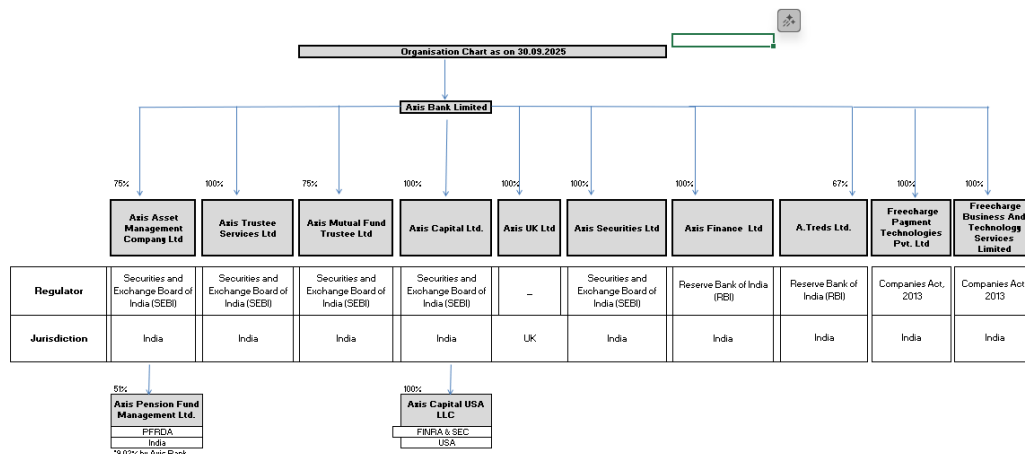
In addition to the above coverage, below are the other covers taken by the bank:

- Fixed Assets/Contents – It covers all the fixed assets of the bank against losses due to Fire, Burglary, AOG and Allied peril.
- Currency Chest - This policy covers Cash kept in Currency Chest for any losses due to Fire, AOG perils, Robbery, Burglary.
- Special Contingency Policy- This is an All-Risk policy which insures Pledged gold kept across all branches for gold loan business, this policy covers losses pertaining to Burglary, robbery, Fire, AOG perils, Dishonesty of employees, Gold in Transit etc.
- Professional Indemnity – Covers professional liability claims for financial loss to the customer due to negligence, error or omission on the part of the Bank in rendering professional services while acting as a custodian of NSE Clearing Limited (NCL) in India , Settlement Banker for all the Exchanges and Clearing Corporations in all segments, Professional Clearing Member Activities and Trading Cum Clearing Member Activities in Equity Derivatives, Currency Derivatives and, Commodity Derivatives and Capital Market (Equity) Segment in India and losses incurred due to default of clients under any Derivatives and Capital Market (Equity) Segment.
- Director's & Officers – This policy covers liability of Directors & Officers and other key management members of the Bank as well as its subsidiaries for any claims or allegations made against them for a wrongful act done by them during their tenure as the directors or Officers during the discharge of their duties as the directors or officers.

## Properties

The Bank's registered office is located at "Trishul", Third Floor, Opposite Samartheshwar Temple, Near Law Garden, Ellisbridge, Ahmedabad 380 006, Gujarat, India. The Bank's corporate office is located at Axis House, Pandurang Budhkar Marg, Worli, Mumbai 400 025, India.

## Corporate Structure of the Bank:



Note:  
 1) Axis Bank has purchased stake in Axis Life Insurance Company Limited, making it an Associate Company w.e.f. 8th April 2021. The total ownership by Axis Entities is 19.02% (Axis Bank-16.22%, Axis Capital-1.85%, Axis Securities-0.95%). Further, Axis Life Insurance Company Limited has changed its name to Axis Life Insurance Company Limited w.e.f. 12th December 2024 after receiving corporate & regulatory approval.  
 2) Axis Pension Fund Management Ltd., subsidiary company of Axis Asset Management Ltd. and step-down subsidiary of Axis Bank Ltd., was incorporated on 17th May 2022. It's total paid-up capital is Rs. 80 Crores. Axis AMC and Axis Bank hold 51.00% and 8.02% of its paid-up capital respectively.  
 3) Freecharge Business and Technology Services Limited was incorporated on 16th March 2024.  
 4) The banking license of the Axis UK Limited was cancelled by the UK regulators with effect from 24th October 2024. Subsequently, the name of the company is changed from Axis Bank UK Ltd to Axis UK Ltd with effect from 1st November 2024. The company is into liquidation since 9th December 2024.

## Overview and brief summary of the business / activities of the subsidiaries of the Bank:

The Bank has 10 subsidiaries namely, Axis Finance Limited (AFL), Axis Securities Limited (ASL), Axis Capital Ltd. (ACL), Axis Asset Management Company Ltd. (AAMC), Axis Mutual Fund Trustee Ltd. (AMFT), Axis Trustee Services Ltd. (ATSL), A.TREDS Ltd.(ATL), Axis UK Ltd. (AUK), Freecharge Payment Technologies Private Ltd. (FPTPL) and Freecharge Business and Technology Services Ltd (FBTSL); and two step-down subsidiaries, namely, Axis Capital USA LLC (subsidiary of Axis Capital Ltd.) and Axis Pension Fund Management Ltd. (subsidiary of Axis Asset Management Company Ltd.).

Set forth below is a brief description of each subsidiary:

### Axis Capital Ltd. (formerly Axis Securities and Sales Ltd.) (ACL)

ACL was incorporated in India as a wholly owned subsidiary of the Bank (formerly UBL Sales Limited) in 2005 and received its certificate of commencement of business in May 2006. Certain businesses of M/s. Enam Securities Private Limited were merged with Axis Capital Ltd. as part of a scheme.

Axis Capital Limited offers comprehensive and integrated financial advisory and solutions includes ECM, PE, M&A. ACL also has an Institutional Equities business which includes research to corporate access, cash, derivatives and electronic trading.

### Axis Securities Ltd. (formerly Enam Securities Direct Pvt. Ltd.) (ASL)

Axis Securities Limited (ASL) is a proud subsidiary of Axis Bank – India's 3rd largest private sector bank. With a robust branch network across India, ASL offers retail broking services under its flagship brand Axis Direct (www.axisdirect.in). Axis Direct engages in offering simplified investment solutions to customers. It offers a bouquet of investment products to its customers e.g. Equities, Mutual Funds, SIPs, IPOs, Derivatives, Bonds, NCDs, ETFs, and Company Fixed Deposits. With over 5 million customers, Axis Direct is one of the fastest-growing players in the industry.

### Axis Trustee Services Ltd. (ATSL)



ATSL was incorporated in India as a wholly owned subsidiary of the Bank in 2008 and received its certificate of commencement on September 30, 2008. ATSL is in the business of trusteeship services. It offers Trusteeship services and agency & administration services to corporate clients.

***Axis Asset Management Company Ltd. (AAMC)***

AAMC was incorporated in 2009 and received its certificate of commencement on March 4, 2009. AAMC is in the business of asset and wealth management.

In April 2012, the Bank entered into a strategic partnership with Schroders Plc. Through this partnership, Schroder Investment Management (Singapore) Ltd. (SIMSL), through its wholly owned subsidiary, Schroder Singapore Holdings Private Ltd. (SSHPL), acquired 25% of the total issued and paid-up equity share capital plus one equity share in AAMC.

AAMC is registered with SEBI to act as an Investment Manager for Axis Mutual Fund (the Fund). AAMC manages the investment portfolio of the schemes launched by the Fund and provides administrative services to the Fund.

AAMC is registered with SEBI as a Portfolio Manager and provides Portfolio Management services (PMS). AAMC is also registered under the SEBI (Alternative Investment Funds) Regulations and provides investment management services to schemes launched under Alternative Investment Funds (AIF). Axis AMC (IFSC Branch) is registered with the International Financial Services Centres Authority ('IFSCA') as a Registered Fund Management Entity (Retail) (FME) under the IFSCA (Fund Management) Regulations, 2025 and provides fund management services.

***Axis Mutual Fund Trustee Ltd. (AMFT)***

AMFT was incorporated in 2009 and received its certificate of commencement on March 4, 2009.

In April 2012, the Bank entered into a strategic partnership with Schroders Plc. Through this partnership, SIMSL, through its wholly owned subsidiary, SSHPL acquired 25 per cent of the total issued and paid-up equity share capital plus one equity share in AMFT.

AMFT is acting as a trustee to Axis Mutual Fund.

***Axis Finance Ltd (AFL)***

AFL is a Public Limited company incorporated under the Companies Act, 1956 in India in 1995. It is a Non-Deposit Accepting Non-Banking Finance Company (NBFC) regulated by the RBI. It is a wholly owned subsidiary of Axis Bank Limited.

AFL caters to Wholesale, Retail and MSME customer segments. On the Wholesale front, AFL offers products such as Corporate Loans, Collateralized Loans and Real Estate Loans. On the Retail front, AFL offers products such as Loan against Property, Micro- LAP, Home Loans, Business Loans, Personal Loans and Affordable Home Loans. On the MSME front, the products offered are customized loan products catering to specific needs of MSMEs in focused sectors including loan against property, lease rental discounting, thematic lending to education and healthcare, hospitality sector.

***A.TREDS Ltd. (ATL)***

ATL is a joint venture between the Bank and Mjunction Services Ltd. It was set up in 2016. The Bank and Mjunction Services Ltd. hold 67% and 33% of the share capital, respectively. ATL undertakes the activities and operations related to the trade receivable discounting system. ATL owns and operates "Invoicemart" a digital platform which connects MSME suppliers and corporate buyers to multiple financier.

***Axis UK Ltd. (ABUK)***

AUK is a wholly owned overseas subsidiary of the Bank and undertakes the activities of banking. It was incorporated in 2011 in the United Kingdom and commenced its operations in 2013 upon receipt of approval from the PRA.

AUK ceased to be a regulated entity following cancellation of banking license with effect from October 24, 2024. The subsidiary was placed into Member's Voluntary Liquidation (MVL) on December 9, 2024 and the liquidation is under process.

***Freecharge Payment Technologies Private Limited (FPTPL)***

Freecharge Payment Technologies Private Limited was acquired by the Bank (from Jasper Infotech Private Ltd.) in 2017, post receiving approval from RBI. Freecharge is a wholly owned subsidiary of the Bank. Freecharge Payment Technologies Private Limited is engaged in providing facilities of recharge online prepaid, postpaid mobile and landline bill payment, DTH connections and data cards etc. through its website and mobile application namely, 'Freecharge'. The Company is also engaged in facilitating merchant payment both for offline and online merchants through Payment Aggregation and Payment Gateway services. Additionally, it also provides Business Correspondent (BC) and Technology Service Provider(TSP) to Axis Bank. BC and TSP activities will be demerged to new wholly owned subsidiary of the bank – Freecharge Business and Technology Services Limited.

***Freecharge Business and Technology Services Ltd. (FBTSL)***

Freecharge Business and Technology Services Ltd. (FBTSL) was incorporated in 2024 to undertake Business Correspondent and Technology Services that it provides solely to Axis Bank.

***Axis Capital USA, LLC (Step down subsidiary of Axis Bank Ltd. and subsidiary of Axis Capital Ltd.) (ACUL)***

ACUL was incorporated in Delaware in 2017. It is a wholly owned subsidiary of Axis Capital Ltd. ACUL is a broker-dealer registered with Securities and Exchange Commission (SEC) and a member of Financial Industry Regulatory Authority (FINRA)

***Axis Pension Fund Management Limited (Step down subsidiary of Axis Bank Ltd. and subsidiary of Axis Asset Management Company Ltd.) (APFML)***

Axis Pension Fund Management Limited (APFML) was incorporated in 2022 to undertake pension fund management business under the National Pension System.

APFML received its Certificate of Registration from Pension Fund Regulatory and Development Authority as a Pension Fund in July 2022 and Certificate of Commencement of Business in September 2022. It commenced its operations in October 2022.

Axis AMC and Axis Bank hold 51.00% and 9.02% respectively of the paid-up capital of APFML. Other shareholders Havells Group and Manipal Group (through their entities) hold 19.99% each of the paid-up capital of APFML.

## **RISK MANAGEMENT**

### **Risk Management Structure**

The Bank is exposed to various risks that are an integral part of any banking business, with the major risks being credit risk, market (including liquidity) risk and operational risk. The Bank places emphasis on risk management measures to ensure that there is an appropriate balance between risk and return and has implemented comprehensive policies and procedures to identify, monitor and manage risk throughout the Bank. The risk management strategy of the Bank is based on understanding the various types of risks, disciplined risk assessment and continuous monitoring including relying on comprehensive processes and internal control mechanisms for effective and continuous monitoring and control of risks.

#### **(a) Objectives and Policies**

The Bank's risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight and periodic monitoring through the sub-committees of the Board of Directors. The Board provides guidance for setting the overall risk appetite and philosophy for the Bank.

The Risk Management Committee and the Audit Committee of the Board, which are sub-committees of the Board, review various aspects of risk arising from the businesses of the Bank.

Various senior management executive risk committees operate within the broad policy framework—these include Credit Risk Management Committee (**CRMC**), Asset Liability Management Committee (**ALCO**), and the Operational Risk Management Committee (**ORMC**), Enterprise Group Risk Management Committee (**EGRMC**).

The Bank has put in place policies relating to management of credit risk, market risk, operational risk, information security risk, subsidiary risk and asset-liability both for the domestic as well as overseas operations, according to the respective host regulatory requirements and business needs. The overseas policies are drawn based on the risk perceptions of these economies and are aligned to the Bank's risk appetite. All the risk policies are approved by the Risk Management Committee of the Board (**RMC**). The Bank has also formulated a comprehensive Stress Testing Policy to measure the impact of adverse stress scenarios on the adequacy of capital.

#### **(b) Structure and Organization**

The Chief Risk Officer reports to the Managing Director & CEO and the Risk Management Committee of the Board oversees the functioning of the Department. The Department has separate teams for Credit Risk, Market Risk (including Treasury Mid Office), Enterprise Risk, Operational Risk, Risk Analytics, Risk Data Management and Information Security Risk. These teams report to the Chief Risk Officer.

### **Credit Risk**

Credit risk refers to the deterioration in the credit quality of the borrower or the counterparty adversely impacting the financial performance of the Bank. The losses incurred by the Bank in a credit transaction could be due to inability or willful default of the borrower in honouring its financial commitments to the Bank. The Bank is exposed to credit risk through lending and capital market activities.

(c) Credit Risk Management Policy

The Board of Directors establishes parameters for risk appetite that are defined through a strategic businesses plan as well as the Corporate Credit Policy. The Credit Risk Management Policy lays down the roles and responsibilities, risk appetite, key processes and reporting framework. Corporate credit is managed through the rating of borrowers, portfolio monitoring and subsequent reporting of the risk profile to senior management, the Risk Management Committee and the Board. Retail credit to individuals and small businesses is managed through the definition of product criteria, appropriate credit filters, portfolio monitoring and subsequent reporting of the risk profile to senior management, the Risk Management Committee and the Board.

(d) Credit Rating System

The foundation of credit risk management rests on the internal rating system. Rating-linked single borrower exposure norms, delegation of powers and review frequency have been adopted by the Bank. The Bank has developed rating tools specific to market segments such as large and mid-corporates, SMEs, financial companies, microfinance companies and project finance to objectively assess underlying risk associated with such exposures.

The credit rating model uses a combination of quantitative and qualitative inputs to arrive at a 'point-in-time' view of the risk profile of the counterparty. Each internal rating grade corresponds to a distinct probability of default over one year. Expert scorecards are used for various SME schematic products and retail agriculture schemes. Statistical application and behavioural scorecards have been developed for all major retail portfolios.

The Bank recognizes cash, central/State Government, bank and corporate guarantees, exclusive mortgage of properties and lease rental securitization for the purpose of credit enhancement to arrive at a facility rating.

Model validation is carried out annually by objectively assessing the discriminatory power, calibration accuracy and stability of ratings. The Bank has completed the estimation and validation of Probability of Default (PD), Loss Given Default (LGD) and Credit Conversion Factor (CCF) models for corporate and retail portfolios.

(e) Credit Sanction and Related Processes

The guiding principles behind the credit sanction process are as follows:

- 'Know Your Customer' principles; and
- sustainability and adequacy of the borrower's normal business operations. The availability of security alone with the borrower is not the sole guiding factor for grant of credit.

The Bank has put in place a hierarchical committee structure based on the size and rating of the exposures for credit sanction and review; with sanctioning authority resting with higher level committees for larger and

lesser-rated exposures. The Committee of Directors (**COD**) is the topmost committee in the hierarchy which is a sub-committee of the Board.

(f) Review and Monitoring

All credit exposures, once approved, are monitored and reviewed periodically against the approved limits. Borrowers with a lower credit rating are subject to more frequent reviews.

Credit audit involves independent review of credit risk assessment, compliance with internal policies of the Bank and with the regulatory framework, compliance with sanction terms and conditions and effectiveness of loan administration.

Customers with emerging credit problems are identified early and classified accordingly.

Remedial action is initiated promptly to minimize the potential loss to the Bank.

(g) Concentration Risk

The Bank manages concentration risk by means of appropriate structural sectoral limits and borrower-wide limits based on creditworthiness. Credit concentration in the Bank's portfolios is monitored for the following:

- The Risk department sets principles for overall concentration limits and present them for approval by the RMC as a part of Risk Appetite framework.
- Credit department sets guardrails for specific groups, sector, industry and geography as applicable and tracks adherence on a transaction-to-transaction basis
- concentration by industry – industry analysis plays an important part in assessing the concentration risk within the loan portfolio. Industries are classified into various categories based on factors such as supply and demand, input-related risks, Government policy stance towards the sector and financial strength of the sector in general. Such categorization is used in determining the expansion strategy for the particular industry.
- Business units adhere to concentration limits / guardrails and secure approval for breaches, if any.

### **Portfolio Management**

Portfolio management involves analyzing portfolio level risks and reporting such risks to the senior management. The Bank has a well-defined risk appetite statement which defines the boundaries of acceptable risk that the Bank can undertake and the compliance status of which is reported to the senior management and the Risk Management Committee of the Board. Portfolio risk analysis involves examining optimal spread of risk across various rating classes, including undue risk concentration across any particular industry segment. Borrowers or portfolios are marked for early warning when signs of weakness or financial deterioration are envisaged in order to initiate timely remedial actions. In-depth sector-specific studies are undertaken on portfolios vulnerable to extraneous shocks and the results are shared with the Bank's business departments.

(h) Retail consumer lending portfolios and retail rural lending portfolios

As at the date of this Offering Circular, secured products (such as mortgages, vehicles business) still command a major share of the consumer lending portfolio. Retail portfolio has diversified over time, with prudent underwriting for unsecured lending (personal loans and credit card business). The Bank has developed

a risk management framework at each stage of the retail loan cycle (being loan acquisition, underwriting and collections.)

The underwriting strategy relies on extensive usage of analytical scoring models that also take inputs from the bureau. The Bank uses a 'Rules Engine' that helps customize business rules thereby aiding in faster decision-making without compromising on the underlying risks. Senior management takes note of the movement and direction of risk reported through information published on structured dashboards.

### **Market Risk in the Trading Book**

Market risk is the risk of loss to the Bank's earnings and capital due to changes in the market level of interest rates, price of securities, foreign exchange rates and equities prices, as well as volatility risk in the option book. The Bank is exposed to market risk through its investment activities and also trading activities, which are undertaken for customers as well as on a proprietary basis. The Bank adopts a comprehensive approach to market risk management for its trading, investment and asset / liability portfolios. For market risk management, the Bank has:

- board-approved risk appetite statement, market risk policies and guidelines that are aligned to the regulatory guidelines and based on experiences gained over the years. The policies are reviewed periodically keeping in view regulatory changes, business requirements and market developments.
- process manuals, which are updated regularly to incorporate and document best practices.
- market risk identification through mapping of the Bank's main businesses to various market risks.
- statistical measures like Value at Risk (VaR), supplemented by stress tests, back tests and scenario analysis.
- Non-statistical measures/limits on positions, gaps, stop loss, modified duration and option Greeks etc.
- management information system for timely market risk reporting to senior management functionaries. Key risk metrics are presented to the Risk Management Committee of the Board through risk dashboards.

Limits and warning triggers are set up for risk measures such as position, stop-loss, gaps, sensitivities (modified duration, price value of a basis point, option greeks), etc. which are reviewed periodically, based on a number of criteria including regulatory guidelines, relevant market analysis, business strategy, size of the investment and trading portfolio, management experience and the Bank's risk appetite. These limits are monitored on an intra-day/daily basis by the Treasury mid-office and the exceptions are put up to ALCO and to the Risk Management Committee of the Board.

The Bank uses historical simulation and its variants for computing VaR for its trading portfolio. VaR is calculated and reported on a daily basis for the trading portfolios at a 99% confidence level for a one-day holding period, and measured through the use of 250 days of historical data or one year of relative changes in historical rates and prices. The model assumes that the risk factor changes observed in the past are a good estimate of those likely to occur in the future and is, therefore, limited by the relevance of the historical data used. The method, however, does not make any assumption about the nature or type of the loss distribution. The VaR models for different portfolios are back-tested at regular intervals and the results are used to maintain and improve the efficacy of the model.

The VaR measure is supplemented by a series of stress tests and sensitivity analysis that estimates the likely behaviour of a portfolio under extreme but plausible conditions and its impact on earnings and capital.

The Bank undertakes stress tests for market risks for its trading book, interest rate swaps, forex open position and forex gaps on a monthly basis.

### **Concentration Risk**

The Bank has allocated internal risk limits in order to avoid concentrations, wherever relevant. For example, the aggregate gap limit, net open position and daylight limits are allocated to various currencies and maturities into individual gap limits to monitor concentrations. Tenor wise duration limits have been set up for different categories within a portfolio. Issuer wise concentration limits are introduced in case of security portfolio. Within the overall PV01 limit, a sub-limit is set up, which is not expected to be breached by trades linked to any individual benchmark. Some of the limits like currency-wise net open position, stop loss limits and PV01 limits are allocated dealer-wise also, based on their skill and experience, to avoid a build-up of positions in a single dealer's book.

### **Liquidity Risk**

Liquidity Risk means a Bank's inability to meet its current or future obligations on the due date. Liquidity risk is two-dimensional viz., risk of being unable to fund portfolio of assets at appropriate maturity and rates (liability dimension) and the risk of being unable to liquidate an asset in a timely manner at a reasonable price (asset dimension).

The goal of Liquidity Risk Management is to meet all commitments on the due date and also be able to fund new investment opportunities by raising sufficient funds in the form of increasing fresh liabilities or by expeditious asset sell-off without incurring unacceptable losses, both under normal and adverse conditions. These objectives are ensured by setting up policies, operational level committees, measurement tools and monitoring and reporting mechanism using effective use of IT systems for availability of quality data. The Bank manages its liquidity on a static as well as dynamic basis using various tools such as gap analysis, ratio analysis, dynamic liquidity statements, intraday liquidity monitoring tools and scenario analysis. The Bank's ALM policy defines the tolerance limits for its structural liquidity position. The Liquidity Policy for the domestic operations as well as for the overseas branches lay down the operational framework for prudent risk management in the Bank. The liquidity profile of the Bank is analysed on a static basis by tracking all cash inflows and outflows in the maturity ladder based on the actual maturity and expected occurrence predicted through behavioral analysis - (for non-maturity items) of cash flows. The liquidity profile of the Bank is also estimated on a dynamic basis by considering the growth in deposits and loans, investment obligations, etc. for a short-term period of three months. The Bank undertakes behavioral analysis of the non-maturity products viz. savings and current deposits and cash credit/overdraft accounts on a periodic basis, to ascertain the volatility of residual balances in those accounts. The renewal pattern and premature withdrawals of term deposits and drawdown of unavailed credit limits are also captured through behavioral studies. The concentration of large deposits is monitored on a periodic basis.

The Bank's ability to meet its obligations and fund itself in a crisis scenario is critical and accordingly, liquidity stress tests are conducted under different scenarios at periodical intervals to assess the impact on liquidity to withstand stressed conditions. The liquidity positions of overseas branches are managed in line with

the Bank's internal policies and host country regulations. Such positions are also reviewed centrally by the Bank's ALCO along with domestic positions.

The Bank has adopted the Basel III framework on liquidity standards as prescribed by RBI. These include the intraday liquidity management and the Liquidity Coverage Ratio (**LCR**). The Bank maintains LCR/NSFR in accordance with the RBI guidelines and the defined risk appetite of the Bank.

### **Counterparty Risk**

The Bank has a counterparty risk management policy incorporating well laid down guidelines, processes and measures for counterparty risk management. The policy includes separate counterparty rating models for commercial banks, foreign banks cooperative banks, primary dealers, small finance banks and payment banks for determining maximum permissible exposure limits for counterparties. The key financials, quality of management and the level of corporate governance are captured in the counterparty rating model. Counterparty limits are monitored and reported daily and internal triggers have been put in place to guard against a breach in limits. Credit exposures to advances, etc. are monitored separately under the prudential norms for exposure to a single borrower according to the Bank's corporate credit risk policy or investment policy, as applicable. The counterparty exposure limits are reviewed at periodic intervals based on the financials of the counterparties, business needs past transaction experiences and market conditions. The Bank has also put in place the 'Derivatives Suitability & Appropriateness Policy', and Loan Equivalent Risk (**LER**) framework under the Corporate Credit Policy, to evaluate product suitability to a customer and counterparty risk arising out of all customer derivatives contracts, respectively.

### **Country Risk**

As per the RBI guidelines, if the net funded exposure of the Bank in respect of each country exceeds 1% of the Bank's total assets, provisioning is required to be made on exposure to such countries.

The RBI requires banks in India to implement RBI prescribed guidelines on country risk management in respect of those countries where a bank has net funded exposure in excess of a prescribed percentage of its total assets. In the normal course of business, the Bank has both direct and indirect exposure to risks related to counter parties and entities in foreign countries. The Bank monitors such cross-border exposures. The Bank has a country risk management policy containing the guidelines, systems and processes to effectively identify, assess, monitor and control its country risk exposures. Based on the risk profiling, countries are classified under seven categories, i.e. insignificant, low, moderate, high, very high, restricted and off-credit. Risk profiling is based on the ratings provided by Export Credit Guarantee Corporation of India Ltd., Dun & Bradstreet, Standard & Poor's Banking Industry Country Risk Assessment, inputs received from overseas branches/business departments, and reports published by various agencies; namely, Moody's, Standard & Poor's and other publications of repute. The categorization of countries is reviewed at quarterly intervals or at more frequent intervals if situations so warrant. An exposure to a country comprises all assets, both funded and non-funded, that represents claims on residents of another country. The Bank has in place both category-wise and country-wise exposure limits. The Bank monitors country risk exposures through a process of trigger limits as well as a prior approval system for select categories (high, very high, restricted and off-credit) to ensure effective monitoring and management of exposures. As a proactive measure of country risk management, the risk department issues a 'Rating Watch' from time to time. Furthermore, based on country-specific developments, the concerned business departments are provided with periodic updates on countries that have a high probability of a rating downgrade.

#### **(i) Risk Management Framework for Overseas Operations**



The Bank has put in place separate risk management policies for each of its overseas branches in Singapore, Dubai, and GIFT City IBU. These country-specific risk policies are based on the host country regulators' guidelines and are in line with the practices followed for the Indian operations. The Asset Liability Management and all the risk exposures for the overseas operations are monitored centrally at the Central Office.

## **Operational Risk**

### **(j) Strategies and Processes**

Operational Risk (**OR**) is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The operational risk management policy documents the Bank's approach towards management of operational risk and defines the roles and responsibilities of the various stakeholders within the Bank. The policy also comprises the detailed framework for operational risk loss data collection, risk and control self-assessment and key risk indicator framework.

Based on the above policy the Bank has initiated several measures to manage operational risk. The Bank has put in place a hierarchical structure to effectively manage operational risk through the formation of several internal committees: Operational Risk Management Committee (**ORMC**), Product Management Committee, Change Management Committee, Central Outsourcing Committee, Business Continuity Planning & Management Committee (**BCPMC**), and IT Security Committee (**ISSC**).

## **Structure and Organization**

While the Risk Management Committee (**RMC**) of the Board at the apex level is the policy making body, the ORMC, consisting of senior management personnel, is responsible for implementation of the Operational Risk policies of the Bank. It oversees the implementation of the operational risks framework and oversees the management of operational risks across the Bank. A dedicated operational risk management unit ensures management of operational risk.

## **Scope and Nature of Operational Risk Reporting and Measurement Systems**

A systematic process for reporting risks, losses and non-compliance issues relating to operational risks has been developed and implemented by the Bank. The information gathered is used to develop triggers to initiate corrective actions to improve controls. All critical risks and major loss events are reported to the Senior Management/ORMC.

The Bank has further enhanced its capability for effective management of operational risk with the implementation of an Enterprise Governance Risk and Compliance platform (**SAS-EGRC**). The IT platform acts as the single repository of processes and operational, compliance and financial reporting risks. It facilitates capturing individual risks and the effectiveness of their controls, tagging of identified risks to processes and products and originating action plans, and acts as a repository for all operational risk events.

## **Policies for Mitigating Operational Risk**

An Operational Risk Management Policy approved by the RMC of the Board details the framework for managing and monitoring operational risk in the Bank. Business units put in place basic internal controls as approved by the Product Management Committee to ensure appropriate controls in the operating environment throughout the Bank. According to the policy, all new products are being vetted by the Product Management Committee (**PMC**) to identify and assess potential operational risks involved and suggest control measures to

mitigate the risks. Similarly, any changes to the existing products/processes are being vetted by the Change Management Committee (CMC).

The Bank has adopted specific policies on business continuity management and IT disaster recovery for recovery of critical system applications in relation to the Bank's products and services in emergency situations. The Bank has framed processes for identification of critical processes & activities, critical applications, conducting training and awareness sessions, handling loss or inaccessibility of staff, identifying backup personnel for critical positions, identifying alternative premises and coordination of contingency plans at the Bank level.

Key Risk Indicators (KRIs) have been developed for various business units for the Bank for effective monitoring of key operational risks. Bank-wide training courses are periodically conducted by the Bank on operational risk.

Regular tests both planned and unplanned are carried out to ascertain business continuity planning preparedness for branches, critical activities, etc. The test reports are shared with senior management on a regular basis. The BCPMC was formed comprising senior functionaries of the Bank to monitor the business continuity management framework implementation in the Bank.

### **Approach for Operational Risk Capital Assessment**

According to the RBI guidelines, the Bank has followed the Basic Indicator Approach for computing the capital for operational risk.

### **Interest Rate Risk in the Banking Book**

Interest Rate Risk in the Banking Book is measured and monitored in accordance with the guidelines laid out in the Bank's Asset Liability Management (ALM) Policy which is based on the RBI "Guidelines on Banks' Asset Liability Management Framework – Interest Rate Risk" dated 4th November 2010. Interest Rate Risk is measured in terms of changes in the value of interest rate sensitive positions across the entire balance sheet i.e. both in the banking and trading book. The Bank measures and controls interest risk in the banking book using both Earnings at Risk (EaR) which assesses the sensitivity of its net interest income to parallel movement in interest rates over the 1-year horizon as well as Market Value of its Equity (MVE) which measures the sensitivity of the present value of all assets and liabilities to interest rate risk in response to given interest rate movements. The Bank prepares Interest Rate Sensitivity reports which are reviewed against Regulatory and Internal limits. Internal limits have been established for (a) Earnings at Risk for a 100-bps parallel shift in interest rates over the horizon of 1 year, and (b) 200 bps parallel shift in interest rates for Market Value of Equity impact. Any review of the internal interest rate risk limits is approved by the ALCO and is ratified by the Risk Management Committee of the Board. Bucketing of non-maturity liability items for interest rate risk measurement is based on the behavioural analysis methodology for identification of core and non-core components. Bucketing rules of core and non-core portions in the interest rate sensitivity statements are laid

out in the ALM policy. The Bank does not use any assumptions for prepayment of loans for preparation of interest rate risk sensitivity reports.

The findings of the various IRRBB measures are submitted to the ALCO, which is the apex committee for providing strategic guidance and direction for ALM measures.

### **Compliance**

The Bank's Compliance Department (CD) is headed by the Chief Compliance Officer (CCO) who reports to the Audit Committee of the Board (ACB) with administrative reporting to the MD&CEO.

The Compliance function is responsible for managing and monitoring all guidelines and communication received from the regulators. The Compliance Department identifies all new regulations to ascertain their impact on compliance risk and monitors actioning by relevant business units / departments. These are reported to the Audit Committee of the Board and/or the Board on quarterly basis for oversight.

The regulatory universe is created in the SAS Enterprise Governance Risk and Compliance engine with Risk Control Matrix (RCMs) for each applicable regulation. Every RCM contains details of risk, and description of internal controls with design attributes (manual/ automated, maker/checker, etc.) tagged to each applicable regulatory line item.

### **Anti-Money Laundering**

The Bank has implemented Know Your Customer/Anti-Money Laundering/Combating of Financing of Terrorism guidelines in accordance with the provisions under Prevention of Money Laundering Act, 2002, rules promulgated thereunder, and guidelines issued by the regulators from time to time. The Bank's Anti-Money Laundering Unit under the Compliance Department carries out the regulator's stipulated anti-money laundering activities such as Transaction Monitoring, Risk Categorization, Name Screening and Regulatory Reporting under the Prevention of Money Laundering Act, 2002.

Enhanced due diligence is conducted for customers from all risk categories (Low, Medium & High) based on unusual or suspicious pattern. Further periodic due diligence basis different risk categories are done at different intervals (i.e. every 2 years for High risk; 8 years for medium risk and 10 years for Low risk). The Bank also adheres to the anti-money laundering requirements as specified by the regulators of respective geographies. The Bank's anti-money laundering framework is subject to audit by the Internal Audit Department and their observations are reported to the Audit Committee at regular intervals.

For more information, see *“Risk Factors – Risks Relating to the Bank's Business - The Bank may not be able to detect money laundering and other illegal or improper activities fully or on a timely basis, which could expose it to additional liability and harm its business or reputation”*.

### **Transaction Monitoring**

The Transaction Monitoring Team in the Bank focuses on fraud detection, prevention and awareness and is aligned with the Risk Department.

### **Internal Audit**

The Bank's Internal Audit function provides an independent view to its Board of Directors and Senior Management on the quality and efficacy of the internal controls, risk management systems, governance systems and processes in place on an on-going basis. This is provided to primarily ensure that the business and support functions are in compliance with both internal and regulatory guidelines. In line with the RBI's guidelines on

Risk Based Internal Audit (**RBIA**), the Bank has adopted a robust internal audit policy. The RBIA has been designed after factoring regulatory guidelines and also international best practices. The policy has a well-defined architecture for conducting RBIA across all audit entities. The audit policy articulates the audit strategy in terms of a concerted focus on strategic and emerging business risks. These inputs form a key step in the identification of the audit universe for the audit planning exercise. The audit frequencies are in sync with the risk profile of each unit to be audited. This is in alignment with guidelines relating to RBIA. The scope of RBIA includes examining the adequacy and effectiveness of internal control systems, external compliances and also evaluating the risk residing at the audit entities. Further to augment the internal audit function, concurrent audit and thematic audit reviews have been integrated into the internal audit process in order to make the function more robust.

The Internal Audit function of the Bank, operates independently under the supervision of the Audit Committee of the Board, thereby ensuring its independence. The Audit Committee of the Board reviews the efficacy of the internal audit function, effectiveness of the internal controls laid down by the Bank and compliance with internal and also regulatory guidelines.

### **Enforcement of Security Interests**

Pursuant to the SARFAESI Act, a bank that is a secured creditor may, in respect of loans classified as NPAs, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which, and in the absence of any satisfactory objections or representations made by the borrower, such a secured creditor may employ certain measures to recover on amounts due. Please refer to “***Supervision and Regulation***” for more information on the SARFAESI Act, and salient features of the Parliament’s amendments to the SARFAESI Act.

See “***Legal Proceedings***” for more information on the Bank’s material litigation, including litigation relating to the SARFAESI Act.

### **Credit Management Policies and Procedures**

The Bank formulates and revises internal policies and procedures for its lending activities. Annual business plans and credit policies provide information on the type and volume of credit business expected to be achieved during the relevant year. Policies on standards for the presentation of credit proposals, risk identification, risk grading, reporting and risk control, risk mitigation techniques, documentation, legal issues and the management of problem loan accounts are in place. Reviews of the loan portfolios under various lending

programs are undertaken and single and group borrower limits, industry exposure limits and unsecured exposure limits have been established and are monitored on a regular basis.

The Bank's credit approval process involves multiple levels of loan approval authority depending on the loan amount. Before sanctioning any loan, the sanctioning authority ensures that:

- the credit proposal is comprehensive and complete in all respects;
- all required annexures and/or documents are enclosed;
- the request of the borrower is assessed properly and the credit proposal, including the terms and conditions proposed, conforms to the basic lending principles, the Bank's credit policy and guidelines of the RBI and other regulatory authorities;
- the balance sheet, profit and loss account and other financial statements, income statements of borrowers, as applicable, are analyzed properly. Items of assets and liabilities are classified properly and projections are made based on reasonable and realistic assumptions;
- all relevant ratios are calculated;
- assessment of credit requirements is carried out by using internally approved methods and the norms and guidelines issued by the RBI, as applicable, are complied with;
- limits proposed are within the borrowing powers of the company and are checked and tested at the documentation stage, if the borrower is a limited liability company;
- technical feasibility, management ability, compliance with statutory requirements and overall financial viability of the projects and/or proposition are properly examined;
- credit risk rating is carried out properly;
- security, if available, is examined in the context of adequacy, realizability etc.; and
- adequate and suitable collateral security is obtained according to the guidelines.

Based on the credit rating of the borrowers and the quantum of the borrowing, credit proposals are evaluated by appropriate sanctioning authorities in accordance with the credit policy of the Bank. Credit proposals sanctioned by the sanctioning authority are reviewed by the next higher authority by following the prescribed guidelines in this regard. The Reviewing Authority is primarily concerned with the proper exercise of delegated powers, adherence to credit norms and general policy guidelines.

The Bank has internal guidelines on exposure limits based on the credit rating of borrowers in the corporate segment. Single borrowers and group borrower prudential norms according to the RBI guidelines are adhered to. The Bank disburses funds to a borrower strictly in accordance with the terms as sanctioned and after all necessary documentation has been executed. Specific approval is sought from the competent authority before any deviation is made from the terms of the sanction.

Proper supervision and follow-up of advances is carried out after the sanction and disbursement of credit facilities. Monitoring systems are used as a back-up mechanism for testing various assumptions made at the time of assessment of the credit needs of the borrowers. It is also used to evaluate the performance of the assisted unit and its financial health, to anticipate and foresee problems and prospects, and to identify danger signals with a view to initiate timely and appropriate corrective measures.

## SELECTED STATISTICAL INFORMATION

*The following information should be read together with the Bank's annual financial statements and interim financial results included in this Offering Circular. Footnotes appear at the end of each related section of tables.*

### Return on Equity and Assets

The following table sets forth selected financial ratios for the periods indicated.

	Year ended 31 March		
	2023	2024	2025
	(₹ in millions, except percentages)		
<b>Return on equity and assets</b>			
Net profit.....	95,797	248,614	263,735
Average total assets <sup>(1)</sup> .....	12,011,685	13,583,675	15,141,981
Average shareholders' equity .....	1,131,652	1,317,947	1,595,493
Net profit as a percentage of average total assets.....	0.80%	1.83%	1.74%
Net profit as a percentage of average shareholders' equity <sup>(2)</sup> .....	8.47%	18.86%	16.53%
Average shareholders' equity as a percentage of average total assets .....	9.42%	9.70%	10.54%

(1) Average total assets represents monthly average balance as reported to RBI in Form X under section 27 of the Banking Regulation Act, 1949 during the year.

(2) Computed as net profit divided by the year end average of share capital, share premium and year end average of other reserves and surplus less year end average of net deferred tax assets.

### Investment Portfolio (Gross)

#### *Changes in accounting policies*

Effective 1 April 2024, the Bank has carried out the following changes in its accounting policies:

#### *Classification and Valuation of Investments*

Effective 1 April 2024 the Bank has adopted the revised framework as detailed in RBI Master Direction on Classification, Valuation and Operation of Investment Portfolio issued on 12 September, 2023 ('RBI Investment Direction, 2023'). Accordingly, as prescribed under the transition provisions of the aforesaid framework the Bank has (1) transferred the balance in Investment Reserve Account as at 31 March, 2024 of ₹2.42 billion to the general reserve (2) transferred an amount of ₹12.18 billion (net of tax) to the general reserve, resulting into increase in the net worth of the Bank, on account of reversal of balance in provision for depreciation on investments as at 31 March, 2024 and adjustment for the difference between the carrying value of its investment portfolio as per the revised framework and the previous carrying value as at 31 March, 2024.

Further, in compliance with the said RBI Investment Direction 2023, the valuation gains and losses at the period ended 31 March, 2025, across all performing investments held under Available for Sale (AFS) category are aggregated and the net appreciation amounting to ₹1.10 billion (net of tax) has been directly recognised in AFS Reserve. The securities held in Fair Value through Profit and Loss ('FVTPL') category are fair valued at the period ended 31 March, 2025 and the net gain of ₹7.01 billion for the year ended 31 March, 2025, arising on such valuation has been recognised in the Profit and Loss Account. Figures for the previous year are not comparable to that extent.

The following table sets forth the gross book value (representing carrying value of investments before considering the marked-to-market gain/loss and provision for non-performing investments) of the Bank's investment portfolio as at the specified dates.

	As at 31 March		
	2023	2024	2025
	(₹ in millions)		
Investment in Government securities .....	2,192,800	2,383,945	2,923,923
Investment in shares .....	24,724	17,893	23,898
Investment in bonds and debentures .....	504,161	533,416	509,456
Investment in commercial paper .....	38,321	83,285	45,954
Investment in certificates of deposit.....	17,978	130,937	176,387
Investment in venture capital, AIF and LLP .....	2,918	2,884	2,864
Investment in subsidiaries/joint ventures/associates # .....	26,223	29,232	64,927
Others <sup>(1)</sup> .....	12,191	44,171	51,537
<b>Gross Investments in India (A) .....</b>	<b>2,819,316</b>	<b>3,225,763</b>	<b>3,798,946</b>
Investment in Government securities .....	84,862	94,219	154,335
Investment in subsidiaries/joint ventures/associates .....	3,323	3,323	30
Others (Equity shares and bonds).....	4,754	4,877	5,961
<b>Gross Investments outside India (B).....</b>	<b>92,939</b>	<b>102,419</b>	<b>160,326</b>
<b>Gross Investment (A + B) .....</b>	<b>2,912,255</b>	<b>3,328,182</b>	<b>3,959,272</b>

(1) Others include investments in Mutual Funds, Security Receipts, Pass Through Certificates etc.

# The investments in associate entity as at 31 March 2025 has been categorised under investments in subsidiaries/joint ventures/associates

The following table sets forth figures relating to income earned from the following activities for the periods indicated.

	For the year ended 31 March		
	2023	2024	2025
	(₹ in millions)		
Interest earned on Government securities .....	144,839	157,115	182,081
Interest earned on debt securities .....	35,970	39,765	41,068
Interest earned from investments in commercial paper / certificates of deposit .....	755	2,777	5,817
Dividends from investments in units of mutual funds & Venture Capital Funds.....	43	342	138
Dividends from investments in shares .....	180	107	179
Net gain from sale of Government securities.....	(486)	3,830	6,265
Net gain from sale of debt securities .....	(569)	(1,215)	1,019
Net gain from sale of equities/ preference shares.....	886	4,772	2,167
Net gain from sale of commercial paper / certificates of deposit.....	(43)	90	250
Net gain from sale of units of mutual funds, LLP & Venture Capital Funds.....	3,418	6,169	3,142

The following table sets forth the rating distribution value of the Bank's corporate bonds portfolio as at the specified dates:

As at 31 March							
Rating Distribution Value		2023		2024		2025	
		Gross Book	% of total	Gross Book	% of total	Gross Book	% of total
(₹ in millions, except percentages)							
1	AAA.....	298,297	58.91%	340,444	63.54%	323,141	62.99%
2	AA <sup>(1)</sup> .....	186,814	36.89%	177,098	33.05%	168,491	32.85%
3	A <sup>(2)</sup> .....	9,090	1.80%	6,863	1.28%	12,306	2.40%
4	BBB <sup>(3)</sup> .....	4,011	0.79%	3,985	0.74%	4,089	0.80%
5	BB and below <sup>(4)</sup> .....	8,140	1.61%	7,428	1.39%	4,948	0.96%
	<b>Total</b> .....	<b>506,352</b>	<b>100.00%</b>	<b>535,818</b>	<b>100.00%</b>	<b>512,975</b>	<b>100.00%</b>

(1) Includes AA+, AA and AA-.

(2) Includes A+, A and A-.

(3) Includes BBB+, BBB and BBB-.

(4) Includes BB+, BB and BB- and below.



## Available for Sale Investments

The following table sets forth information relating to the Bank's AFS investments as at the specified dates.

(₹ in millions)

	As at 31 March 2023				As at 31 March 2024				As at 31 March 2025			
	Book Value	Fair Value <sup>(1)</sup>	Unrealized Gain	Unrealized Loss	Book Value	Fair Value <sup>(1)</sup>	Unrealized Gain	Unrealized Loss	Book Value	Fair Value <sup>(1)</sup>	Unrealized Gain	Unrealized Loss
Government securities.....	339,391	339,274	40	(157)	364,044	364,847	848	(45)	286,643	287,493	850	-
Other debt securities .....	347,530	334,339	644	(13,835)	404,263	395,445	1,060	(9,878)	211,309	211,299	707	(717)
Total debt securities .....	686,921	673,613	684	(13,992)	768,307	760,292	1,908	(9,923)	497,952	498,792	1,557	(717)
Non-debt securities .....	30,505	17,761	7,460	(20,204)	23,910	31,530	15,488	(7,868)	-	-	-	-
<b>Total.....</b>	<b>717,426</b>	<b>691,374</b>	<b>8,144</b>	<b>(34,196)</b>	<b>792,217</b>	<b>791,822</b>	<b>17,396</b>	<b>(17,791)</b>	<b>497,952</b>	<b>498,792</b>	<b>1,557</b>	<b>(717)</b>
Provisions for impairment / Non- Performing Investments (NPI)	(14,509)	(14,509)			(7,819)	(7,819)			(2,620)	(2,620)		
Provision for depreciation	(9,595)				(5,090)				N.A.#			
<b>Net</b>	<b>693,322</b>	<b>676,865</b>	<b>8,144</b>	<b>(34,196)</b>	<b>779,308</b>	<b>784,003</b>	<b>17,396</b>	<b>(17,791)</b>	<b>495,332</b>	<b>496,172</b>	<b>1,557</b>	<b>(717)</b>

(1) In case of non-performing investments other than equity shares, book value is considered as fair value for the purposes of above disclosure.

# N.A. represents Not Applicable

## Held to Maturity Investments<sup>(1)</sup>

The following table sets forth information relating to the Bank's HTM investments as at the specified dates.

(₹ in millions)

	As at 31 March 2023				As at 31 March 2024				As at 31 March 2025			
	Book Value	Fair Value	Unrealized Gain	Unrealized Loss	Book Value	Fair Value	Unrealized Gain	Unrealized Loss	Book Value	Fair Value	Unrealized Gain	Unrealized Loss
Government securities.....	1,900,797	1,861,180	3,417	(43,034)	2,031,179	2,019,088	12,125	(24,216)	2,585,512	2,623,823	43,732	(5,421)
Other debt securities.....	190,157	189,477	410	(1,090)	82,098	81,336	16	(778)	24,600	25,038	438	-
Total debt securities .....	2,090,954	2,050,657	3,827	(44,124)	2,113,277	2,100,424	12,141	(24,994)	2,610,112	2,648,861	44,170	(5,421)
Non-debt securities .....	29,546	29,546	-	-	32,555	32,555	-	-	-	-	-	-
<b>Total .....</b>	<b>2,120,500</b>	<b>2,080,203</b>	<b>3,827</b>	<b>(44,124)</b>	<b>2,145,832</b>	<b>2,132,979</b>	<b>12,141</b>	<b>(24,994)</b>	<b>2,610,112</b>	<b>2,648,861</b>	<b>44,170</b>	<b>(5,421)</b>

- 
- (1) The fair value and unrealized gains/(losses) for HTM category are given for reference to maintain consistency in presentation. However HTM investments are carried at amortized cost in the books as per the applicable RBI guidelines.

## Held for Trading Investments/ Fair Value through Profit and Loss\*

The following table sets forth information relating to the Bank's HFT/FVTPL investments as at the specified dates.

(₹ in millions)

	As at 31 March 2023				As at 31 March 2024				As at 31 March 2025			
	Book Value	Fair Value <sup>(1)</sup>	Unrealized Gain	Unrealized Loss	Book Value	Fair Value <sup>(1)</sup>	Unrealized Gain	Unrealized Loss	Book Value	Fair Value <sup>(1)</sup>	Unrealized Gain	Unrealized Loss
Government securities.....	37,473	37,471	-	(2)	82,941	83,053	112	-	206,103	207,750	1,647	-
Other debt securities .....	36,856	36,923	69	(2)	306,729	306,871	222	(80)	541,692	542,317	772	(147)
Total debt securities .....	74,329	74,394	69	(4)	389,670	389,924	334	(80)	747,795	750,067	2,419	(147)
Non-debt securities .....	-	-	-	-	462	506	44	-	38,455	42,778	10,360	(6,037)
<b>Total .....</b>	<b>74,329</b>	<b>74,394</b>	<b>69</b>	<b>(4)</b>	<b>390,132</b>	<b>390,430</b>	<b>378</b>	<b>(80)</b>	<b>786,250</b>	<b>792,845</b>	<b>12,779</b>	<b>(6,184)</b>
Provisions for impairment / Non- Performing Investments (NPI)	-	-			-	-			(2,670)	(2,670)		
Provision for depreciation	(3)				-				N.A. <sup>#</sup>			
<b>Net</b>	<b>74,326</b>	<b>74,394</b>	<b>69</b>	<b>(4)</b>	<b>390,132</b>	<b>390,430</b>	<b>378</b>	<b>(80)</b>	<b>783,580</b>	<b>790,175</b>	<b>12,779</b>	<b>(6,184)</b>

\* In the 'Selected Statistical Information' chapter, the term 'Held for Trading (HFT)' should be used for fiscal years 2023 and 2024. For fiscal year 2025, the appropriate term to use is 'Fair Value through Profit and Loss (FVTPL)' instead of HFT.

(1) In case of non-performing investments other than equity shares, book value is considered as fair value for the purposes of above disclosure.

<sup>#</sup> N.A. represents Not Applicable

## Residual Maturity Profile

The following table sets forth the maturity profile of the gross book value of Government securities in India at the specified dates.

	As at 31 March					
	2023		2024		2025	
	(₹ in million except percentages)					
	Gross Book Value	% to total	Gross Book Value	% to total	Gross Book Value	% to total
Maturity Buckets						
1 year .....	298,946	13.63%	175,615	7.37%	310,983	10.64%
1-3 years .....	372,895	17.01%	690,964	28.98%	611,405	20.91%
3-5 years .....	556,621	25.38%	411,353	17.26%	332,389	11.37%
5 years .....	964,338	43.98%	1,106,013	46.39%	1,669,146	57.08%
Total .....	2,192,800	100.00 %	2,383,945	100.00%	2,923,923	100.00 %

The following table sets forth breakdowns of the Bank's gross book value of its corporate bond portfolio in India by maturity profile and ratings distribution.

Maturity Buckets	As at 31 March					
	2023		2024		2025	
	(₹ in million except percentages)					
	Gross Book Value	% to total	Gross Book Value	% to total	Gross Book Value	% to total
1 year .....	141,571	28.08%	72,722	13.63%	59,086	11.60%
1-3 years .....	121,430	24.09%	158,004	29.62%	156,246	30.67%
3-5 years .....	110,802	21.98%	109,053	20.45%	112,280	22.04%
5 years .....	130,358	25.85%	193,637	36.30%	181,845	35.69%
Total .....	504,161	100.00%	533,416	100.00%	509,457	100.00%

The following table sets forth an analysis of the residual maturity profile of the Bank's investments in Government and corporate debt securities classified as AFS securities and their weighted average fair value yields as at the specified dates.

	As at 31 March 2025							
	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
	(₹ in millions, except percentages)							
Government securities ..	159,264	4.25%	94,826	6.31%	33,403	6.40%	-	-

As at 31 March 2025

	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
(₹ in millions, except percentages)								
Other debt securities .....	69,572	5.51%	104,023	7.75%	31,099	8.29%	6,605	7.98%
Total debt securities								
Fair Value.....	228,836	5.26%	198,849	6.93%	64,502	7.18%	6,605	7.98%
<b>Gross Book Value .....</b>	<b>228,749</b>		<b>198,196</b>		<b>64,437</b>		<b>6,570</b>	

The following table sets forth an analysis of the residual maturity profile of the Bank's investments in Government and corporate debt securities classified as HTM securities and their weighted average fair value yields as at the specified dates.

As at 31 March 2025

	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
(₹ in millions, except percentages)								
Government securities ..	254,472	6.39%	774,278	6.38%	816,692	6.56%	778,381	6.39%
Other debt securities .....	-	-	599	8.92%	24,439	7.68%	-	-
Total debt securities								
Fair Value.....	254,472	6.39%	774,877	6.38%	841,131	6.59%	778,381	6.39%
<b>Gross Book Value .....</b>	<b>255,425</b>		<b>772,919</b>		<b>828,168</b>		<b>753,600</b>	

The following tables set forth an analysis of the residual maturity profile of the Bank's investments in Government and corporate debt securities classified as HFT/FVTPL securities and their weighted average fair value yields as at the specified dates.

As at 31 March 2025

	Up to One Year		One to Five Years		Five to Ten Years		More than Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
(₹ in millions, except percentages)								
Government securities ..	47,353	6.75%	80,661	6.55%	11,984	6.85%	67,752	6.60%
Other debt securities .....	214,808	7.84%	205,704	7.57%	73,490	7.62%	56,997	8.01%
Total debt securities								
Fair Value.....	262,161	6.96%	286,365	7.28%	85,474	7.51%	124,749	7.24%
<b>Gross Book Value .....</b>	<b>262,145</b>		<b>285,299</b>		<b>85,059</b>		<b>123,299</b>	

## Asset Liability Gap and Interest Sensitivity Data

The following tables set forth the Bank's asset-liability gap position for the specified periods.

As at 31 March 2025<sup>(1)(2)(3)</sup>

	1-30 Days	31 Days- 2 months	2-3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Over 5 Years	Total
(₹ in millions, except percentages)									
Cash and Balances with RBI .....	338,856	21,154	18,601	36,016	52,990	35,351	4,593	228,823	736,384
Balance with Banks and Money at Call and Short Notice .....	170,580	45,524	20,946	14,873	8,978	36	-	-	260,937
Investments <sup>(4)</sup> .....	2,063,128	128,614	113,876	149,640	234,958	238,250	39,772	989,325	3,957,563
Advances .....	701,305	603,682	312,580	407,404	767,964	2,179,505	1,218,202	4,217,471	10,408,113
Fixed assets .....	-	-	-	-	-	-	-	62,917	62,917
Other assets .....	126,720	14,711	15,451	50,082	27,271	56,025	73,070	306,200	669,530
<b>Total assets .....</b>	<b>3,400,589</b>	<b>813,685</b>	<b>481,454</b>	<b>658,015</b>	<b>1,092,161</b>	<b>2,509,167</b>	<b>1,335,637</b>	<b>5,804,736</b>	<b>16,095,444</b>
Capital .....	-	-	-	-	-	-	-	6,195	6,195
Reserves & Surplus .....	-	-	-	-	-	-	-	1,779,975	1,779,975
Deposits .....	1,328,889	519,659	541,117	976,220	1,609,944	769,329	59,012	5,925,350	11,729,520
Borrowings .....	40,693	56,290	102,040	310,031	336,394	672,888	75,677	247,452	1,841,465
Other liabilities & Provisions <sup>(5)</sup> .....	209,184	20,120	18,017	23,239	48,648	42,013	85,474	295,449	742,144
<b>Total Liabilities .....</b>	<b>1,578,766</b>	<b>596,069</b>	<b>661,174</b>	<b>1,309,490</b>	<b>1,994,986</b>	<b>1,484,230</b>	<b>220,163</b>	<b>8,254,421</b>	<b>16,099,299</b>
Liquidity gap .....	1,821,823	217,616	(179,720)	(651,475)	(902,825)	1,024,937	1,115,474	(2,449,685)	
Cumulative gap .....	1,821,823	2,039,439	1,859,719	1,208,244	305,419	1,330,356	2,445,830	(3,855)	
Cumulative liabilities .....	1,578,766	2,174,835	2,836,009	4,145,499	6,140,485	7,624,715	7,844,878	16,099,299	
Cumulative liquidity gap as a % of cumulative liabilities .....	115.40%	93.77%	65.58%	29.15%	4.97%	17.45%	31.18%	(0.02%)	

(1) Classification methodologies are based on the Asset Liability Management Guidelines issued by the RBI.

(2) Assets and liabilities are classified into categories as per residual maturity.

(3) Assets and liabilities that do not mature or have ambiguous maturities are classified according to historical behavioural analysis or management judgment.

(4) Listed equity investments (except strategic investments) have been considered at 50% haircut as per RBI directions.

(5) Includes Employees' Stock Options Outstanding

## Loan Portfolio and Credit Substitutes

As at 31 March 2025, the Bank's gross loan portfolio was ₹10510.87 billion and gross credit substitutes outstanding was ₹811.95 billion.

As at 31 March 2025, almost all of the Bank's gross loans and credit substitutes were to borrowers in India and approximately 99.38%, are denominated in Rupees. For a description of the Bank's corporate and retail loan products, see "*Business—The Bank's Principal Activities— Corporate Sub-group*" and "*Business—The Bank's Principal Activities— Retail Banking*".

The following table sets forth the Bank's gross customer assets (gross advances plus credit substitutes) portfolio for the specified periods.

	As at 31 March		
	2023	2024	2025
	(₹ in millions)		
<b>Corporate loans</b> .....	<b>2,733,911</b>	<b>2,840,942</b>	<b>3,021,094</b>
Of which			
– Domestic corporate loans.....	2,399,446	2,559,984	2,737,721
– Foreign corporate loans .....	334,465	280,958	283,373
<b>SME loans</b> .....	<b>934,726</b>	<b>1,043,553</b>	<b>1,191,535</b>
Of which.....			
– Domestic SME loans .....	923,530	1,035,308	1,182,215
– Foreign SME loans .....	11,196	8,245	9,320
<b>Retail loans</b> .....	<b>4,920,224</b>	<b>5,877,165</b>	<b>6,298,242</b>
Of which.....			
– Domestic retail loans .....	4,917,299	5,867,562	6,289,671
– Foreign retail loans .....	2,925	9,603	8,571
<b>Total gross loans (A)</b> .....	<b>8,588,861</b>	<b>9,761,660</b>	<b>10,510,871</b>
Of which.....			
– Domestic loans .....	8,240,275	9,462,854	10,209,607
– Foreign loans .....	348,586	298,806	301,264
<b>Credit substitutes (B) <sup>(1)</sup></b> .....	<b>621,032</b>	<b>810,462</b>	<b>811,948</b>
<b>Gross Customer Assets (A+B)</b> .....	<b>9,209,893</b>	<b>10,572,122</b>	<b>11,322,819</b>

(1) Credit substitutes include bonds and debentures, equity shares, preference shares, security receipts, commercial paper, certificates of deposits, application money and pass through certificates, among others and excludes investments in subsidiaries/ joint ventures / associates.

### Maturity and Interest Rate Sensitivity of Loans and Credit Substitutes

The following tables set forth the interest rate sensitivity of the Bank's loans and credit substitutes for the specified periods:

As at 31 March 2025

	Due in One Year or Less	One Year to Five Years	Due after Five Years	No contracted maturity	Total
			(₹ in millions)		
<b>Interest rate classification of loans by maturity</b>					
Variable rates.....	712,524	2,076,437	2,354,795	2,577,049	7,720,805
Fixed rates .....	953,217	1,320,586	239,815	276,448	2,790,066
Others .....	-	-	-	-	-
<b>Gross Loans (A) .....</b>	<b>1,665,741</b>	<b>3,397,023</b>	<b>2,594,610</b>	<b>2,853,497</b>	<b>10,510,871</b>
<b>Interest rate classification of credit substitutes by maturity</b>					
Variable rates.....	1,265	21,722	14,598	23,947	61,532
Fixed rates .....	282,365	288,269	131,120	46,269	748,023
Others .....	-	-	-	2,393	2,393
<b>Gross Credit Substitutes (B) .....</b>	<b>283,630</b>	<b>309,991</b>	<b>145,718</b>	<b>72,609</b>	<b>811,948</b>
<b>Interest rate classification of loans and credit substitutes by maturity</b>					
Variable rates.....	713,789	2,098,159	2,369,393	2,600,996	7,782,337
Fixed rates .....	1,235,582	1,608,855	370,935	322,717	3,538,089
Others .....	-	-	-	2,393	2,393
<b>Gross Customer Assets (A+B).....</b>	<b>1,949,371</b>	<b>3,707,014</b>	<b>2,740,328</b>	<b>2,926,106</b>	<b>11,322,819</b>

## Concentration of Loans and Credit Substitutes

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 table sets forth the Bank's gross fund-based loans outstanding and credit substitutes categorized by borrower industry or economic activity as at the specified dates.



**As at 31 March**

	<b>2023</b>		<b>2024</b>		<b>2025</b>	
			<b>(₹ in millions, except percentages)</b>			
Retail Loans.....	3,685,166	40.01%	4,439,477	41.99%	4,833,771	42.69%
Telecommunication services.....	163,865	1.78%	125,976	1.19%	99,566	0.88%
Chemical and chemical products	137,876	1.50%	153,072	1.45%	155,010	1.37%
Drugs and pharmaceuticals.....	113,708	1.23%	111,712	1.06%	103,949	0.92%
Agriculture.....	868,342	9.43%	1,077,849	10.20%	1,076,849	9.51%
Textiles .....	168,059	1.83%	195,890	1.85%	181,441	1.60%
Real estate.....	356,697	3.87%	425,041	4.02%	436,500	3.85%
Transportation and Logistics .....	336,596	3.66%	283,807	2.68%	251,283	2.22%
Cement.....	80,735	0.88%	99,628	0.94%	98,110	0.87%
Trading .....	425,901	4.62%	522,029	4.94%	605,366	5.35%
Engineering.....	146,633	1.59%	160,404	1.52%	180,646	1.59%
Food Processing.....	77,645	0.84%	91,845	0.87%	125,447	1.11%
Power.....	303,681	3.30%	278,836	2.64%	196,887	1.74%
Petrochemicals and Petroleum Products .....	244,361	2.65%	120,201	1.14%	159,770	1.41%
Metal and metal products.....	297,067	3.23%	257,674	2.44%	296,505	2.62%
Infrastructure .....	195,489	2.12%	161,237	1.52%	197,562	1.74%
Paper and paper products.....	29,990	0.33%	29,058	0.27%	33,262	0.29%
Financial intermediaries.....	770,277	8.36%	1,080,801	10.22%	1,291,945	11.41%
Gems and Jewellery .....	27,030	0.29%	29,730	0.28%	31,404	0.28%
Sugar.....	4,464	0.05%	8,136	0.08%	13,089	0.12%
IT and ITES .....	44,140	0.48%	49,515	0.47%	72,861	0.64%
Auto Ancillaries.....	128,294	1.39%	125,854	1.19%	110,522	0.98%
Others .....	603,877	6.56%	744,350	7.04%	771,074	6.81%
<b>Gross Customer Assets (Gross Loans and credit substitutes) ...</b>	<b>9,209,893</b>	<b>100.00%</b>	<b>10,572,122</b>	<b>100.00%</b>	<b>11,322,819</b>	<b>100.00%</b>

As at 31 March 2025, aggregate credit exposure (including derivative exposure) to the Bank's 20 largest borrowers (fund and non-fund based) amounted to ₹1,509.27 billion, representing 76.59% of the Bank's total capital (comprising Tier I capital and Tier II capital). The Bank's single largest borrower (fund and non-fund based) as at 31 March 2025 had a loan balance of ₹191.10 billion, representing 9.70% of the Bank's total capital (comprising Tier I capital and Tier II capital).

### Non-Performing Assets

The Bank has absorbed the losses arising on account of impairment of loans as some borrowers were impacted by negative trends in the global marketplace, recessionary conditions in the domestic economy, increased competition arising out of economic liberalization in India and volatility in industrial growth and commodity prices.

Several measures have since been adopted by the Bank to refine its credit selection processes and appraisal capabilities. These include creation of an independent Risk Department which scrutinizes all credit proposals of ₹10 million and above, introduction of a rigorous Credit Rating model, rolling out a Credit Monitoring tool to evaluate the performance of accounts at certain intervals and putting in place a Credit Audit mechanism.

As at 31 March 2025, the gross NPAs as a proportion of gross customer assets were 1.28% and net NPAs as a proportion of net customer assets were 0.33%. The Bank had, on 31 March 2025, effected a provision cover of 93.56% on the Bank's gross NPAs (including prudential write-offs). This provision cover may be viewed against the Bank's policy of writing off all loss assets and doubtful assets to the extent of security shortfall, against which full provisions are made.

The following table sets forth information about the Bank's NPA portfolio as at the specified dates.

	As at 31 March		
	2023	2024	2025
	(₹ in millions, except percentages)		
<b>Non-Performing Assets (NPAs)</b>			
Non-Retail advances (A).....	103,167	74,144	39,106
Retail advances (B) .....	67,024	69,306	100,506
Investments (C) .....	15,851	7,821	5,289
Gross NPAs (D=A+B+C).....	186,042	151,271	144,901
Provisions for non-performing assets* (E).....	148,867	118,506	107,972
Interest capitalization – restructured accounts (in respect of NPA accounts) <sup>(1)</sup> (F) .....	1,619	291	75
Net NPAs (NPA net of provisions) (G=D-E-F) .....	35,556	32,474	36,854
Gross customer assets (H) .....	9,209,893	10,572,122	11,322,819
Net customer assets <sup>(2)</sup> (I) .....	9,059,407	10,453,325	11,214,772
Gross additions to non-performing assets (fresh NPAs) <sup>(3)</sup> (J) .....	146,450	144,306	194,737
Net additions to non-performing assets (fresh NPAs net of recoveries and upgradations) <sup>(4)</sup> (K).....	40,753	53,878	111,953
Gross NPA ratio (Gross NPAs/gross customer assets) (%) (L=D/H) .....	2.02%	1.43%	1.28%
Net NPA ratio (Net NPAs/net customer assets) (%) (M=G/I).....	0.39%	0.31%	0.33%
Total provisions for NPAs (N=E+F) .....	150,486	118,797	108,047
Total provisions as a percentage of Gross NPAs (O=N/D).....	80.89%	78.53%	74.57%
Provisioning coverage ratio for non-performing assets (including prudential write-offs) .....	93.71%	94.07%	93.56%

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\* Provisions in respect of NPAs include floating provision.

- (1) Interest capitalization – restructured accounts (in respect of NPA accounts) represents unrealized income that is provided for in the books of accounts on funded interest term loan/debt or equity instrument created by conversion of unpaid interest.
- (2) Net customer assets is calculated as gross customer assets less NPA provisions, floating provisions, restructuring provisions and Interest capitalization – restructured accounts (in respect of NPA accounts).
- (3) Gross additions to non-performing assets (fresh NPAs) is the additions to NPAs during the period. For the period ended March 31, 2023 the amount of gross additions to NPAs includes amount of gross NPAs acquired from Citibank India Consumer Business.
- (4) Net additions to non-performing assets is calculated as gross additions to non-performing assets (fresh NPAs) during the period less recoveries and upgradations from non-performing assets during the period. Recoveries are excluding recoveries made from upgraded accounts.

## **Recognition of Non-Performing Assets**

As a commercial bank operating in India, the Bank recognizes NPAs strictly on the basis of the RBI's current guidelines. The current guidelines require banks in India to classify their NPAs into the following three categories based on the period for which the loan has remained non-performing and the estimated realization of dues:

- Substandard assets;
- Doubtful assets; and
- Loss assets.

### **Substandard Assets**

An account becomes non-performing if the interest and/or instalment of principal remains overdue for more than 90 days (an exception to this rule is advances to agricultural borrowers which will be classified as non-performing only if the advance/loan remains overdue for more than two crop seasons in the case of short-duration crops and one crop season for long-duration crops). A substandard asset is one which has remained non-performing for a period of up to 12 months.

### **Doubtful Assets**

A doubtful asset is one which has remained an NPA for a period greater than 12 months. Doubtful assets are classified into Doubtful-I, Doubtful-II and Doubtful-III depending on the age of the NPAs as set out below:

- If the asset has remained in the doubtful category for a period of up to one year it is classified as a Doubtful-I asset.
- If the asset has remained in the doubtful category for a period of more than one year but less than three years it is classified as a Doubtful-II asset.
- If the asset has remained in the doubtful category for a period of more than three years it is classified as a Doubtful-III asset.

### **Loss Assets**

A loss asset is one which is considered irrecoverable with little or no salvage value.

An NPA need not go through the various stages of classification in cases of serious credit impairment and such assets should be immediately classified as doubtful or as a loss asset, as appropriate. Erosion in the value of security can be reckoned as significant when the realizable value of the security is less than 50% of the value assessed by the Bank or accepted by the RBI at the time of last inspection, as the case may be. Such NPAs may be immediately classified as a Doubtful Asset.

If the realizable value of the security, as assessed by the Bank, approved appraisers or the RBI is less than 10% of the borrower's outstanding accounts, the existence of the security is ignored and the asset is immediately classified as a loss that may be either written-off or fully provided for by the Bank.

### Non-Accrual Policy

When an asset is classified as non-performing, interest accrual is stopped and the unrealized interest is reversed by debit to the profit and loss account. In accordance with the RBI guidelines, interest realized on NPAs may be added to the income account provided the credits in the accounts towards interest are not out of additional credit facilities sanctioned to the borrower. The RBI has also stipulated that in the absence of a clear agreement between the Bank and the borrower for the purpose of appropriating recoveries in NPAs (i.e. towards principal or interest due), banks should adopt an accounting principle and exercise the right of appropriation of recoveries in a uniform and consistent manner. In the case of NPAs where recoveries are effected as a result of a settlement or otherwise, the Bank's policy is first to appropriate the same against principal amount due from the borrower as application of interest would have ceased in such accounts. In NPA accounts where transactions have virtually ceased, recoveries will be appropriated towards the principal amount. Only in cases where the nature of continuing transactions allows the Bank to conclude that recovery of the principal is not in jeopardy are recoveries appropriated against interest.

### Interest foregone

Interest foregone is the interest due on non-performing loans that has not been accrued in the Bank's books of accounts. The following table sets forth the outstanding amount of interest foregone on existing non-performing loans as at the respective dates.

Year	Interest Foregone
	(₹ in millions)
31 March 2023 .....	44,174
31 March 2024 .....	51,058
31 March 2025 .....	60,728

## Policy for making Non-Performing Assets Provisions

### *Corporate Credit*

Substandard assets .....	15% of the fund-based outstanding (25% of the fund-based outstanding if the facilities are ab initio unsecured)
Doubtful assets .....	Doubtful-I – 100% of the unsecured portion plus 25% of the secured portion Doubtful-II – 100% of the unsecured portion plus 40% of the secured portion Doubtful-III – 100% of the outstanding
Loss assets .....	100% to be provided or written-off

### *Retail and Agricultural Advances*

In the case of retail advances, the Bank makes provisions when the retail advances reach specified stages of delinquency (90 days or more of delinquency), which is a more conservative approach than the RBI prudential norms. The provisions for different stages of delinquency range from 15% to 100% of the value of delinquent loans depending on the duration of delinquency.

Provisions in respect of agriculture advances classified into sub-standard and doubtful assets are made at rates which are higher than those prescribed by the RBI.

### *Floating Provisions*

In June 2006, the RBI issued prudential norms on creation and utilization of floating provisions (i.e., provisions which are not made in respect of specific NPAs or are made in excess of regulatory requirements for provisions for standard assets). The norms 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 Board of Directors and with the prior permission of the RBI. Floating provisions for advances and investments will be held separately and cannot be reversed by credit to the profit and loss account. Until utilization of such provisions, they can be netted out from gross NPAs to arrive at disclosure of net NPAs. Alternatively, floating provisions can be treated as part of Tier II capital within the overall ceiling of 1.25% of total risk-weighted assets.

Floating provisions do not include specific voluntary provisions made by banks for advances which are higher than the minimum provision stipulated by the RBI guidelines. For Fiscal 2025, floating provisions amounting to ₹33 million, have not been netted off from gross NPAs to arrive at net NPAs since they have been considered part of the Tier II capital of the Bank.

### *Analysis of Non-Performing Loans by Industry Sector*

The following table sets forth the Bank's non-performing loans, by borrowers' industry or economic activity and as a percentage of the Bank's loans in the respective industry or economic activities sector for the specified periods. These figures do not include credit substitutes.

Name of the Industry	As at 31 March 2023			As at 31 March 2024			As at 31 March 2025		
	Gross Loans	NPA in industry	NPA% of Gross Loans	Gross Loans	NPA in industry	NPA% of Gross Loans	Gross Loans	NPA in industry	NPA% of Gross Loans
(₹ in millions, except percentages)									
Retail Loans .....	3,685,166	39,086	1.06%	4,439,477	41,333	0.93%	4,833,771	60,018	1.24%
Telecommunication services .	130,715	8	0.01%	113,726	12	0.01%	99,566	54	0.05%
Chemical and chemical products .....	132,671	705	0.53%	152,022	447	0.29%	147,211	420	0.29%
Drugs and pharmaceuticals ...	113,708	335	0.29%	111,632	396	0.35%	103,949	338	0.33%
Agriculture .....	868,341	20,863	2.40%	1,077,848	21,072	1.96%	1,076,849	32,281	3.00%
Textiles .....	143,399	8,714	6.08%	179,882	2,932	1.63%	170,462	3,493	2.05%
Real estate.....	349,197	12,128	3.47%	398,186	9,450	2.37%	413,036	6,294	1.52%
Transportation and Logistics .	336,596	3,393.00	1.01%	283,807	1,011.00	0.36%	251,283	611	0.24%
Cement.....	71,038	6,663	9.38%	85,032	6,821	8.02%	82,084	1,250	1.52%
Trading .....	425,901	10,591	2.49%	522,029	10,780	2.07%	605,366	5,549	0.92%
Engineering.....	146,633	1,285	0.88%	160,404	1,506	0.94%	180,646	1,000	0.55%
Food Processing .....	77,645	5,558	7.16%	91,845	5,794	6.31%	125,447	4,815	3.84%
Power .....	269,013	5,834	2.17%	217,084	6,923	3.19%	195,296	971	0.50%
Petrochemicals and Petroleum Products .....	214,961	7,029	3.27%	113,413	51	0.04%	155,620	108	0.07%
Metal and metal products .....	282,091	1,272	0.45%	256,884	2,825	1.10%	293,700	2,042	0.70%
Infrastructure.....	131,017	15,451	11.79%	100,580	9,633	9.58%	83,492	4,057	4.86%
Paper and paper products .....	29,000	1,413	4.87%	29,055	249	0.86%	33,259	573	1.72%
Financial intermediaries .....	450,879	1519	0.34%	560,023	769	0.14%	706,077	309	0.04%
Gems and Jewellery .....	27,030	925	3.42%	29,730	894	3.01%	31,404	715	2.28%
Sugar.....	4,464	42	0.94%	7,933	47	0.59%	12,593	7	0.06%
IT and ITES .....	37,755	345	0.91%	46,574	328	0.70%	66,702	346	0.52%
Auto Ancillaries .....	102,844	811	0.79%	116,366	821	0.71%	103,790	683	0.66%
Others .....	558,797	26,221	4.69%	668,128	19,356	2.90%	739,268	13,685	1.85%
Total.....	8,588,861	170,191	1.98%	9,761,660	143,450	1.47%	10,510,871	139,612	1.33%

## Top 10 Non-Performing Corporate Loans

As at 31 March 2025 the top ten non-performing corporate loans represented 41.10% of the Bank's gross non-performing corporate loans and 0.38% of the Bank's gross corporate loan portfolio. These top ten non-performing corporate loans are fully provided.

The following tables set forth information regarding the Bank's ten largest non-performing corporate loans as well as the value of the collateral securing the loan (the collateral valuations are based on the audited financial statements of the borrower or independently arrived at by outside agencies) as at 31 March 2025. However, the net realizable value of such collateral may be substantially less, if anything.

Borrower	Industry	Type of Banking Arrangement	Gross Principal Outstanding	Provision	Principal Outstanding Net of Provisions for Credit Losses	Security	Currently servicing all Interest Payments
(₹ in millions)							
1	Engineering	Consortium	3,310	3,310	-	-	No
2	Hospitality	Multiple	3,138	3,138	-	-	No
	Entertainment & Media	Multiple	1,894	1,894	-	-	No
3							
4	Real Estate	Multiple	1,483	1,483	-	-	No
5	Textiles	Consortium	1,310	1,310	-	-	No
6	Infrastructure	Consortium	795	795	-	-	No
7	Cement	Sole	1,162	1,162	-	-	No
8	Food Processing	Sole	1,019	1,019	-	-	No
9	Food Processing	Multiple	998	998	-	-	No
	Infrastructure	Multiple & Consortium	965	965	-	-	No
10							
<b>Total .....</b>			<b>16,074</b>	<b>16,074</b>	<b>-</b>	<b>-</b>	<b>No</b>

## Strategy with respect to irregular accounts, NPAs and non-NPA stressed assets

### *Stressed Assets*

The stressed assets of the Bank are classified into the following two main categories:

- (i) The Non-Performing Assets (NPAs); and
- (ii) The Special Mention Accounts (SMAs).

### *Non-Performing Assets:*

NPAs are defined as assets, including leased assets, which become non-performing when they cease to generate income for a bank. The RBI has stated the following criterion for recognizing an NPA in the circular dated November 28, 2025 - Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025:

- (i) interest and / or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan;
- (ii) the account remains 'out of order' in respect of an Overdraft / Cash Credit (OD/CC);
- (iii) 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;
- (iv) the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
- (v) 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;

- (vi) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops;
- (vii) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops;
- (viii) 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;
- (ix) 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;
- (x) 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.

***Special Mention Accounts:***

The RBI has stated the following criterion for recognizing SMAs in the circular dated November 28, 2025 - Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025:

Loans other than revolving facilities		Loans in the nature of revolving facilities like cash credit/overdraft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	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-0	Up to 30 days		
SMA-1	More than 30 days and up to 60 days	SMA-1	More than 30 days and up to 60 days
SMA-2	More than 60 days and up to 90 days	SMA-2	More than 60 days and up to 90 days

The RBI has also established a Central Repository of Information on Large Credits (**CRILC**).

The Bank is required to report credit information, including classification of an account as a SMA to the CRILC for all borrowers having aggregate exposure of ₹50 million and above with the bank, on a monthly basis.

**Asset Quality Metrics**

The Bank's asset quality metrics improved during fiscal 2025, with the level of performing loans reclassified as NPAs having moderated significantly from the highs witnessed in fiscal 2013, thus leading to a reduction in the Bank's NPA ratios.



- Gross additions to the non-performing assets were ₹194.74 billion in fiscal 2025, ₹144.31 billion in fiscal 2024 and ₹146.45 billion in fiscal 2023.
- Gross non-performing assets as at 31 March 2025, 31 March 2024 and 31 March 2023 were ₹144.90 billion, ₹151.27 billion and ₹186.04 billion, respectively.
- Net non-performing assets as at 31 March 2025, 31 March 2024 and 31 March 2023 were, ₹36.85 billion, ₹32.47 billion and ₹35.56 billion, respectively.
- The net non-performing assets ratio as at 31 March 2025, 31 March 2024 and 31 March 2023 were 0.33%, 0.31% and 0.39%, respectively.
- Upgrades and recoveries totalled ₹82.78 billion, ₹90.43 billion and ₹105.70 billion for fiscals 2025, 2024 and 2023, respectively.

### Provisions for NPAs

The following table sets forth movements in the Bank's provisions against NPAs for the specified periods.

Particulars	For the year ended 31 March		
	2023	2024	2025
	(₹ in millions)		
<b>Provisions for non-performing assets at the beginning of the year/ period:</b>			
Non-Retail advances (A).....	103,172	91,248	66,380
Retail advances (B) .....	35,032	44,552	44,563
Investments (C) .....	24,898	14,653	7,821
<b>Total provisions for non-performing assets at the beginning of the year/period (D=A+B+C).....</b>	<b>163,102</b>	<b>150,453</b>	<b>118,764</b>
Provisions made during the period (E) * .....	69,787	63,822	121,493
Reductions during the period on account of recovery and write-offs (F) .....	82,436	95,511	132,243
<b>Provisions for non-performing assets at the end of the year/period (G=D+E-F) .....</b>	<b>150,453</b>	<b>118,764</b>	<b>108,014</b>
<b>Floating provisions:</b>			
Floating provisions at the beginning of the year/period..	33	33	33
Additions during the year/period .....	-	-	-
Utilizations during the year/period.....	-	-	-

Particulars	For the year ended 31 March		
	2023	2024	2025
	(₹ in millions)		
Floating provisions at the end of the year/period (H) .....	33	33	33
<b>Provisions for non-performing assets+ floating provisions at the end of the year/period (G+H) .....</b>	<b>150,486</b>	<b>118,797</b>	<b>108,047</b>

\* For the period ended March 31, 2023, the amount of addition to provisions includes amount of provisions transferred from Citibank India Consumer Business as at 31 March 2023.

The following table sets forth the allocation of the total provisions held by the Bank for the specified periods.

Particulars	As at 31 March		
	2023	2024	2025
	(₹ in millions)		
Non-Retail advances (A).....	89,784	66,100	33,343
Retail advances (B) .....	44,541	44,552	69,307
Investments (C) .....	14,509	7,821	5,289
<b>Total (D=A+B+C) .....</b>	<b>148,834</b>	<b>118,473</b>	<b>107,939</b>
Floating provisions (E).....	33	33	33
<b>Provisions for non-performing assets+ floating provisions (D+E)<sup>(1)</sup> .....</b>	<b>148,867</b>	<b>118,506</b>	<b>107,972</b>

(1) Does not include interest capitalization – restructured accounts (in respect of NPA accounts).

### **SS Group:**

The SS Group is entrusted with (i) the proactive and timely management of accounts that need special attention, (ii) management and coordination with other lenders and (iii) compliance with relevant regulations. The SS Group generally caters to resolutions for borrowers of the Bank classified as SMA.

**Other Business Departments:**

Other respective business departments of the Bank handle functions related to appraisal and monitoring of credit product for all corporates. Accounts showing some signs of stress but indicating no serious long term concern are handled by such other business teams.

**Credit Cost and Net Credit Cost**

The Bank's credit cost is calculated as the annualized ratio of its provision for NPAs charged to its profit and loss statement, divided by average of total customer assets at the beginning and at the end of the period. The Bank's net credit cost is calculated as the credit cost, as adjusted for recoveries from the written off accounts. These ratios are measures of the amount charged to the Bank's profit and loss statement during the period due to standard credit risks as a percentage of its average customer assets. In the Bank's experience, the spread between the Bank's credit cost and its net credit cost tends to widen in the years immediately following credit cycle peaks.

The following table sets forth the Bank's credit cost and net credit cost ratios as at the specified dates:

	<b>As at 31 March</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
	<b>(percentages)</b>		
Credit cost .....	0.74%	0.65%	1.04%
Net credit cost <sup>(1)</sup> .....	0.40%	0.37%	0.69%

- (1) The Bank's recoveries from the written off accounts totalled ₹38,093 million in fiscal 2025, ₹27,726 million in fiscal 2024 and ₹28,850 million in fiscal 2023.

## **DESCRIPTION OF THE BANK'S DOMESTIC OPERATIONS**

The Bank's Registered Office is located at 'Trishul', 3rd Floor, Opp. Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad – 380 006 and Corporate Office is located at Axis House, Pandurang Budhkar Marg, Worli, Mumbai 400 025, India.

The Bank was founded in December 1993 and commenced operations in April 1994 and is authorised to conduct the following business in respect of credit, shares, debentures warrants, options, units and futures in accordance with the relevant guidelines:

1. accept deposits;
1. provide credit;
2. arrange credit and provide advice on credit;
3. deal in investments (credit facilities, debentures, futures, options, shares, units, and warrants) as principal;
4. deal in investments (credit facilities, debentures, futures, options, shares, units, and warrants) as agents;
5. arrange investments (debentures, futures, options, shares, units, and warrants); and
6. advise on financial products (debentures, futures, options, shares, units, and warrants).

### **Financial Performance and Business Activities**

As at 30 September 2025, the domestic operations had an asset base (net of interbranch adjustments) of ₹16,189.03 billion and total deposits (net of interbranch adjustments) of ₹11,763.78 billion.

The domestic branches of the Bank offer corporate banking products, including working capital and term loans, and facilitates international trade transactions. It also aims to raise deposits in foreign currencies from the permitted category of clients.

## DESCRIPTION OF THE BANK'S SINGAPORE BRANCH

The Bank opened its first overseas branch in Singapore (the **branch**) in March 2006 after obtaining an approval from the Monetary Authority of Singapore (**MAS**) to operate a merchant bank branch.

Under the MAS guidelines for operation of merchant banks, the branch may conduct the following activities:

1. accept time and demand deposits (including checking accounts) and to borrow money in any currency except Singapore dollars from non-bank customers;
2. issue fixed rate and floating rate U.S. dollar-denominated negotiable certificate of deposits;
3. place deposits or extend loans and advances in any currency except Singapore dollars within a certain limit;
4. establish, open, advise or negotiate Letters of Credit (LCs), provided that the LCs are not expressed in Singapore dollars;
5. issue or renew guarantees, indemnities or similar undertakings provided that such guarantees or indemnities are not expressed in Singapore dollars beyond a certain limit;
6. discount bills and acceptances, provided that the bills or acceptances are not expressed in Singapore dollars beyond a certain limit;
7. act as manager, underwriter or as a member of a selling group for new issues of securities in any currency other than Singapore dollars;
8. transact, deal, undertake brokerage business and invest in securities in any currency except Singapore dollars;

### Financial Performance and Business Activities undertaken

As at 30 September 2025, the Singapore branch had total assets (net of interbranch adjustments) of ₹120.82 billion and total deposits (net of interbranch adjustments) of ₹90.19 billion.

A major portion of the balance sheet of the branch consists of corporate loans, Trade Assets and investments funded mostly by inter-bank borrowings.

### *Syndication*

The branch provides to the Bank's India-based clients and financial institutions across the globe access to international markets to meet their foreign currency requirements in the form of debt, equity or by quasi-equity means, through international syndication and also provides syndicated loans to eligible borrowers. The branch also undertakes investments in sovereign and non-sovereign investments as well as in structured offerings.

### *Treasury and Foreign Exchange Dealing operations*

Treasury operations primarily include proprietary and merchant trading in foreign currency, fixed income and derivatives. The branch manages the funds and foreign exchange positions through money market and foreign exchange dealings. With the objective to enhance its debt capital markets (**DCM**) capabilities of the Bank, the branch started International DCM business in 2016; where it acts as a book runner/lead manager of primary Offshore bond (G3 currency & Masala Bonds issuances) and distribute to international investors and make secondary market offerings in Offshore bonds.

## **DESCRIPTION OF THE BANK'S DUBAI INTERNATIONAL FINANCIAL CENTRE BRANCH**

During 2007, the Bank obtained a category-1 licence from the Dubai Financial Services Authority (DFSA) to set up a branch in the DIFC. The branch is registered as a foreign recognised company in the DIFC. The DIFC branch commenced operations in April 2007 and is authorised to conduct the following business in respect of credit, shares, debentures warrants, options, units and futures in accordance with the relevant guidelines:

1. accept deposits;
2. provide credit;
3. arrange credit and provide advice on credit;
4. deal in investments (credit facilities, debentures, futures, options, shares, units, and warrants) as principal;
5. deal in investments (credit facilities, debentures, futures, options, shares, units, and warrants) as agents;
6. arrange investments (debentures, futures, options, shares, units, and warrants); and
7. advise on financial products (debentures, futures, options, shares, units, and warrants).

The DIFC branch is presently licensed to provide financial services and products only to professional clients and market counterparties as defined in the DFSA rulebook, specifically the “Conduct of Business Module”. The Branch is not authorized to undertake currency or foreign exchange transactions involving the U.A.E. Dirham and cannot accept deposits or provide credit in UAE Dirham.

### **Financial Performance and Business Activities**

As at 30 September 2025, the DIFC branch had an asset base (net of interbranch adjustments) of ₹130.99 billion and total deposits (net of interbranch adjustments) of ₹78.31 billion.

The DIFC branch offers the Bank's corporate banking products, including working capital and term loans, and facilitates international trade transactions. The DIFC branch also aims to raise deposits in foreign currencies from the permitted category of clients.

## DESCRIPTION OF THE BANK'S REPRESENTATIVE OFFICES

The Bank has presently four representative offices, one in Dhaka, Bangladesh, one in Dubai, one in Abu Dhabi, United Arab Emirates (UAE) and one in Sharjah, UAE.

### Bangladesh Representative Office

The Bank established a representative office in Dhaka, Bangladesh, which commenced operations in November 2015. Through the Dhaka representative office, the Bank seeks to grow its trade finance business between Bangladesh and India. Transactions onboarded are mainly India bound LC advising and payment settlement for import/export. In addition, the Bank seeks to capitalise on trade flows between Bangladesh and other major markets, including Singapore, Hong Kong, Japan and UAE. The Bank aims to leverage the growing economic integration between Bangladesh and India by actively facilitating trade transactions, both in-bound as well as out-bound transactions.

### Dubai Representative Office

To enable the Bank to serve the Indian expatriate population in the UAE, the Bank opened a representative office in Dubai on 4 May 2008 under the representative office licence issued by the Central Bank of the UAE.

### Abu Dhabi Representative Office

To further deepen its serviceability reach in the UAE, the Bank established a representative office in Abu Dhabi, UAE in March 2011.

### Sharjah Representative Office

- The Bank opened its fourth representative office at Sharjah, UAE in March 2018. These offices provide provides services and facilitates requests for products made by non-resident Indians in the UAE. **Products being sourced and serviced:**
  - Home Loans
  - Loan Against Property
- **Products where only servicing is done (no sourcing):**
  - Personal Loan
  - Education Loan
  - Overdraft Against Fixed Deposit
  - Loan Against Shares
  - Flexi Credit

## **DESCRIPTION OF GIFT CITY IFSC BANKING UNIT (IBU)**

### **Background**

The RBI authorised Axis Bank to establish its International Financial Service Centre (IFSC) Banking Unit (IBU) at Gujarat International Finance Tec-City (GIFT City), Gujarat by letter dated 20 July 2017. The IBU is licensed to operate at GIFT City from 1 September 2017 and commenced its operations on 1 November 2017. The IBU conducts its operations under the framework announced by the Government of India for IFSCs and, in particular, guidelines issued by the RBI and IFSC Authority as amended from time to time. The IFSC Authority is the regulator for the IFSC, and is located at GIFT City Gandhinagar, Gujarat. It has been regulating all IBUs since 1 October 2020.

### **Key objectives of the IBU**

The IBU is, for most regulatory purposes, treated at par with a foreign branch and is a significant development in the overall augmentation of the Bank's business model whereby the Bank provides comprehensive solutions for its clients' foreign currency banking requirements.

The key objectives of the IBU are to offer foreign currency funding to eligible non-resident corporates and Indian corporates (as permitted by the Foreign Exchange Management Act (FEMA)), including their joint ventures and wholly owned subsidiaries registered abroad. It also aims to offer foreign exchange and hedging solutions to eligible non-resident entities and joint ventures and wholly owned subsidiaries of Indian corporates registered abroad. The IBU will invest in debt instruments in international markets, extend bilateral or trade loans to correspondent banks globally at competitive pricing, and support banking requirements of participants in the capital markets and insurance segment and other customers established at the GIFT IFSC as permitted by the regulators from time to time, supplementing the granular business profile of the Bank.

### **Business activities of the IBU**

The IBU offers the following primary products:

#### ***Lending***

The IBU's targeted clientele are primarily joint ventures and wholly owned subsidiaries of Indian companies and any other eligible non-resident entities with strong direct or indirect India linkage.

#### **External Commercial Borrowings**

The IBU extends commercial loans to Indian corporates in the form of bank loans and trade credits as permitted by the IFSC Authority and the RBI from time to time.

#### ***Loans to Correspondent Banks***

The IBU extends loans to correspondent banks in India (as permitted by FEMA) and overseas in the form of bilateral or syndicated loans in the primary as well as the secondary market.

#### ***Trade Finance***

The IBU facilitates the financing of import payables in the form of buyers' credit and suppliers' credit and underwrites the risk of customers who are obligor banks on a funded and non-funded basis. It also undertakes to provide reimbursement under letters of credit to issuing banks.



***Hedging Solutions***

The IBU provides suitable hedging solutions through permitted foreign exchange and derivative products to joint ventures and wholly owned subsidiaries of Indian companies and any other eligible non-resident entities with strong direct or indirect India linkage and other eligible customers, as allowed by IFSC Authority and FEMA guidelines.

***Trade Loans to Correspondent Banks***

The IBU extends loans to correspondent banks in India (as permitted by FEMA) and overseas by refinancing their export or import book on a portfolio basis.

***Financial Markets***

The IBU provides the service of underwriting and arranging of debt instrument issuances, including Rupee denominated “Masala Bonds” issued by Indian companies.

**Business Update**

The GIFT City IBU started operations on 1 November 2017. As at 31 March 2025 the balance sheet size (net of interbranch adjustments) of the IBU had increased to ₹297.48 billion and total deposits (net of interbranch adjustments) of ₹106.18 billion.

## **MANAGEMENT AND BOARD OF DIRECTORS**

The Bank's Articles provide that, unless otherwise agreed by the Bank, the number of Directors shall not be less than three or more than 15. The Bank's Board of Directors currently comprises 13 members and is responsible for the management of the Bank's business.

Under the terms of the Articles LIC, as promoter of the Bank, has the right to nominate one director on the Board of the Bank. Further, the debenture trustees under the Bank's domestic debt issuances have the right to nominate one director in the case of an event of default under the domestic debt issuances of the Bank.

The non-executive (part-time) chairman of the Bank is an independent director who is duly appointed by the Board of Directors of the Bank. The Promoter of the Bank is not involved in the day-to-day affairs of the Bank.

The Banking Regulation Act requires that at least 51% of Directors shall have specialised knowledge or practical experience in one or more of the following areas: accountancy, agriculture and rural economy, banking, co-operation, economics, finance, law, small-scale industry, information technology, core industries, infrastructure sector, payment and settlement systems, human resources, risk management and business management and any other matter specialist knowledge of and practical experience in, would, in the opinion of the RBI, be useful to the banking company. Of the above directors, no fewer than two directors are required to have specialised knowledge or practical experience in agriculture and rural economy, cooperation and small-scale industry. All of the Bank's Directors are professionals with specialised knowledge of one or more of the above areas. The MD and CEO and the whole-time Directors of the Bank are employed on a full-time basis. The appointment of chairman and whole-time Directors requires the approval of the shareholders and prior approval of RBI. The RBI has also prescribed "fit and proper" criteria to be considered when appointing directors of banks, with the Bank's Directors being required to make declarations confirming their ongoing compliance with such criteria. The Nomination and Remuneration Committee / Board has reviewed the declarations received from all the Directors and determined that all of the Bank's Directors satisfy the fit and proper criteria.

Pursuant to the provisions of the Companies Act, at least two-thirds of the total number of Directors excluding the independent Directors and the MD and CEO are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring Director is eligible for re-appointment. Further, the independent Directors may be appointed for a maximum of two terms of up to four consecutive years each. Any re-appointment of independent Directors shall among other factors be on the basis of the performance evaluation report and approval of the shareholders by way of special resolution. Pursuant to the provisions of the Banking Regulation Act, none of the Directors other than the whole-time Directors may hold office continuously for a period exceeding eight years.

As of date of this Offering Circular, the Board of Directors comprises the following:

<b>Name, Address, Occupation, Nationality, Term and DIN</b>	<b>Age (in years)</b>	<b>Designation</b>
<b>Mr. N.S. Vishwanathan</b> <i>Address:</i> C-811, Raja Aristos, Doddakammanahalli Road, Off Bannerghatta Road, Bangalore 560076 <i>Occupation:</i> Retired <i>Nationality:</i> Indian <i>Term:</i> For a term of three years with effect from 27 October 2023 as Non- Executive (Part-Time) Chairman and for a term of four years with effect from 30 May 2023 as an Independent Director <i>DIN:</i> 09568559	67	Independent Director and Part-Time Chairman
<b>Mr. Amitabh Chaudhry</b> <i>Address:</i> Flat No. 2002, 20th Floor, B Wing, Three Sixty West, Annie Besant Road and Sadanand Hasu Tandel Marg, Worli, Mumbai 400025 <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> For a term of three years with effect from 1 January 2025 <i>DIN:</i> 00531120	61	MD and CEO
<b>Mr. Girish S. Paranjpe</b> <i>Address:</i> Villa 141, Phase 1, Adarsh Palm Meadows, Ramagondanahalli, Whitefield, Bangalore – 560066 <i>Occupation:</i> Independent Director and Advisor <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 2 November 2022 <i>DIN:</i> 02172725	67	Independent Director

<b>Name, Address, Occupation, Nationality, Term and DIN</b>	<b>Age (in years)</b>	<b>Designation</b>
<b>Ms. Meena Ganesh</b> <i>Address:</i> No. 76, 1st Cross Defence Colony, Indira Nagar, Bangalore North, Bengaluru – 560038 <i>Occupation:</i> <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 1 August 2024 <i>DIN:</i> 00528252	62	Independent Director
<b>Mr. Gopalaraman Padmanabhan</b> <i>Address:</i> Flat 503, Seaside, Prabhanagar, P Balu Marg, Prabhadevi, Mumbai 400025 <i>Occupation:</i> Retired <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 28 October 2024 <i>DIN:</i> 7130908	70	Independent Director
<b>Mr. P.N. Prasad</b> <i>Address:</i> Villa No. 39, AJL Serenewoods, PVIP Canal road, near Assisi Junction, Ashokapuram Aluva, VTC Alura, PO Aluvaasokapuram, District Ernakulam, Kerala 683101 <i>Occupation:</i> Retired <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 20 October 2022 <i>DIN:</i> 07430506	65	Independent Director
<b>Mr. C.H. S. S. Mallikarjunarao</b> <i>Address:</i> Flat no L 1204, Ajmera Infinity, Neeladri road, Electronic city phase I, Bangalore 560100 <i>Occupation:</i> Retired <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 1 February 2023 <i>DIN:</i> 07667641	63	Independent Director

<b>Name, Address, Occupation, Nationality, Term and DIN</b>	<b>Age (in years)</b>	<b>Designation</b>
<b>Mr. Mini Ipe</b> <i>Address:</i> Flat No: A 205, Pearls Garden View Apartments, AmalaBhavan Road, Kadavanthara, Ernakulam, Kerala 682020 <i>Occupation:</i> Retired <i>Nationality:</i> Indian <i>Term:</i> For a term of eight years with effect from 29 July 2023 <i>DIN:</i> 07791184	62	Non - Executive Director (Nominee of LIC)
<b>Mr. Subrat Mohanty</b> <i>Address:</i> Villa 36, Prestige Bougainvillea, ECC Road, Whitefield, Bengaluru, Karnataka – 560066 <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> For a term of three years with effect from 17 August 2023 <i>DIN:</i> 08679444	49	Executive Director
<b>Mr. Pranam Wahi</b> <i>Address:</i> K-901, Central Park 1, Sector 42, DLF-Colf Course Road, Gurgaon, Haryana - 122009 <i>Occupation:</i> Retired <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 15 February 2024 <i>DIN:</i> 00031914	67	Independent Director
<b>Mr. Munish Sharda</b> <i>Address:</i> B 2701, Lodha Bellissimo, Lower Parel, Mumbai -400011 <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> For a term of four years with effect from 27 February 2024 <i>DIN:</i> 06796060	54	Executive Director

<b>Name, Address, Occupation, Nationality, Term and DIN</b>	<b>Age (in years)</b>	<b>Designation</b>
<b>Mr. Neeraj Gambhir*</b> <i>Address:</i> 1307, Tower – B, Ashok Towers, Dr. Babasaheb Ambedkar Marg, Parel, Mumbai - 400012 <i>Occupation:</i> Service <i>Nationality:</i> Indian <i>Term:</i> For a term of three years with effect from 20 October 2025 <i>DIN:</i> 00257375	53	Executive Director
<b>Ms. Malavika R. Harita **</b> <i>Address:</i> No. 27, Magrath Road, Richmond Town, Ashok Nagar, Bengaluru, Karnataka 560025 <i>Occupation:</i> Professor, Mentor, Independent Director <i>Nationality:</i> Indian <i>Term:</i> For a term four years with effect from December 18, 2025 up to December 17, 2029 (both days inclusive) <i>DIN:</i> 09005600	67	Additional Independent Director

Note: \*The Board of Directors at its meeting held on 18 July 2025 approved the appointment of Mr. Neeraj Gambhir as a Wholetime Director, designated as “Executive Director” of the Bank (including his terms and conditions and remuneration), effective from (i) 4 August 2025; or (ii) the date of approval of his appointment by RBI, whichever is later. RBI approved the appointment for a period of 3 years w.e.f 20 October 2025.

\*\*The Board of Directors at its meeting held on December 18, 2025, appointed Ms. Malavika R. Harita (DIN: 09005600) as an additional independent director of the Bank for a period of four years with effect from December 18, 2025 up to December 17, 2029 (both days inclusive), subject to approval of shareholders.

## **Brief profiles of our Directors**

### **Board of Directors**

**Mr. N.S. Vishwanathan** has been a career Central Banker. He joined the Reserve Bank of India ("RBI") in 1981 as a Direct Recruit Officer and rose through the rank and retired as Deputy Governor in March 2020. He holds a master's degree in economics and a bachelor's degree in arts from Bangalore University and has completed advanced leadership programme from Judge Business School, Cambridge University, UK. As on date of this Offering Circular, he is non-executive Chairman of Governing council of Institute of Development and Research in Banking Technology, director on the boards of SRO-FT Development Foundation and National E-Governance Services Limited.

**Mr. Amitabh Chaudhry** has a bachelor of engineering degree from Birla Institute of Technology and Science, Pilani and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. Mr. Chaudhry is the MD and CEO of the Bank. Mr. Chaudhry served as the managing director and chief executive officer of HDFC Standard Life Insurance Company Limited and Infosys BPM Limited. As on date of this Offering Circular, he is non-executive Chairman of the board of Axis Capital Limited, Axis Finance Limited and Axis Asset Management Company Limited.

**Mr. Girish Paranjpe** is a Commerce graduate and a member of the Institute of Chartered Accountants of India and Institute of Cost and Works Accountants of India. Shri Paranjpe served Wipro Limited, India's third biggest software company, for over two decades, contributing to rise of India's IT Industry from its infancy to its current globally dominant position. He lead the Wipro's IT business worth USD 5.8 billion and employee strength of over one lakh, spread over 54 countries. He also served as the Managing Director for Bloom Energy International, a silicon valley based alternative energy company. Shri Paranjpe along with his IT industry colleagues has promoted a venture fund, Exfinity Venture Partners, which invests in tech start-ups. Mr. Paranjpe is also a General Partner at Exfinity. As on date of this Offering Circular, he is a director on the boards of IBS Software Pte Limited, and CRISIL Irevna UK Limited.

**Ms. Meena Ganesh** has a Bachelor of Science degree in physics from the University of Madras and a post graduate diploma in management from the Indian Institute of Management, Calcutta. As Chairperson and Co-founder, Meena Ganesh heads Portea Medical ([www.portea.com](http://www.portea.com)). India's largest and fastest growing home healthcare company, which she co-founded in July 2013. The Company has 4500+ employees and operations across 16 cities in India, and brings inhome to patients, the full range of geriatric, chronic, post -operative care as well as allied healthcare services. Till February 2013, she was a promoter and a board member of TutorVista and CEO and MD of Pearson Education Services, acquired by Pearson, the world's top education services company, for \$ 213 MM in what was one of the largest deals in the Indian education sector. As a partner of the platform, Growthstory.in, she is also co-promoter of nearly a dozen, newage Internet/ Technology enabled start-ups. A few of them that are leaders in their category include Bigbasket.com - India's premier e-grocery retailer, home solutions company - Home Lane, food tech company, FreshMenu and Bluestone.com - India's leading online jeweller. Earlier, she set up the Tesco Hindustan Service Center, Tesco's outsourced IT services and analytics operation in India, and served as the CEO. Before joining Tesco, she co-founded one of India's pioneering BPO companies - Customer Asset, which she sold to EICI OneSource. She also had a five year stint with Microsoft India, during which she set up multiple business units including Microsoft Consulting, Internet and Application Development/Business services units. During the initial 11 years of her career, she was with PricewaterhouseCoopers and with NIIT. As on date of this Offering Circular, she is a director on the boards of Pidilite Industries Limited, Portea Medical Private Limited, Takecare Technology Private Limited, Rocket Logistics Private Limited, Ezeesmart Education Private Limited, Healthvista India Private Limited, Pfizer Limited, CRM Holdings Private Limited, Orkla India Private Limited, Qtrove Services Private Limited and Hitachi Energy India Limited.

**Mr. Gopalaraman Padmanabhan**, is a post graduate in Economics from Kerala University and a Masters in Business Administration from the Birmingham Business School. Mr. Padmanabhan holds extensive experience and expertise in bank regulation and supervision of foreign exchange/securities markets in India, information technology and payment systems, with more than 35 years of experience with the RBI in various capacities i.e. recommending and implementing policies, systems, guidelines and regulations relating to the banking, financial services and securities sector of the country. On superannuating while holding position of Executive Director from the RBI, he was appointed as Non-Executive Chairman of Bank of India in August 2015. He held this position for 5 years till August 2020. As on date of this Offering Circular, he is a Director on the boards of Haldyn Glass Limited, Ion Exchange (India) Limited and India International Bullion Exchange IFSC limited.

**Mr. P.N. Prasad** is a carrier professional banker with more than 37 years of experience. He had joined State Bank of India (SBI) on December 9th, 1983 as Probationary Officer and retired as the Deputy Managing Director of SBI on May 31, 2020. He holds a master's degree in science and is a Certified Associate of Indian Institute of Bankers. As on date of this Offering Circular, he is a director on the Boards of Styrenix Performance Materials Limited, National, E- Governance Services Limited, Asset Reconstruction Company (India) Limited and Insolvency Professional Agency of Institute of Cost Accountants of India.

**Mr. C.H. S. S. Mallikarjunarao** is a professional banker with more than 37 years of experience. He started his banking career as a probationary officer in Bank of Maharashtra in 1985. He retired as Managing Director & CEO (MD & CEO) of Punjab National Bank (PNB) in January 2022. During his tenure at PNB, he successfully completed the amalgamation of Oriental Bank of Commerce and United Bank of India into PNB in terms of the notification issued by the Government of India. After amalgamation, PNB emerged as the second largest public sector bank with more than 10,000 branches and more than 1 lakh workforce. He holds a bachelor's degree in science and general laws and is a Certified Associate of Indian Institute of Bankers. As on date of this Offering Circular he is director on the Board of Indian Financial Technology and Allied Services, National Urban Cooperative Finance and Development Corporation Limited, Nuclear Power Corporation of India and Finance Industry Development Council.

**Ms. Mini Ipe** has rich and diverse experience of more than 37 years in insurance sector. Ms. Mini Ipe holds master's degree in commerce and has distinguished experience at Life Insurance Corporation of India in various capacities including multiple chief executive/ Board director roles. As on date of this Offering Circular, she is a director on the Board of PTC India Limited, Avantel Limited and LIC (International) B.S.C (C) and PTC India Financial Services Ltd.

**Mr. Subrat Mohanty** is the Executive Director at Axis Bank. He joined the bank in October 2020. He leads all functions under Retail & Wholesale Banking Operations, IT & Digital Banking, Business Intelligence, Group Strategy & Subsidiary Governance, Customer Experience, Vigilance and Internal Audit. Subrat has over 24 years of experience in different industries and functions. In his previous stint, he served as the Group President of Manipal Education & Medical Group, responsible for business performance and strategy across the group's interests in Education, Healthcare, and Insurance. He is an alumnus of NIT, Rourkela, and IIM Calcutta. As on date of this Offering Circular, he is the director on the Boards of Axis Max Life Insurance Company Limited, Freecharge Payment Technologies Private Limited, Axis Securities Limited and Freecharge Business and Technology Services Limited.

**Mr. Pranam Wahi** has over 40 years of banking experience across various countries including India, the United Arab Emirates / GCC, Indonesia and Singapore. He began his career with HSBC in 1982 where he was part of various functions and corporate banking within the HSBC Group in India. After HSBC, he joined Standard Chartered Bank for 2 years where he was responsible for the bank's corporate business for various regions/segments across India. He then returned to HSBC in a senior role in early 1999. Pranam Wahi is a Chartered Accountant by qualification. As on date of this Offering Circular, he is director on the Board of DCM Shriram Limited.

**Mr. Munish Sharda** is Executive Director at Axis Bank. He was earlier Group Executive & Head - Bharat Banking, Axis Bank since September 2021. He has worked for over 25 years in banking and financial services sectors across product categories in all the major markets of the country. Munish holds a bachelor's degree in mechanical engineering from Punjab Engineering College and has completed his post graduate diploma in Management from IIM Lucknow. He also holds a Certification in ESG Investing by CFA Institute, USA. As on date of this Offering Circular, he is a member of Board of Trustees in Axis Bank Foundation and Chairman of the Board of Directors of A. Trends Limited and director of Axis Max Life Insurance Limited.

**Mr. Neeraj Gambhir** has over 25 years of experience in the financial services industry with expertise in Fixed Income, Foreign Exchange, Capital Markets, Structured Finance, Derivatives, Risk Management, and Investment Banking areas. Previously, he was the Managing Director and Head of Fixed Income for Nomura Holding Inc. India, where he set up and expanded their Fixed Income franchise in the country. Prior to that, he served as Managing Director of Lehman Brothers India and a Senior General Manager and Global Head of Structured Finance & Balance Sheet Management at ICICI Bank. Neeraj Gambhir holds a Bachelor of Engineering degree in Computer Science and is a Postgraduate in Business Management from the Indian Institute of Management, Lucknow, where he was awarded the PGP Chairman's Medal. As on date of this



Offering Circular, He is currently a member of the Mutual Fund Advisory Committee and the Corporate Bonds and Securitization Advisory Committee at the Securities and Exchange Board of India (SEBI). As on date of this Offering Circular, he is on the board of Axis Asset Management Company Limited, Axis Pension Fund Management Limited, Ind Fx Code Participants Association and Axis UK Limited.

**Ms. Malavika R. Harita** has 43 years of experience in marketing, communication, and entrepreneurship. She founded and led Saatchi & Saatchi Focus in India as CEO for 25 years, managing a diverse portfolio of B2B, B2C, B2E and Healthcare brands. She founded Brand Circle, her own consultancy firm in 2018. She serves as a resident mentor at the NSR Centre for Entrepreneurial Learning (“NSRCEL”), an Incubation Centre for Startups & Entrepreneurs, IIM Bangalore. She actively mentors startups in both profit and non-profit sectors at NSRCEL and other incubators nationwide. Additionally, she also holds position of Chairperson for the Atal Innovation Mission at IIMV. She serves on the Board of Governors of IIM Bangalore and IIM Visakhapatnam and on the Governing Council of Mount Carmel College. She is the first woman to win the Distinguished Alumni Award from IIM Bangalore and has a strong passion for mentoring startups and women entrepreneurs. As a Communication Evangelist, Brand Strategist, Teacher, and Corporate Trainer, she continues to make significant contributions to the fields of marketing and education. She is also an independent director on the Board of Symphony Limited. She has a Bachelor’s Degree in Physics, Chemistry, and Mathematics from Bangalore University, Post Graduate Diploma in Management: IIM Bangalore (with specialization in Marketing and Finance) and other postgraduate diplomas from prestigious institutions like Columbia Business School and MIT Sloan School.

### **Relationship with other Directors**

None of the Directors of the Bank are related to each other.

### **Borrowing Powers of the Board**

The Board of Directors is authorised to borrow money upon such terms and conditions as the Board may think fit and may exceed the aggregate of our paid up capital and free reserves, provided that the aggregate amount of its borrowings shall not exceed ₹3,000,000 million over and above the aggregate of paid-up capital, free reserves and securities premium of the Bank, as approved by the members of the Bank at the 31<sup>st</sup> Annual General Meeting of the Bank held on July 25, 2025. Our borrowing limits may be changed from time to time, subject to approval of the Board and Shareholders.

### **Interests of our Directors**

All our Directors may be deemed to be interested to the extent of their shareholding, remuneration, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares and any other benefit arising out of such holding and transactions with the companies with which they are associated as directors or members. Our non-executive Directors may also be deemed to be interested to the extent of sitting fees and fixed remuneration payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses payable to them.

Further, our Directors may also be regarded as interested in the Equity Shares held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners or trustees. For details of the Equity Shares held by our Directors, see “– *Shareholding of Directors*” below.

Our Directors may also be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by Bank with any company in which they hold directorships or any partnership firm in which they are partners.

For further details on the related party transactions mentioned above, see “– *Related Party Transactions*”.

Other than as disclosed in this Offering Circular, there are no outstanding transactions other than in the ordinary course of business undertaken by the Bank, in which the Directors are interested. Further, except as stated below, the Bank has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding:

<b>Name of Director</b>	<b>Nature of loan</b>	<b>Principal outstanding amount as on 31 March 2025</b>
Mr. Rajiv Anand	Credit card outstanding	₹817,809.83

### **Shareholding of Directors**

Other than as set forth below, our Directors do not hold any Equity Shares as on December 5, 2025:

<b>Name</b>	<b>Number of Equity Shares</b>	<b>Percentage (%) of the pre-Issue issued and paid-up share capital as on the date of this Offering Circular</b>
Mr. C. H. S S Mallikarjunarao	20	0.00
Mr. Subrat Mohanty	770	0.00
Mr. P N Prasad	130	0.00

### **Terms of appointment of executive Directors**

#### **Amitabh Chaudhry**

Mr. Amitabh Chaudhry was appointed as the MD and CEO of the Bank, for a period of three years, with effect from 1 January 2019 up to 31 December 2021. He was re-appointed as MD and CEO, for a period of three years, with effect from 1 January 2022 up to 31 December 2024. He was further re-appointed for a period of three years, with effect from 1 January 2025 up to 31 December 2027.

#### **Subrat Mohanty**

Mr. Subrat Mohanty was appointed as the Executive Director of the Bank, for a term of three years, with effect from 17 August 2023 to 16 August 2026.

#### **Munish Sharda**

Mr. Munish Sharda was appointed as the Executive Director of the Bank, for a term of three years, with effect from 27 February 2024 up to 26 February 2027.

## Neeraj Gambhir

Mr. Neeraj Gambhir was appointed as the Executive Director of the Bank, for a term of three years, with effect from 20 October 2025 up to 19 October 2028.

## Remuneration of the Directors

### Whole-time Directors

The details of remuneration paid to the whole-time Directors of the Bank during the Financial Year 2024 – 2025, in terms of the approvals granted by the RBI and the Shareholders, for the current Financial Year, are as under:

	Mr. Amitabh Chaudhry	Mr. Rajiv Anand#	Mr. Subrat Mohanty	Mr. Munish Sharda
	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025
	(In Rs)			
Salary (basic).....	4,77,01,380	2,97,58,152	2,34,33,360	2,34,33,360
Leave fare concession facility .....	9,99,996	5,49,996	6,81,996	5,49,996
House rent allowance .....	1,32,50,388	98,20,188	77,33,004	77,33,004
Variable pay (for 2023-24) .....	1,04,73,530	1,19,50,935	97,79,815	93,45,421
Variable pay (for 2022-23) .....	33,00,000	37,12,500	27,43,291	31,49,981
Variable pay (for 2021-22) .....	31,68,000	35,31,000	19,24,525	12,36,204
Variable pay (for 2020-21) .....	30,26,000	20,04,652	8,47,670	-
Utility allowance .....	3,75,000	1,32,000	1,32,000	1,32,000
Superannuation allowance / fund.....	47,70,138	29,75,816	23,43,337	22,07,646
Perquisites (excluding ESOP).....	40,71,553	34,17,412	24,67,190	40,02,575
Unutilised car benefit .....	-	2,75,919	11,66,389	1,68,332
Provident fund (Bank contribution) .....	12% of Basic	12% of Basic	12% of Basic	12% of Basic
Gratuity .....	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service

# retired from the services of the Bank and has accordingly ceased to be the Whole-time Director with effect from August 3, 2025.

The details of remuneration paid to the whole-time Directors of the Bank during the Financial Year 2023-24, in terms of the approvals granted by the RBI and the Shareholders, are as under:

	Mr. Amitabh Chaudhry	Mr. Rajiv Anand#	Mr. Subrat Mohanty	Mr. Munish Sharda
	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	17 August 2023 to 31 March 2024	1 April 2023 to 31 March 2024
	(in ₹)			
Salary (basic).....	4,50,59,412	2,77,43,880	1,39,18,424	26,86,839

	<b>Mr. Amitabh Chaudhry</b>	<b>Mr. Rajiv Anand#</b>	<b>Mr. Subrat Mohanty</b>	<b>Mr. Munish Sharda</b>
	<b>1 April 2023 to 31 March 2024</b>	<b>1 April 2023 to 31 March 2024</b>	<b>17 August 2023 to 31 March 2024</b>	<b>1 April 2023 to 31 March 2024</b>
	<b>(in ₹)</b>			
Leave fare concession facility .....	9,99,996	5,49,996	3,53,331	68,505
House rent allowance .....	1,25,16,504	91,55,484	46,47,912	10,02,558
Variable pay (for 2022-23) .....	1,00,00,000	1,12,50,000	-	-
Variable pay (for 2021-22)	31,68,000	35,31,000	-	-
Variable pay (for 2020-21)	29,37,000	19,45,692		
Superannuation allowance / fund.....	45,05,945	27,74,391	13,91,843	2,00,506
Utility Allowance	3,75,000	1,32,000	82,323	12,138
Perquisites (excluding ESOP).....	1,08,80,076	37,49,814	11,96,342	2,60,152
Utilized Car Benefit	5,69,899	2,75,919	-	-
	12% of Basic Pay	12% of Basic Pay	12% of Basic Pay	12% of Basic Pay
Provident fund (Bank contribution) .....	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service	One month's salary for each completed year of service
Gratuity .....				
Leave encashment .....	-	-	-	-

# retired from the services of the Bank and has accordingly ceased to be the Whole-time Director with effect from August 3, 2025.

The details of remuneration paid to the whole-time Directors of the Bank during the Financial Year 2022-23, in terms of the approvals granted by the RBI and the Shareholders, are as under:

	<b>Mr. Amitabh Chaudhry</b>	<b>Mr. Rajiv Anand#</b>
	<b>1 April 2022 to 31 December 2023</b>	<b>1 April 2022 to 31 March 2023</b>
Salary (basic).....	44,030,424	28,918,188
Leave fare concession facility .....	999,996	549,996
House rent allowance .....	12,230,664	9,543,000
Reimbursement	31,90,673	2,25,380
Utility Allowance and unutilized car benefit	11,09,971	20,73,719
Deferred variable pay (for fiscal 2021)	29,37,000	19,45,693
Variable pay (for 2021-22) .....	9,600,000	107,00,000
Superannuation allowance / fund.....	4,403,046	2,891,822
Perquisites (excluding ESOP).....	13,787,801	3,439,577
Provident fund (Bank contribution) .....	5,283,650	3,470,182
	One month's salary for each completed year of service	-
Gratuity .....		

# retired from the services of the Bank and has accordingly ceased to be the Whole-time Director with effect from August 3, 2025.

Perquisites (evaluated as per Income Tax Rules, 1962, wherever applicable, or otherwise at actual cost to the Bank) such as benefit of the Bank's furnished accommodation, electricity, water and furnishings, club fees, personal accident insurance, loans, use of car and telephone at residence, medical reimbursement,

travelling and halting allowances, newspapers and periodicals and others were provided in accordance with the Rules of the Bank.

The Bank, as a policy, does not pay any severance fees to its MD and CEO or to its whole-time Directors. The tenure of the office of the MD and CEO and the whole time Directors of the Bank is for a period of 3 (three) years from date of their respective appointment/re-appointment, as approved by the shareholders of the Bank and the RBI and the same can be terminated by either party by giving three months' notice in writing.

*Non-executive (part-time) chairman*

The details of the remuneration paid to the non-executive (part-time) chairman of the Bank during the current financial year and the last three financial years are as under:

	<b>1 April 2025 to 30 September 2025</b>	<b>1 April 2024 to 31 March 2025</b>	<b>1 April 2023 to 31 March 2024</b>	<b>1 April 2022 to 31 March 2023</b>
Mr. Rakesh Makhija (Ceased with effect from October 27, 2023) Appointed as the non-executive (part-time) chairman.....	-	-	19,25,000	33,00,000
Mr. N.S. Viswanathan (Appointed as the non-executive (part-time) chairman with effect from October 27, 2023)	17,50,000	35,00,000	21,59,080	-

In addition to the above, the non-executive (part-time) chairman is entitled to certain perquisites such as use of car and travelling and other official expenses provided in accordance with the approval obtained from RBI in this regard.

*(A) Non-executive Directors and independent Directors*

All the Independent Directors and the Nominee Director of the Bank were paid sitting fees of ₹100,000 for every meeting of the Board, Nomination and Remuneration Committee, Audit Committee, Committee of Directors, Risk Management Committee and IT & Digital Strategy Committee, attended by them. In respect of other Committees of the Board, sitting fees of ₹75,000 was paid to the Directors. Further, all the Independent Director of the Bank were paid sitting fees of ₹100,000 for attending every meeting of the Independent Directors. The Board at its meeting held on March 22, 2025 has increased the sitting fees in respect of attending the Customer Service Committee meeting from ₹75,000 to ₹1,00,000 per meeting with effect from April 1, 2025. The details of sitting fees paid to the Non-Executive Directors are as follows:

The details of the sitting fees paid to the non-executive Directors of the Bank during the last three financial years are as under:

<b>Name</b>	<b>Fiscal 2025</b>	<b>Fiscal 2024</b>	<b>Fiscal 2023</b>
	<b>(in ₹)</b>		
Mr. N. S. Vishwanathan (Appointed as an independent director with effect from 30 May 2023.)	3,100,000	2,125,000	2,850,000
Ms. Meena Ganesh (Re-appointed as independent director with effect from 1 August 2024) .....	4,450,000	4,300,000	3,600,000

Name	Fiscal 2025	Fiscal 2024	Fiscal 2023
		(in ₹)	
Mr. Girish S. Paranjpe (Re-appointed as an independent Director with effect from 2 November 2022) .....	5,000,000	4,800,000	4,800,000
Shri Gopalaraman Padmanabhan (Re-appointed as an Independent Director of the Bank, with effect from 28 October 2024).....	2,900,000	2,600,000	2,550,000
Ms. Mini Ipe (Appointed as non-executive director (nominee of LIC) with effect from 29 July 2023) .....	4,300,000	2,350,000	-
Mr. Pranam Wahi (Appointed as independent director with effect from 15 February 2024) .....	3,550,000	100,000	-
Mr. P.N. Prasad (Appointed as independent director with effect from 20 October 2022) .....	3,650,000	3,225,000	850,000
Mr. C.H. S. S. Mallikarjunarao (Appointed as independent director with effect from 1 February 2023)	3,550,000	3,025,000	400,000

In accordance with the RBI circular dated 26 April, 2021 on 'Corporate Governance in Banks - Appointment of Directors and Constitution of Committees of the Board' read with RBI circular dated 9 February, 2024, the Bank has paid fixed remuneration to its Non-Executive Nominee Director and Independent Directors (except the Independent Part-Time Chairman) within the prescribed limit of ₹30 lakh per annum per Director. The details are as under:

Name	Fixed remuneration FY
	(in ₹)
N. S Vishwanathan	3500000
Girish Paranjpe	2,700,000
Meena Ganesh	2,700,000
G. Padmanabhan	2,700,000
P. N. Prasad	2,700,000
C. H S.S Mallikarjunarao	2,700,000
Mini Ipe	2,700,000
Pranam Wahi	2,500,000

## **Corporate Governance**

The Bank's corporate governance policies recognise the accountability of the Board and the importance of transparency to all its constituents, including employees, customers, investors and the regulatory authorities and of demonstrating that the shareholders are the ultimate beneficiaries of the Bank's economic activities. The Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also other practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the Board also carries out functions such as taking care of all statutory agendas, approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that the Bank's shareholders are kept informed about the Bank's plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, management provides detailed reports on the Bank's performance to the Board on a quarterly basis.

### **Committees of the Board of Directors**

The business of the Board is conducted through the various Committees constituted by the Board to deal with specific matters as per delegated powers for different functional areas of the Bank and as mandated under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the SEBI Listing Regulations, Banking Regulation Act, 1949, Circulars/ Guidelines issued by the RBI, in this regard, from time to time and the Articles of Association of the Bank. The details of the Committee is as under:

#### ***Audit Committee***

The Audit Committee consists of four Directors: Mr. Girish S. Paranjpe, Ms. Meena Ganesh, Ms. Mini Ipe and Mr. Pranam Wahi. The Committee is chaired by Mr. Girish S. Paranjpe. The function of the Audit Committee is, among other things, to provide direction and to oversee the operation of the audit function, to review the internal audit system with special emphasis on its quality and effectiveness and status of compliance with respect to Risk Assessment Report, Risk Mitigation Plan, Scrutiny Reports issued by RBI, to review the concurrent audit system of the Bank (including the appointment of concurrent auditors), approve the appointment, re-appointment, remuneration and terms of appointment of statutory auditors and payments to statutory auditors for any other services rendered by them, to oversee the Bank's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, to review, with the management, quarterly as well as the annual financial statements and auditor's report thereon before submission to the Board for approval with special emphasis on accounting policies and practices, compliance with accounting standards, disclosure of related party transactions and other legal requirements relating to financial statements, oversee the implementation of Compliance Policy and review the compliance function on half-yearly and annual basis ensuring that all compliance issues are resolved effectively, to review functioning of the Whistle Blower and Vigilance mechanism, to approve any subsequent modification of transactions of the Bank that shall involve related parties and to review the performance of Information Systems Audit and the critical issues highlighted during the Information Systems Audit and provide appropriate guidance to the Bank's Management.

#### ***Acquisitions, Divestments and Mergers Committee***

The Acquisitions, Divestments and Mergers Committee consists of five Directors: Mr. N S Vishwanathan, Mr. Amitabh Chaudhry, Ms. Meena Ganesh, Mr. Subrat Mohanty and Mr. Pranam Wahi. The Committee is chaired by Mr. N S Vishwanathan. The function of the Committee is to consider proposals relating to mergers, acquisitions and strategic investments and divestments and recommend/approve them in terms of this Charter, to periodically review the inorganic strategies, which are consistent with the long term strategic objectives of the Bank and to annually review the strategic investments and divestments made by the Bank.

### ***Corporate Social Responsibility Committee***

The Committee of Corporate Social Responsibility consists of five Directors: Mr. N.S Vishwanathan, Mr. Munish Sharda, Ms. Meena Ganesh, Mr. Neeraj Gambhir and Ms. Malavika R. Harita. The Committee is chaired by Mr. N.S. Vishwanathan. The objective of the Committee is to formulate and recommend to the Board, the CSR Strategy, themes, focus areas and review mechanism including the CSR Policy of the Bank, review and approve, the CSR projects/programs to be undertaken by the Bank either directly or through Axis Bank Foundation (ABF) or through implementation partners as deemed suitable, during the financial year and specify modalities for its execution and implementation schedules for the same, in terms of the CSR Policy of the Bank, and review and approve the funds to be allocated for the CSR projects/ programmes to be undertaken by the Bank during the financial year, in terms of the CSR Policy of the Bank, subject to compliance with Section 135(5) of the Companies Act, 2013.

### ***Committee of Directors***

The Committee of Directors consists of four Directors: Mr. P.N Prasad, Mr. CH SS Mallikarjunarao, Ms. Malavika R. Harita and Mr. Neeraj Gambhir. The Committee is chaired by Mr. P.N. Prasad. The functions of the Committee is , inter alia, to review loans sanctioned by Senior Management Committee (SMC), provide approvals for loans as per the limits stipulated in the Corporate Credit Policy, Retail Lending and Payment Credit Policy, Compromise Settlements, One-time Settlements and write-offs policy, NPA Management & Recovery Policy, Syndication and Transfer of Corporate Loans Policy, Domestic Investment Policy and other credit policies of the Bank, if any, as amended, from time to time, and to discuss strategic issues in relation to credit policy and review the quality of the credit portfolio of the Bank, to monitor the exposures (both credit and investments) of the Bank and to consider and approve one time compromise settlement proposals for loan accounts in accordance with the delegated authority under the Policy on Compromise/One-Time Settlements to approve treasury related investments and disinvestments as mentioned in the Domestic Investment Policy, Overseas Investment Policy and Market Risk Management Policy of the Bank, as amended, from time to time and to review and approve proposals relating to the Bank's business/operations covering all its departments and business segments.

### ***Customer Service Committee***

The Customer Service Committee consists of five Directors: Mr. P N Prasad, Mr. Gopalaraman Padmanabhan, Mr. Amitabh Chaudhry, Ms. Mini Ipe and Mr. Subrat Mohanty. The Committee is chaired by Mr. P N Prasad. The functions of the Customer Service Committee include providing guidance in improving overall standards of customer service in the Bank, to review progress report on the steps / measures taken to implement recommendations of various working groups / committees on customer service of the Bank, to review customer complaints (including but not limited to mis-selling in respect of the services/ products offered by the Bank), assess the way such complaints were resolved and its effectiveness in making the grievance redressal mechanism robust, to review the award(s) given by the Banking Ombudsman in respect of complaint(s) filed by customers of the Bank, to review progress on other regulatory matters.

### ***Committee of whole-time Directors***

The Committee of whole-time Directors presently consists of four Directors: Mr. Amitabh Chaudhry, Mr. Munish Sharda, Mr. Subrat Mohanty and Mr. Neeraj Gambhir. The Committee is chaired by Mr. Amitabh Chaudhry. The functions of the Committee include Issuance of General/Special Power of Attorney to various officials of the Bank and the Subsidiary Companies of the Bank to do such acts, deeds, matters and things as may be considered necessary or appropriate for and on behalf of the Bank, approve the allotment of equity shares pursuant to exercise of stock option by eligible employees/ directors of the Bank and that of its subsidiary companies, in terms of the relevant Employee Stock Option Scheme(s) of the Bank, approve the allotment of Debt Securities issued by the Bank, including, but not limited to long term bonds, green bonds, non-convertible



debentures, perpetual debt instruments, Tier II Capital Bonds or such other Debt Securities/Securities as may be issued by the Bank, to discuss matters inter alia relating to the operations, strategies, business opportunities relating to the Bank and/or that of its subsidiaries, to approve strategic and other investments and disinvestments up to Rs. 500 crore, to review and approve any proposals on investment and disinvestment in the share capital of the existing group entities up to Rs.500 crore and any other matter as may be authorised by the Board of Directors/Board Committees or required to be done pursuant to any laws, rules, regulations or any internal policies of the Bank.

### ***Nomination and Remuneration Committee***

The Nomination and Remuneration Committee consists of four Directors: Ms. Meena Ganesh, Mr. Girish Paranjpe, Mr. N.S Vishwanathan and Ms. Mini Ipe. The Committee is chaired by Ms. Meena Ganesh. The functions of the Committee include evaluating efficacy of the Talent Management and Succession Planning process adopted by the Bank and to suggest suitable course of action, if any, relating to vacancies that would be required to be filled at Board, senior management and key managerial personnel, functional head level, critical role holders on account of retirement / resignation / expiry of term of the chairperson, the directors, senior management, key managerial personnel, functional heads and the critical role holders, set the goals, objectives and performance benchmarks for the Bank, Whole-Time Directors & senior management, review and recommend for the approval of the Board, the overall remuneration framework and associated policies of the Bank, review the structure, size, composition and diversity of the Board and make necessary recommendations to the Board with regard to any changes in its composition as deemed necessary in accordance with the extant norms and formulate and review the policy on board diversity, to consider proposal relating to the appointment / re-appointment / removal of the Chairman, the Managing Director & CEO, other Whole-Time Directors of the Bank, Non-Executive Directors including Independent Directors and the terms and conditions relating to their appointment/re-appointment, including remuneration, in accordance with the criteria laid down and recommend the same for the approval of the Board, carry out evaluation of performance of individual and Independent Directors, the Board as a whole and the Committees thereof and based on the outcome of such performance evaluation, decide whether to re-appoint the Director and assignment of additional roles, responsibilities and his/her remuneration, consider and approve the grant of stock options to eligible employees of the Bank including the Managing Director & CEO, other Whole-Time Directors and senior management and eligible employees of the subsidiary companies of the Bank, in terms of the Employees Stock Option Schemes, review adequacy and appropriateness of HR strategy of the Bank in the broader areas of code of conduct, culture and ethics, conflict of interest, succession planning, talent management, performance management, and remuneration and HR risk management.

### ***Risk Management Committee***

The Risk Management Committee consists of five Directors: Mr. Gopalaraman Padmanabhan, Mr. Amitabh Chaudhry, Mr. Girish Paranjpe, Mr. Pranam Wahi and Mr. Munish Sharda. The Committee is chaired by Mr. Gopalaraman Padmanabhan. The objective of the Risk Management Committee is, among other things, framing and governing of the risk strategy of the bank and approving and reviewing the risk appetite of the Bank, ensuring that sound policies, procedures and practices are in place to manage its risks establishing a framework to set and monitor limits across risk categories such as credit risk, market risk, operational risk etc. in order to ensure that the risk profile is adequately diversified, ensuring compliance with requirements/guidance in risk management issued by RBI and other regulators.

### ***Review Committee***

The Review Committee presently consists of three Directors: Mr. Amitabh Chaudhry, Mr. P.N Prasad and Mr. CH SS Mallikarjunarao. The Committee is chaired by Mr. Amitabh Chaudhry. The functions of the Committee are to consider the proposal of the Identification Committee along with along with the written

representation received from the a borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity for classification of a borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity as a willful defaulter, Review Committee shall provide an opportunity for a personal hearing also to the borrower/ guarantor/ promoter/ director/ persons who are in charge and responsible for the management of the affairs of the entity, accord approval for publication of photograph of willful defaulters on a non-discriminatory basis, to put in place a system for proper and timely classification of borrowers as willful defaulters and review the efficacy of the said system, at-least on an annual basis. .

#### ***Stakeholders Relationship Committee***

The Stakeholders Relationship Committee consists of four Directors: Mr. CH SS Mallikarjunarao, Mr. P.N Prasad, Mr. Neeraj Gambhir and Mr. Munish Sharda. The Committee is chaired by Mr. CH SS Mallikarjunarao. The objective of the Stakeholders Relationship Committee is to among other things, consider and resolve the grievances of the security holders of the Bank, review of complaints received from the investors in respect of transfer/ transmission of shares and debentures of the Bank, non-receipt of annual report of the Bank, non-receipt of declared dividends and interest on debentures, delay in receipt of new/duplicate certificates, etc. and the status of its redressal, review the measures taken for effective exercise of voting rights by shareholders, review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Share Transfer Agent and review of the various measures and initiatives taken by the Bank for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the company.

#### ***Special Committee of the Board for Monitoring and Follow-Up of cases of Frauds***

The Special Committee of the Board of Directors for Monitoring and Follow-Up of cases of Frauds consists of five Directors: Ms. Mini Ipe, Mr. Amitabh Chaudhry, Mr. P.N Prasad, Mr. N S Vishwanathan and Ms. Malavika R. Harita. The Committee is chaired by Ms. Mini Ipe. The Special Committee of the Board of Directors for Monitoring of Large Value Frauds was constituted oversee prevention, early detection of all frauds and actions taken by the Bank against the perpetrators of such frauds and to ensure timely and accurate reporting to the RBI and other concerned regulatory and enforcement authorities, besides suggesting/ reviewing corrective steps to plug systemic loopholes. The major functions of the Special Committee is to identify the systemic lacunae, if any that facilitated perpetration of the fraud and put in place measures to plug the same, review and monitor atleast on a quarterly basis, cases of frauds, including root cause analysis, efficacy of the remedial action taken to prevent recurrence and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds and to review the cases remaining in red-flagged status beyond 180 days together with adequate reasoning / justification thereof.

#### ***IT Strategy Committee***

The IT Strategy Committee consists of five Directors: Mr. CH SS Mallikarjunarao, Mr. Gopalaraman Padmanabhan, Mr. Girish S. Paranjpe, Mr. Amitabh Chaudhry and Mr. Subrat Mohanty. The Committee is chaired by Mr. CH SS Mallikarjunarao. The main function of the Committee is approve IT strategy and policies and ensuring that IT strategy is aligned with business strategy, review of IT and cyber security incidents / frauds, assess if IT architecture has been designed to derive maximum business value from IT, ensure that the Bank has put in place processes for assessing and managing IT and cybersecurity risks, exercise oversight to ensure effective functioning of the IT Operations of the Bank, review on an annual basis, the Business Continuity Plan (BCP)/Disaster Recovery (DR) Plan of the Bank and exercise oversight over the efficacy of the BCP/DR process adopted by the Bank and recommend measures for its improvement and review the progress made by the Bank on the digital banking front.

### ***Environmental, Social and Governance (ESG) Committee***

The ESG Committee consists of four Directors: Mr. Pranam Wahi, Mr. Amitabh Chaudhry, Mr. G. Padmanabhan and Ms. Malavika R. Harita. The Committee is chaired by Mr. Pranam Wahi. The main function of the Committee is to guide and assist the Board and management in setting the Bank's general strategy with respect to ESG Matters, and to consider and recommend policies and practices that confirm with the strategy, to guide and assist the Management in framing the Bank's internal and external stakeholder communications strategy pertaining to its strategy and approach to ESG Matters, to guide the management in preparing and responding to ESG-aligned public disclosures, including regulatory disclosures such as the BRSR/BRSR Core/ESG Disclosures for Value Chain, voluntary disclosures such as the annual sustainability report, and to review the selection process for external assurance provider for BRSR Core/ESG Disclosures for Value Chain, in line with SEBI guidelines, to consider and bring to the attention of the Board and/or Management, as appropriate, current, and emerging ESG topics that may be material to the Bank or its stakeholders, with a potential to affect the performance or reputation of the Bank, to take note and advise the Board or Management, as appropriate, on any significant stakeholder concerns relating to ESG Matters, to review the Bank's ESG-aligned strategy, policies, practices, and disclosures for consistency with respect to applicable regulations, and to make such recommendations to the Board or Management as it may deem advisable, to advise and assist the Management in the adoption of ESG performance metrics, targets, and other such commitments, and monitor the Bank's progress towards achieving the same, to advise and assist the Management in framing and implementing pertinent training and awareness programs on relevant ESG topics and practices for the Bank or any of its pertinent verticals and to perform such other duties, tasks, and responsibilities relevant to the purpose of the Committee as may from time to time be requested by the Board or the Management of the Bank.

### **Senior Management**

In addition to Mr. Amitabh Chaudhary, Mr. Subrat Mohanty, Mr. Munish Sharda and Mr. Neeraj Gambhir, who currently hold directorships at the Bank, whose details are provided in “- *Brief Profiles of our Directors*”, the following are brief biographies of the Bank's Key Managerial Personnel and senior management personnel:

### **Key Managerial Personnel**

**Mr. Puneet Mahendra Sharma** is the Group Executive and Chief Financial Officer of the Bank. He is a qualified chartered accountant with a bachelor of commerce degree from the University of Bombay and has graduated from the Indian School of Business, Hyderabad. He has over two decades of experience in banks, financial institutions and consulting including 12 years of experience at Tata Capital Limited as a senior management functionary, which was his last employment before joining the Bank. He served as the chief financial officer of Tata Capital Limited and Tata Capital Financial Services Limited since 2014 and was accountable for financial control, financial planning and accounting and taxation. Mr. Sharma started his career at Bharat S Raut & Co. and has also worked as a consultant with the Boston Consulting Group and as the vice president of global transaction services, institutional clients group of Citibank N.A. India.

**Mr. Sandeep Poddar** is an Executive Vice President and the Company Secretary of the Bank. He is an associate member of the Institute of Company Secretaries of India and a Master in Business Law from National Law School, Bangalore. Prior to joining Axis Bank, he has spent eminent part of his career at Dr. Reddy's Laboratories Limited, a global pharmaceutical company, where he headed the secretarial function for the organization, including subsidiaries across the globe and US listing compliances. He has also led a few strategic projects for DRL supporting larger vision of the organization. Over a career spanning more than 25 years with

corporate groups such as Vedanta, Ispat and Usha Martin, Sandeep Poddar has extensive experience in corporate laws, corporate governance, board processes, US listed company compliances, etc.

### **Senior Management Personnel**

**Mr. Prashant Joshi** is a group executive and the chief credit officer of the Bank since May 1, 2022, and is responsible for all underwriting functions across the retail and corporate segments. Mr. Joshi has nearly three decades of experience in financial services, primarily in project finance appraisals and credit functions. He has been with Axis Bank since September 2006 in roles related to credit / underwriting and risk across various segments. Before joining his current role, he spent nearly 13 years at the Industrial Development Bank of India working in project finance. During this time, he gained extensive experience evaluating proposals from a wide range of industries. He started his career in a private firm as a project engineer. Mr. Joshi is presently a member on the Board of Axis Trustee Services Limited (since January 2024). Mr. Joshi is a Civil Engineer from Sardar Patel College of Engineering, Mumbai University.

**Mr. Vijay Mulbagal** is a group executive of the wholesale bank coverage, Corporate Salary, Sustainability and CSR, Mr. Mulbagal leads the Bank's relationships across conglomerates, large corporates, mid-corporates, emerging enterprises, public sector undertakings, multi-national corporations, institutional clients and government entities, while also steering its CSR and sustainability agenda. In his current role, Mr. Mulbagal is responsible for driving profitable growth across the Bank's wholesale portfolio, deepening strategic client relationships, corporate salary franchise and championing cross-functional collaboration to deliver integrated financial solutions. Simultaneously, he leads the CSR and Sustainability mandate across the institution, embedding responsible finance principles and aligning the Bank's strategy with evolving global sustainability standards, as well as driving community impact through strategic CSR initiatives. Mr. Mulbagal has more than 25 years of experience in the banking industry. He had a long and distinguished career at HDFC Bank, most recently serving as the Group Head – Large Corporates & Supply Chain Finance, where he led coverage for Conglomerates & Large Corporates. He had re-imagined Supply Chain Finance at HDFC Bank via building end-to-end Digital Stack, Products, Processes, and Fintech Partnerships. He led several digital transformation-related interventions on the wholesale banking front, redefining customer engagement and employee experience. He has chaired steering committees on transformation projects and driven broad adoption of digital interventions across geographies to realize benefits, boost incomes and reduce costs. Mr. Mulbagal is a Postgraduate in Management from ISB Hyderabad.

**Mr. Sameer Shetty** is the group executive for Digital Business & Transformation and Strategic Programs at Axis Bank. In this capacity, he oversees the Bank's digital business, strategy, investments, mergers and acquisitions, the customer experience program Sparsh, strategic projects, process excellence, artificial intelligence, and subsidiary governance. Prior to joining Axis Bank in 2019, Mr. Shetty was a Partner at McKinsey & Co., specializing in the financial services sector. His experience includes collaboration with banks, non-banking financial companies (NBFCs), and other financial institutions across India, Southeast Asia, and the Middle East. Mr. Shetty is a director on the Boards of Freecharge Payment Technologies Private Limited, Freecharge Business and Technology Services Limited, and the Indian Banks' Digital Infrastructure Company (IBDIC). Additionally, he is a member of the NPCI Innovation Council and the Governing Committee of Sahamati. Mr. Shetty holds a Bachelor of Technology from IIT-Bombay and a Post Graduate Diploma in Management from IIM Bangalore, where he was recognized on the Directors Merit List.

Mr. Rajkamal Vempati is the Group Executive & Head of Human Resources at Axis Bank. With over 27 years of experience across leading financial services organisations, she is recognised for her ability to drive change and nurture inclusive workplaces. Since joining the Bank in September 2015, Rajkamal has championed distinctive people practices, including the pioneering "Gig-A-Opportunities", "Come as You Are" and multiple academia partnerships to tap into new talent pools, foster diversity and inclusion. The Bank's internal talent

marketplace “thrive” further cultivates building bankers and leaders from within. Ms. Vempati currently serves as the Co-Chairperson of the HR Committee at FICCI and her commitment to excellence in HR has been recognized with honours such as the “Distinguished Alumnus Award” from XLRI Jamshedpur where she earned her MBA. Ms. Vempati also holds a degree in Science from Himachal Pradesh University and honed her coaching skills at INSEAD.

**Mr. Bipin Saraf** is the Group Executive and Head – Bharat Banking. Mr. Saraf brings nearly 30 years of rich and diverse experience in the banking and financial services sector. As the Head of Bharat Banking at Axis Bank, he is spearheading the vision to build a strong and distinctive presence for Axis in the Bharat markets. Prior to this role, Mr. Saraf served as the Managing Director & CEO of Axis Finance, the NBFC arm of the Axis Group. Under his leadership spanning over 11 years, Axis Finance witnessed significant growth, emerging as one of the rapidly expanding NBFCs with a balance sheet exceeding ₹ 35,000 crore. The business maintained a sharp focus on Corporate, MSME, and Retail lending, with a consistent track record of profitability and prudent risk management.

Earlier within Axis Bank, Mr. Saraf held multiple leadership roles, including overseeing the Corporate and Financial Advisory portfolio. He was also instrumental in shaping the Structured Products business within the Capital Markets division, contributing meaningfully to the bank’s growth in investment banking and treasury-linked services. Before joining Axis Bank, Mr. Saraf was with IFCI Ltd. from 1995 to 2003, where he managed a diversified portfolio of large and medium corporates across critical sectors such as steel, power, textiles, and petrochemicals. Mr. Saraf is a member of the Management Committee (ManCom) at Axis Bank and serves as an Additional Director on the Board of Axis Trustee. He also serves as a member on the board of Common Service Centers (CSC). Mr. Saraf is a rank-holding Chartered Accountant and a Cost Accountant and holds a bachelor’s degree in commerce. His strong academic foundation has consistently underpinned his strategic and financial acumen across leadership roles.

**Mr. Anuranjan Kumar** is the Group Chief Compliance Officer. Mr. Kumar is a senior banker with 31 years of domestic and international experience, across consumer and corporate banking, in areas related to compliance, governance, risk management, operations and retail branch banking. Mr. Kumar brings with him unique experience across front, middle, and back-office roles, across multiple geographies and complex organizational structures. Currently, he is Head – Operational Health and Control at Axis Bank. Prior to this, he has worked Citibank N.A. India, Citibank, Singapore, Citibank N.A. Bangladesh in various capacities.

**Mr. Kedar Joshi** is the Group Chief Audit Executive. Mr. Joshi is a seasoned leader in Risk & Internal Controls with over 25 years of experience in internal audit, operational risk management, predominantly in Banking. As the Regional Head of Corporate Audit at Bank of America, he oversaw audit coverage for the bank’s APAC franchise across 12 jurisdictions, including Global Banking and Markets, Technology, Operations, and support functions. Further, he led audits for Global Business Services, covering offshore operations with more than 28,000 employees across India and strategic technology vendors. He has managed a diverse team of around 150 audit professionals across nine APAC countries. Additionally, Mr. Joshi was part of the Corporate Audit Senior Leadership Team and the APAC Regional Executive Committee, contributing to governance, risk oversight, and strategic decision-making.

## Shareholding of Key Managerial Personnel

Apart from the shareholding of Mr. Subrat Mohanty, Mr. CH SS Mallikarjunarao and Mr. P.N. Prasad as disclosed under “- *Shareholding of Directors*”, Mr. Puneet Sharma (being key managerial personnel) and Mr. Sandeep Poddar (being key managerial personnel) hold 124,655 equity shares and 6,300 equity shares respectively as on December 5, 2025.

## **Interest of Senior Management**

Except as stated in “ – *Interest of our Directors*” above and in the Financial Statements, and to the extent of their shareholding, if any, and remuneration or benefits to which they are entitled as per the terms of their appointment and reimbursement of expenses incurred by them in the ordinary course of business and stock options that have been granted to them under the employee stock option schemes of the Bank and may be granted to them, our Key Managerial Personnel and Senior Management do not have any other interest in the Bank.

## **Other confirmations**

Except as otherwise stated above in “*Interests of our Directors*” and “*Interest of Senior Management*”, none of our Directors or senior management members have any financial or other material interest in the issue of Notes under the Programme and there is no effect of such interest in so far as it is different from the interests of other persons.

None of the Promoters and Directors have been identified as wilful defaulters, as defined under the SEBI ICDR Regulations, in the last ten years and none of them have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of the Bank’s Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI.

## **Policy on disclosures and internal procedure for prevention of insider trading**

The Insider Trading Regulations are applicable to the Bank and its employees and require the Bank to implement a code of internal procedures and conduct for the prevention of insider trading. The Bank has implemented a code of conduct for prevention of insider trading and procedure for fair disclosure of unpublished price sensitive information in accordance with the Insider Trading Regulations.

## **Related Party Transactions**

For details in relation to the related party transactions entered by the Bank during the last three Fiscal Years, as per the requirements under Accounting Standard 18 issued by the Institute of Chartered Accountants of India, please refer to the Financial Statements included elsewhere in this Offering Circular.

## **Recent Developments**

The Chief Risk Officer (“CRO”) of the Bank, Mr. Amit Talgeri will cease to be the CRO upon completion of his second term with effect from close of business hours of December 31, 2025 and will be relieved from services of the Bank at the close of business hours of January 18, 2026. Mr. Anand Vishwanathan has been appointed as the CRO of the Bank for a period of three years with effect from January 1, 2026 up to December 31, 2028.

## LEGAL PROCEEDINGS

*Except as disclosed below, the Bank and its Subsidiaries are not involved in any pending civil or tax proceedings: (i) which are quantifiable and exceed ₹10,876.60 million; or (ii) which the Bank believes could have a material adverse effect on the business, financial position, cash flows, and operations of the Bank, on a consolidated basis despite not meeting the Materiality Threshold and has been disclosed to the National Stock Exchange Limited and BSE Limited (together the “**Stock Exchanges**”). Further, except as stated below, there are no: (a) pending criminal litigation involving the Bank and its Subsidiaries as considered material in terms of Regulation 30 of SEBI LODR Regulations as per the policy for determination of materiality of events / information (“**Materiality Policy**”); (b) pending regulatory proceedings or actions against the Bank and its Subsidiaries (including show cause notices issued) and as considered material as per Materiality Policy; (c) inquiries, inspections or investigations under the Companies Act against the Bank and its Subsidiaries in the last three years and as considered material as per Materiality Policy; (d) prosecutions filed against, fines imposed on, or compounding of offences by the Bank or its Subsidiaries in the last three years and as considered material as per Materiality Policy; (e) notices involving the Bank and its Subsidiaries, issued in the last three years, which are subsisting and as considered material as per Materiality Policy; or (f) penalties imposed by regulatory or statutory authorities on the Bank and its Subsidiaries, in the last three years, which are outstanding as on date and as considered material as per Materiality Policy.*

*We are involved in a number of legal proceedings in the ordinary course of our business before various courts, including certain proceedings with significant financial claims present on the face of the complaint and same is being defended by the Bank appropriately on merits of the case.*

### **Litigation against the Bank**

#### **Material Civil Litigation**

1. Delhi Metro Rail Corporation Limited (“**DMRC**”) has filed a contempt petition dated June 7, 2025, before the Supreme Court of India against *inter alia* Delhi Airport Metro Express Private Limited (“**DAMEPL**”) (i.e. developer of Airport Express Link project in New Delhi awarded by DMRC), its Director i.e. Rakesh Kumar Yadav, the Bank and the Managing Director and CEO of the Bank for alleged wilful violation of the Supreme Court judgment dated April 10, 2024 in DMRC v DAMEPL. The Bank acted as an escrow agent under the escrow agreement dated April 30, 2009 executed amongst DMRC, DAMEPL and the Bank. Following disputes under the concession agreement between DMRC and DAMEPL, an arbitral tribunal passed an award on May 11, 2017, in favour of DAMEPL. Pursuant to various orders of the Delhi High Court between 2017 and 2022, DMRC deposited a total sum of ₹25,991.70 million in the escrow account maintained by the Bank. The Supreme Court through its judgment dated April 10, 2024, directed that the amounts deposited by DMRC pursuant to the judgment dated September 9, 2021, which upheld the arbitral award in favour of DAMEPL as well as any amount paid by DMRC as a result of coercive action are liable to be refunded in favour of DMRC by the respondents. The total amount claimed by DMRC to be refunded as per the Supreme Court judgement dated April 10, 2024 is ₹25,991.70 million along with interest at SBI PLR + 2% amounting to ₹19,347.90 million up to June 7, 2024, plus future interest at SBI PLR + 2% till the date of actual payment. The matter is currently pending and no adverse order has been passed against the Bank till date. Since Bank had appropriated ₹2,580 million in its capacity as Lender, the claim amount reflected is ₹2,580 million. The balance amount was appropriated by the other lenders who had appointed the Bank as an Escrow Agent.
2. Haryana Real Estate Regulatory Authority (“**HRERA**”) passed two orders dated May 20, 2024 and May 29, 2024 (“**the Orders**”) for non-compliance of direction made under **HRERA**, Gurugram Real Estate Bank Accounts for the Registered Projects Directions, 2019 with respect to the two real estate projects.

The orders stipulate that the Bank is in violation of Section 4(2)(1)(D) of the Real Estate (Regulation and Development) Act, 2016 (“**RERA Act**”), as M/s Czar Buildwell Private Limited (promoter of the two underlying projects) had withdrawn ₹569 million and ₹258.70 million from the 70% RERA account in violation the provisions of the RERA Act. Pursuant to the Orders, the Bank was directed to return the amounts withdrawn in violation of the provisions of the RERA Act within a period of 30 days. The Bank filed appeals, each dated October 1, 2024, before the Haryana Real Estate Appellate Tribunal (“**Appellate Tribunal**”) to stay the effect of the Orders. The Appellate Tribunal disposed of the appeal and remitted the matter back to HRERA for fresh decision, granting the Bank liberty to file a reply and raise all issues with HRERA within three months. The written submissions were filed by the Bank to HRERA on July 8, 2025 and the matter is pending with HRERA.

3. Three companies (i.e. Insilco Agents Limited, August Agent Limited, and Laneseda Agents Limited) hold respective bank accounts and demat accounts with the Bank. In May 2021, conflicting account operating instructions were received from two management factions of these companies (representing Lodha group and Birla group). On account of conflicting instructions, the bank accounts and demat accounts were frozen, and both factions were informed. In March 2025, the Lodha faction filed writ petitions before Calcutta High Court seeking relief to operate the bank accounts and demat accounts. The Birla faction was not made a party to the proceedings. On April 9, 2025, the Calcutta High Court passed orders permitting operation of the bank accounts and the demat accounts subject to indemnity being provided to the Bank as per norms acceptable to the Bank. The Bank proceeded to comply with the orders and also informed the Birla faction. The Lodha group filed a contempt petition against the Bank and its MD & CEO alleging non-compliance of Calcutta High Court orders dated April 9, 2025. Meanwhile, the Birla group filed an application before the Calcutta High Court praying for recall of the orders dated April 9, 2025, alleging that the Lodha group obtained the said orders by suppression of material facts and disputes. The Bank has submitted to the Calcutta High Court that it is willing to comply with the directions as may be passed by the Calcutta High Court and vide order dated June 19, 2025 the Calcutta High Court has kept the contempt petition in abeyance and decided to hear the recall application filed by Birla group. Lodha group has also filed an appeal against the order dated June 19, 2025, keeping the contempt petitions in abeyance and directing hearing of the recall application. The clarification application filed by the Bank, contempt petition, recall application and the appeal are currently pending. The appeal before Division Bench of the Calcutta High Court was heard on December 16, 2025.
4. The Bank has been providing PayPro system services to Dhule Vikas Sahakari Bank Limited (“**DVSBL**”), to execute NEFT and RTGS transaction facility for their customers. On March 22, 2021, DVSBL filed a complaint before the Office of Adjudicating Officer, Directorate of Information and Technology at Mumbai (“**Adjudicating Officer**”) against the Bank under Sections 43(g), 43A, 47 and 85 of the Information Technology Act, 2000, alleging that the Bank failed to implement reasonable security practices as unauthorised transactions totalling ₹20.65 million had been debited from DVSBL’s account. In the complaint, DVSBL sought the payment of ₹17.91 million with interest at the rate of 18% p.a. The Adjudicating Officer passed an order dated January 21, 2025, directing the Bank to pay ₹17.91 million together with interest at the rate of 18%, a compensation of ₹5 million towards mental agony, and legal cost of ₹0.3 million. The Bank filed an appeal before the Telecom Disputes Settlement Appellate Tribunal, New Delhi on February 10, 2025 praying to the stay the operation and set aside the impugned order dated January 21, 2025 of the Adjudicating Authority. The appeal is currently pending.
5. A writ petition was filed in 2015 before the Calcutta High Court by the Society for Welfare of the Handicapped Persons (the “**Society**”) against Bank, alleging impersonation of a bank account at the Prince Anwarshah Road branch, Kolkata. Vide By judgment dated May 6, 2025, the Single Bench of the



Calcutta High Court (a) directed the RBI to constitute a high-level committee to inquire into the non-compliances by the Bank relating to account opening, (b) required the RBI to complete its inquiry by June 18, 2025, (c) authorised the RBI to determine the quantum of loss suffered by the Society and directed the Bank to make payment of such loss within 15 (fifteen) working days, (d) permitted the RBI to consider punitive actions against the Bank, and (e) directed the Bank to pay ₹2.5 million as cost of the legal proceedings. The RBI and the Bank filed appeals before the Division Bench of the Calcutta High Court, *inter alia*, on the grounds that (i) the RBI does not have statutory power to determine quantum of loss suffered by third parties, (ii) such a direction does not align with the RBI's statutory functions, and (iii) a writ petition is not maintainable against a private party such as the Bank.

On September 11, 2025, the Division Bench passed judgment *inter alia*, holding that (a) the RBI cannot be directed to determine disputes relating to losses allegedly suffered by complainants at the hands of the Bank, (b) as criminal proceedings are pending and disputed questions of fact are involved, quantification of any loss or damages is not appropriate in a writ proceeding, (c) the RBI's enquiry should be concluded strictly within the purview of the Banking Regulation Act, 1949 and related RBI circulars within 30 (thirty) days, and (d) the liability of the Bank, including for losses and costs of ₹2.5 million, has not been established. The direction to pay costs was set aside. The Society has filed an appeal before the Supreme Court of India challenging the order dated September 11, 2025. The appeal is currently pending for hearing.

6. A suit was filed on April 12, 2019 by Power Finance Corporation Limited (Power Finance) and others against the Bank and certain others, before the High Court of Delhi, alleging breach of various terms and conditions, by the Bank of the trust and retention accounts agreements entered into among Power Finance, the Bank and others. Power Finance had originally entered into a loan agreement with IND Bharat Power (Madras) Limited (Borrower), the Bank, being one of the lenders, and certain others, for an amount of ₹26,550 million. Pursuant to the loan agreement, a trust and retention agreement was also entered into among Power Finance, the Borrower, the Bank and certain others, in relation to govern the disbursement of loan amount to the Borrower (TRA). Power Finance claimed that the Bank, among others failed to, (i) adequately monitor and administer the disbursements made in accordance with the TRA, (ii) keep custody of the title documents of the Borrower; and (iii) effectively monitor and administer permitted investments in accordance with the procedure laid down in the TRA, thereby causing substantial losses to Power Finance. Power Finance has sought, among other things, a money decree for ₹6,250.90 million along with interest at the rate of 15% per annum. The matter is currently pending before the High Court of Delhi.
7. Mohanish Jabalpure (the "**Petitioner**") filed a criminal writ petition on August 7, 2019 before the Bombay High Court, Nagpur Bench, against the State of Maharashtra, the Bank and certain other individuals, challenging a circular dated May 11, 2017, issued by the Additional Director General of Police State of Maharashtra, transferring the salary accounts of the police officials from a public sector bank to the Bank. Further, pursuant to an order dated September 16, 2019, the Nagpur Bench of the Bombay High Court directed the criminal writ petition filed by the Petitioner to be examined as a public interest litigation. Pursuant to criminal public interest litigation number 5/2019 before the Nagpur Bench of the Bombay High Court, the Bank has been issued notice dated January 5, 2022, to file audit report for the years 2017-2018 and 2018-2019 and information on the number of salary accounts which have been added in the Bank from the police department. The Bank has filed its reply dated February 13, 2023, challenging the maintainability of the above-mentioned public interest litigation. The matter is pending before the Nagpur Bench of the Bombay High Court.
8. Punjab National Bank (PNB) has filed an application under Section 11 of the Arbitration and Conciliation Act, 1996 against the Bank before the High Court of Delhi, at New Delhi, for appointment

of an arbitrator. The application has been filed in relation to a dispute which arose between the parties in relation to sharing of certain documents with PNB for its forensic audit. The High Court of Delhi, by way of its orders dated March 12, 2021 and April 9, 2021, disposed the application and appointed a sole arbitrator. PNB has filed their statement of claim and the Bank has also filed its statement of defense. PNB and the Bank have also filed the affidavit of evidence of their respective witnesses. The matter is currently pending before sole arbitrator for further proceedings. The matter is at final hearing stage.

### ***Criminal Litigation***

224 criminal cases have been filed against the Bank, its Directors, the managers of its branches and its employees, in relation to alleged violations arising in the ordinary course of business operations of the Bank, including, among others, cases filed under Bhartiya Nyaya Sanhita, 2023, the erstwhile Indian Penal Code, 1860 alleging criminal conspiracy and criminal breach of trust, cheating and dishonestly inducing delivery of property, forgery for purpose of cheating and cases filed under the Negotiable Instruments Act, 1881 for dishonour of cheques. These matters are currently pending at various stages of adjudication.

### ***Regulatory Proceedings***

#### *Advisory, warning, caution and show cause notices issued by RBI*

1. In the current and preceding three financial years, the RBI had issued five show cause notices to the Bank, from time to time, alleging among other things, (i) violation of certain provisions of the Banking Regulation Act, 1949; (ii) non-compliance with certain guidelines and directions issued by the RBI; and (iii) non-compliance with KYC norms. The Bank has responded to all the 5 show cause notices addressing the concerns raised by the RBI. Certain of these notices were issued pursuant to the inspections conducted by the RBI. Four of these notices have resulted in penalties amounting to ₹34.1 million pursuant to orders issued by the RBI. Besides, RBI had also imposed a penalty of ₹9.3 million pertaining to one show cause notices issued in Financial Year 2021-2022 on the Bank for non-compliance with certain directions issued by RBI on 'Loans and Advances, Know Your Customer (KYC) and Levy of penal charges on non-maintenance of minimum balances in savings bank accounts'. As on date, the Bank had paid the requisite penalties.
2. The Bank voluntarily filed an application dated August 6, 2024 for compounding of contravention of relevant provisions of FEMA. The contravention sought to be compounded pertained to the applicant, being a Foreign Owned and Controlled Company (FOCC), (i) reporting downstream investments undertaken by the Bank, to the Department for Promotion of Industry and Internal Trade (DPIIT), Government of India, with a delay beyond the specified timeline of 30 days and (ii) not complying with the applicable pricing guidelines while acquiring equity stake in another Indian company. The Bank had made the payment of ₹3.73 million on February 25, 2025 as part of the compounding application.
3. In the current and preceding three financial years, the RBI has issued various advisories, warning and caution letters to the Bank from time to time in relation to certain areas of operations. The Bank in relation to the same has taken suitable measures in respect of the issues highlighted and responded to RBI on the remedial action taken by the Bank.

#### *Show cause notices issued, penalties imposed by the Enforcement Directorate*

In the current and preceding three financial years, there are no pending show cause notices or penalties imposed by the Enforcement Directorate against the Bank as considered material as per Materiality Policy.

#### *Show cause notices issued by other regulators*

1. The Bank received a show cause notice (the "SCN") from the Director, Financial Intelligence Unit ("FIU"), dated September 28, 2022, under Section 13 of Prevention of Money Laundering Act, 2002 and the PML (Maintenance of Records) Rules 2005 issued thereafter. The SCN alleged lack of KYC/due

diligence checks during account opening and failure to conduct due diligence on an ongoing basis which allegedly led to an alleged fraud in an account at its Gurgaon Sector 83 branch. The Bank responded to the SCN on October 19, 2022. However, on June 3, 2024, the FIU levied a penalty of ₹ 16.6 million. The penalty is yet to be paid by the Bank since the matter has been referred to PMLA Appellate Tribunal which is at hearing stage and currently pending.

2. The Financial Intelligence Unit (“**FIU**”) served two show cause notices (“**SCNs**”) on the Bank, on November 15, 2011 and September 5, 2014, highlighting alleged violations of Prevention of Money Laundering Act, 2002 amongst others, failure to correctly report cash transaction report, suspicious transaction report, failure to verify identity of the customer while opening the account, failure to have proper mechanism in place to detect and report suspicious transactions and not following proper KYC norms. Based on personal hearings granted by FIU and clarification given by the Bank on the matter, the FIU vide its order dated April 13, 2016, levied a fine of ₹3.92 million. The Bank has filed a case in the High Court of Delhi. The matter is currently pending.
3. The Insurance Regulatory and Development Authority of India (“**IRDAI**”) issued a show cause notice to the Bank vide letter dated September 2, 2022, alleging that the Bank made undue profits/gains from purchase and sale of equity shares of Max Life Insurance Company Ltd (“**MLIC**”), a group concern, with the promoters of MLIC. As per the relevant norms framed by IRDAI, every insurance company is required to seek prior approval of IRDAI for the transfer of shares exceeding 1% of shareholding or if aggregate shareholding exceeds 5% of its paid-up capital. However, it was observed by IRDAI that the promoters of Insurer i.e. Max Financial Services Limited and Mitsui Sumitomo Insurance allegedly had a series of sale and purchase transactions with the Bank. In view of the above, the Bank was issued a show-cause notice (“**SCN**”). The Bank submitted the response to the SCN on September 8, 2022. However, IRDAI had imposed a penalty of ₹20 million, which was paid by the Bank.
4. The Bank acquired a 9.9% stake in CSC e-Governance Services India Limited (“**CSC**”) in November 2020. As per the extant Competition Act, 2002, one of the thresholds for small target exemption was that turnover of the target company should be below ₹10,000 million. At the time of the evaluation and internal approval for the investment, based on the last audited financials available at that time (Financial Year 2019) the turnover of CSC was estimated to be ₹9,200 million which was below the threshold. However, by the time the transaction documents got signed and the investment got closed, CSC’s Financial Year 2020 results had been finalised and CSC’s turnover for Financial Year 2020 was ₹10,960 million, which exceeded the threshold available for Competition Commission of India (“**CCI**”) exemption and was inadvertently missed by the Bank prior to consummation of the investment. Thus, CCI imposed a penalty of ₹4 million on the Bank which was paid by the Bank.

#### *Penalties imposed by other regulators*

In the current and preceding three financial years, there are no pending penalties imposed by other regulators against the Bank as considered material as per Materiality Policy.

#### *SEBI Action*

SEBI issued a show cause notice dated October 24, 2024, to the Bank, Axis Securities Limited and Axis Capital Limited along with other parties of Max Financial Services Limited and Max Life Insurance Company Limited on account of certain observations on Investment made by the Bank and its subsidiaries in Max Financial Services Limited. The response was submitted on November 11, 2024. Based on the submissions made by the Bank, no penalty was levied on the Bank.

**Tax Proceedings**

There is no tax proceeding exceeding ₹10,876.60 million involving the Bank as of the date of this Offering Circular.

**Litigation by the Bank*****Material Civil Litigation***

The Bank, along with other banks, had filed Writ Petition on September 2, 2019 before the Supreme Court of India, wherein the Union of India, the Central Information Commission, and the Central Public Information Officer of the Reserve Bank of India are party Respondents. The Writ Petition has been filed, inter alia, seeking (a) declaration that the information obtained by Reserve Bank of India in the course of its inspections and regulatory functions relating to banks and financial institutions are exempted from disclosure under Right to Information Act, 2005, (b) direction to RBI and other Respondents to forbear from disclosing the information obtained by RBI. An application for interim reliefs to prevent RBI from disclosing bank information pending disposal of Writ Petition was also filed and pending for hearing. The matter is currently pending for hearing before the Supreme Court of India.

***Criminal Litigation***

Certain criminal cases have been filed by the Bank against various parties in relation to alleged violations arising in the ordinary course of our business operations under, among others, Bharatiya Nyaya Sanhita (BNS), 2023, the erstwhile Indian Penal Code, 1860 and the Negotiable Instruments Act, 1881. These matters are currently pending at various stages of adjudication.

**Litigation involving our Directors**

Certain cases have been filed against some of our Directors in their capacity as directors of the Bank. These matters are in the ordinary course of business and are currently pending at various stages of adjudication.

**Litigation against our Subsidiaries*****Material Civil Litigation***

There have been no civil litigation filed against our Subsidiaries exceeding ₹10,876.60 million as of the date of this Offering Circular.

***Criminal Litigation***

There have been no criminal litigation filed against our Subsidiaries.

***Regulatory Proceedings***

Our Subsidiaries are subject to show cause notices, penalties and warnings from various government authorities in the ordinary course of business.

**Litigation by our Subsidiaries*****Material Civil Litigation***

There are no civil litigations filed by our Subsidiaries which exceed an amount of ₹10,876.60 million.

***Criminal Litigation***

Certain criminal cases have been filed by the Subsidiaries against various parties in relation to alleged violations arising in the ordinary course of our business operations under, among others, Bharatiya Nyaya Sanhita (BNS),

2023, the erstwhile Indian Penal Code, 1860 and the Negotiable Instruments Act, 1881. These matters are currently pending at various stages of adjudication.

**Inquiries, inspections or investigations under Companies Act against the Bank or its subsidiaries in the last three years**

A show cause notice dated May 18, 2018, was issued by the Ministry of Corporate Affairs, Government of India, to the Bank alleging non-compliance with certain provisions of the Companies Act, read with the Companies (Restriction on Number of Layers) Rules, 2017 in relation failure by the Bank, to file a return in e-form CRL-1 within the prescribed time limit prescribed under the Companies Act, read with the Companies (Restriction on Number of Layers) Rules, 2017. The Bank replied to the show cause notice, by way of its letter dated May 24, 2018, stating that a banking company (as defined in the Banking Regulation Act) is exempt, from the requirement of filing of e-form CRL-1 under the Companies (Restriction on Number of Layers) Rules, 2017 and thus the Bank was not required to file the form with the RoC. The matter is currently pending.

**Prosecutions filed against, fines imposed on, or compounding of offences by the Bank or its Subsidiaries in the last three years under the Companies Act**

There have been no prosecutions filed against, fines imposed on, or compounding of offences by the Bank or its Subsidiaries in the last three years under the Companies Act or any previous company law.

**Defaults in respect of dues payable**

The Bank has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest thereon) or dues in respect of deposits (including interest thereon) or any defaults in repayment of loans from any bank or financial institution (including interest thereon).

**Details of frauds reported in the last three years**

The details pertaining to the fraud accounts reported in the last three years, as identified in the Financial Statements for Fiscals 2025, 2024 and 2023 are given below:

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Number of frauds reported during the year .....	19,625	33,005	7,865
Amounts involved (in ₹ million).....	490.49	260.50	172.54

**Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon**

As on the date of this Offering Circular, the Bank has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution, except where there is dispute under litigation.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the **Clearing Systems**) currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Book-entry Systems

#### **DTC**

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Direct Participants**) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly owned subsidiary of The Depository Trust and Clearing Corporation (**DTCC**). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants** and, together with Direct Participants, **Participants**). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org) but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **DTC Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct Participant’s and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the

Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practice, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, will be legended as set forth under "*Transfer Restrictions*".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent.

DTC may discontinue providing its services as depository with respect to the DTC Notes at any time by giving reasonable notice to the Issuer or the relevant agent. Under such circumstances, in the event that a successor depository is not obtained, DTC Note certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

### ***Euroclear and Clearstream***

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between its account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Book-entry Ownership of and Payments in respect of DTC Notes**

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositories of Euroclear and Clearstream. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium (if any), and interest, if any, on Notes to DTC is the responsibility of the Issuer.



## Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under “*Transfer Restrictions*”, cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent and any custodian (**Custodian**) with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (**T+3**). The customary arrangements for delivery versus payment will apply to such transfers. Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Trustee, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND U.S. GAAP

*The Financial Statements have been prepared in accordance with the accounting policies followed by the Bank which conform to Generally Accepted Accounting Principles in India and the RBI Guidelines as applicable to the Bank. The following are significant differences between Indian GAAP and U.S. GAAP, limited to those significant differences that are appropriate to the Bank'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 U.S. GAAP as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Bank's financial statements as a result of transactions or events that may occur in the future. The Financial Statements reflect applicable statutory requirements, regulatory guidelines and accounting practices in India; these requirements, guidelines and practices change from time to time and may have been applied prospectively. As a result, the financial statements of the Bank on a period-by-period basis may not be directly comparable.*

Indian GAAP	U.S. GAAP
<hr/> <p><b><i>Financial Statements Presentation and Disclosure</i></b></p> <p>Two years' balance sheets, profit and loss account, accounting policies and notes and cash flow statements are required under Indian GAAP.</p> <p><b><i>Changes in accounting policies</i></b></p> <p>Impact of adjustments resulting from the change to be shown in the income statement of the period in which the change is made except as specified in certain standards where the change resulting from adoption of such standards has to be shown by an adjustment to opening retained earnings.</p> <p><b><i>Revaluation of property, plant and equipment</i></b></p> <p>Use of historical cost or revalued amounts is permitted. Revaluation of an entire class of assets or of a selection of assets is required to be carried out on a systematic basis. An increase in net book value as a result of revaluation is taken directly to revaluation reserves while a decline is charged to a profit and loss account.</p> <p><b><i>Unrealised gains/losses on investments</i></b></p> <p>All investments are categorised into "Held to Maturity", "Available for Sale" and "Fair value through Profit and Loss". "Held to Maturity" securities are carried at their acquisition cost or at amortised cost if acquired at a premium over the face value. "Available for Sale" and "Fair value through Profit and Loss" securities are valued periodically according to the RBI guidelines.</p>	<hr/> <p><b><i>Financial Statements Presentation and Disclosure</i></b></p> <p>Companies filing U.S. GAAP financial statements with the SEC are required to present three years' statements of operations and stockholders' equity, and other comprehensive income and cash flow statements and two years' balance sheets.</p> <p><b><i>Changes in accounting policies</i></b></p> <p>Retrospective application requiring the entity to adjust each affected component of equity for the earliest period presented and comparative income statement presented, except where impracticable to do so. Transition provisions are generally specified in new standards and may be different.</p> <p><b><i>Revaluation of property, plant and equipment</i></b></p> <p>Revaluation is not permitted.</p> <p><b><i>Unrealised gains/losses on investments</i></b></p> <p>Investments are categorised into "Held to Maturity", "Available for Sale" or "Trading" based on management's intent and ability. While "Trading" and "Available For Sale" securities are valued at fair value, "Held to Maturity" securities are valued at cost, adjusted for amortisation of premiums and accretion of discount. The unrealised gains and losses on "Trading" securities are taken to the income</p>

***Amortisation of premium/discount on the purchase of investments***

Under Indian GAAP, premium or discount over the face value of fixed rate and floating rate investments classified under the HTM category is amortised over the remaining life of the instrument.

***Allowances for credit losses***

All credit exposures are classified according to the RBI guidelines into performing and NPAs. Furthermore, NPAs are classified into substandard, doubtful and loss assets for provisioning based on the criteria stipulated by the RBI. Provisions are made in accordance with the RBI guidelines. For restructured assets, a provision is made in accordance with the guidelines issued by the RBI, which require the diminution in the fair value of the assets to be provided at the time of restructuring. In addition to the specific provisioning made on NPAs, the Bank maintains general provisions to cover potential credit losses of standard assets in accordance with the RBI guidelines and internal policies of the Bank. In case of overseas branches, general provision on standard advances is maintained at the higher of the levels stipulated by the respective overseas regulator or the RBI.

***Loan origination fees/costs***

Loan origination fees are recognised upfront on their becoming due. Loan origination costs are taken to the profit and loss account in the year in which they are incurred.

***Derivatives***

Derivatives are disclosed as off-balance sheet exposures. The derivatives are bifurcated as trading or hedge transaction. Trading derivatives are revalued at the balance sheet date with the resulting unrealised gain/loss being recognised in the profit and loss account and correspondingly in other assets

statement, while those of “Available for Sale” securities are reported as a separate component of stockholders’ equity, net of applicable taxes, until realised. In case a security is assessed to be other than temporarily impaired, the unrealised losses are recognised in an income statement.

***Amortisation of premium/discount on the purchase of investments***

Premium/discount amortisation is permitted for all categories of investments over the period of remaining maturity on an effective interest rate basis.

***Allowances for credit losses***

Allowances for credit losses are required to be made in accordance with FASB ASC 326. An estimate of the expected credit losses on loans and receivables should be recognized as an allowance immediately, upon either origination or acquisition of the asset, and adjusted as of the end of each subsequent reporting period. There is no specified threshold for the recognition of an impairment. The expected credit losses should reflect losses expected over the contractual life of the asset and consider historical loss experience, current conditions, and reasonable and supportable forecasts.

***Loan origination fees/costs***

Loan origination fees (net of certain loan origination costs) are deferred and recognised as an adjustment to yield over the life of the loan.

***Derivatives***

All derivatives are required to be recognised as assets or liabilities on the balance sheet and measured at fair value with changes in fair value being recognised in earnings. Fair values are based on quoted market prices, or absent quoted market prices, based on valuation technique, which may take into account

## Indian GAAP

or other liabilities respectively. The effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. In case of a fair value hedge, the changes in the fair value of the hedging instruments and hedged items are recognized in the Profit and Loss Account and in case of cash flow hedges. The accumulated balance in the Cash Flow Hedge Reserve, in an effective hedging relationship, is recycled in the Profit and Loss Account at the same time that the impact from the hedged item is recognised in the Profit and Loss Account.

### ***Employee Benefits***

AS 15 requires the use of projected unit credit method to determine benefit obligation. The discount rate for obligations is based on market yields of government securities.

All actuarial gains and losses have to be recognised immediately in the profit and loss account.

### ***Deferred Taxes***

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

Deferred tax is not created on undistributed earnings of subsidiaries and affiliates.

### ***Employee Stock Option Plan***

According to the guidance note on Accounting for Employee Share based payments, effective for all share based grants made after 1 April 2005, employee share based plans are classified into equity settled, cash settled and employee share based payments plans with alternatives. Any plan falling into the above categories can be accounted for adopting fair

## U.S. GAAP

available current market and contractual prices of the similar instrument as well a time value underlying the positions. If a derivative qualifies as a hedge, depending on the nature of the hedge, the effective portion of the hedge's change in fair value is either offset against the change in fair value of the hedged asset, liability or firm commitment through income or held in equity until the hedge item is recognised in income. The ineffective portion of a hedge is immediately recognised in income. Further hedge item is also required to be measured at fair value.

### ***Employee Benefits***

Obligation for defined benefit plans must be measured using projected unit credit method. The discount rate for obligations is based on market yields of high-quality corporate bonds.

Immediate recognition of actuarial gains or losses is not required.

### ***Deferred Taxes***

Income taxes are accounted for according to the provisions of FASB ASC 740, "Income Taxes". FASB ASC 740 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial reporting and tax basis of assets and liabilities, using enacted tax rates in force.

Deferred tax assets are recognised subject to a valuation allowance based upon management's judgement as to whether realisation is considered more likely than not that the assets will be realised.

Deferred tax is created on undistributed earnings of subsidiaries and affiliates.

### ***Employee Stock Option Plan***

Under U.S. GAAP, share based payments are accounted for under FASB ASC topic 718, "Compensation – stock compensation", employee stock based compensation plans have to be accounted in income statement using the fair value method.

## Indian GAAP

value method or intrinsic value method as at the grant date. An enterprise using the intrinsic value method is required to make fair value disclosures.

Listed companies are also to observe the specific guidance by market regulator.

### *Accounting for subsidiaries and affiliates*

Under Indian GAAP, the Bank is required to present both unconsolidated and consolidated financial statements. Under unconsolidated financial statements, financial position and results of operations of controlled entities are not consolidated, but are reflected on the basis of cost subject to consideration of impairment.

The Bank is also required to consolidate subsidiaries where it controls the ownership, directly or indirectly, of more than one-half of the voting power or controls the composition of the board of directors with the objective of obtaining economic benefits from their activities. The Bank accounts for investments in associates under the equity method of accounting.

### *Accounting for Securitisation*

Under Indian GAAP, the gain on a securitisation transaction is recognised over the period of underlying securities issued by the special purpose vehicle as prescribed under the RBI guidelines. The losses, if any, are charged off immediately.

## U.S. GAAP

### *Accounting for subsidiaries and affiliates*

U.S. GAAP mandates preparation of consolidated financial statements.

Consolidation of subsidiaries is required where the Bank, directly or indirectly, holds more than 50% of the voting rights or exercises control. Entities where the Bank holds 20% to 50% of the voting rights and/or has the ability to exercise significant influence are accounted for under the equity method, and the pro rata share of their income (loss) is required to be included in the income statement as per FASB ASC Topic 323. The Bank will be required to consolidate Variable Interest Entities (VIEs) where the Bank is determined to be the primary beneficiary under FASB ASC 810.

### *Accounting for Securitisation*

Under U.S. GAAP, any gain or loss on the sale of the financial asset is accounted for in the income statement at the time of the sale according to ASC Topic 860, "Transfers and Servicing".

## THE INDIAN FINANCIAL SECTOR

*The information presented in this section has been extracted from publicly available documents from various sources, including officially prepared materials from the Government and its various ministries, the Reserve Bank of India, the National Payments Corporation of India and the Indian Banks' Association, and has not been prepared or independently verified by the Bank, the Arrangers, the Dealers or any of their affiliates or advisers. Wherever the Bank has relied on figures published by the RBI, unless stated otherwise, it has relied on the RBI Report on Trend and Progress of Banking in India, the RBI Financial Stability Report Issue (June 2025), RBI Data on Sectoral Deployment of Bank Credit, the Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks published by the RBI and the Bank wise ATM/POS/Card Statistics published by the RBI. The accuracy and completeness of the industry sources and publications referred to by us, and the underlying assumptions on which such sources and publications are based, are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.*

*Statements in this section that are not statements of historical fact constitute "forward-looking statements". Such forward-looking statements are subject to various risks, assumptions and uncertainties and certain factors could cause actual results or outcomes to materially differ.*

### Introduction

The RBI, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system, including 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:

- scheduled commercial banks, including:
  - public sector banks;
  - regional rural banks;
  - private sector banks; and
  - foreign banks;
- co-operative banks;
- long-term lending institutions;
- non-banking finance companies;
- other specialized financial institutions;
- state-level financial institutions;
- insurance companies; 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. The former are banks which are included in the second schedule to the Reserve Bank of India Act, 1934, as amended (the **RBI Act**). These banks comprise scheduled commercial banks and scheduled cooperative banks. Scheduled commercial banks may be further classified as public sector banks, private sector banks, foreign banks and regional rural 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.

## **The Reserve Bank of India**

The RBI, established in 1935, is the central banking and monetary authority in India. The RBI manages India's monetary supply and foreign exchange and also serves as a lender of last resort for the Government and for the country's commercial banks. In addition to regulating and supervising the Indian financial system, the RBI performs a number of functions including:

- issuing currency;
- managing debt for the Government and certain state governments;
- managing India's foreign exchange reserves;
- managing the capital account of the balance of payments;
- regulating and supervising payment settlement systems; and
- operating a grievance redress scheme for bank customers through the banking ombudsman and formulating policies for fair treatment of banking customers.

In addition to these traditional central banking roles, the RBI also undertakes certain developmental and promotional roles, such as financial inclusion initiatives and strengthening of the credit delivery mechanisms to priority sectors and weaker sections, including agricultural entities, small and micro-enterprises and for affordable housing and education.

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 all institutions subject to its regulatory oversight to furnish information relating to their respective businesses to it on a regular basis. For further discussion regarding the RBI's role as the regulatory and supervisory authority of India's financial system and its impact on the Bank, see "*Supervision and Regulation – Regulations in Relation to the Bank*".

## STRUCTURE OF INDIA'S BANKING INDUSTRY

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### Introduction

The RBI, the central banking and monetary authority of India, is the central regulatory and 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:

Article I commercial banks;

Article II small banks and payment banks;

Article III long-term lending institutions;

Article IV non-banking financial companies, including housing finance companies;

Article V other specialized financial institutions and state-level financial institutions;

Article VI insurance companies; and

Article VII 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 Reserve Bank of India, established on April 1, 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 Reserve Bank is fully owned by the Government of India. The RBI manages the country's money supply and foreign exchange and also serves as a bank for the Government and for the country's commercial banks. In addition to these traditional central banking roles, the RBI undertakes certain developmental and promotional roles.

The RBI issues guidelines on exposure limits, income recognition, asset classification, provisioning for non-performing and restructured assets, investment valuation and capital adequacy for commercial banks, long-term lending institutions and non-banking financial companies. The RBI requires these institutions to furnish information relating to their businesses to it on a regular basis.

## **Commercial Banks**

Commercial banks in India have traditionally focused on meeting the short-term financial needs of primary, secondary & tertiary sector. In recent years they have also focused on increasing long-term financing to sectors like infrastructure. As of March 31, 2025, there were 135 SCBs in the country, including 43 regional rural banks (“RRBs”). SCBs are banks that are listed in the 2nd schedule to the RBI Act and are further categorized as public sector banks, private sector banks and foreign banks. SCBs have a presence throughout India with majority of them located in rural or semi-urban areas of the country. A large number of these branches belong to the public sector banks.

### ***Public Sector Banks***

As on March 31, 2025, there were 12 public sector banks in India and these make up the largest category in the Indian banking system. In one of the largest consolidations in the Indian banking industry, the Bank merged its five associate banks State Bank of Patiala, State Bank of Bikaner and Jaipur, State Bank of Raipur, State Bank of Travancore, State Bank of Hyderabad as well as Bhartiya Mahila Bank (“BMB”) with itself. The merger was effective from April 1, 2019. In fiscal 2019, the ownership of a public sector bank, IDBI Bank, was acquired by LIC, following which IDBI Bank was reclassified as a private sector bank by the RBI.

During the Financial Year ended March 31, 2020, 10 of the Public Sector Banks were merged into 4 entities. These included the merger of United Bank of India and Oriental Bank of Commerce with Punjab National Bank, Syndicate Bank merger with Canara Bank, Allahabad Bank merger with Indian Bank and merger of Andhra Bank and Corporation Bank with Union Bank of India.

Regional rural banks 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. The National Bank for Agriculture and Rural Development is responsible for supervising the functions of the regional rural banks. As at March 31, 2025, there were 43 regional rural banks.

### ***Private Sector Banks***

Most large banks in India were nationalized in 1969, resulting in public sector banks making up the largest portion of Indian banking. The Government's focus on public sector banks was maintained throughout the 1970s and 1980s. In addition, existing private sector banks that showed signs of an eventual default were merged with state-owned banks. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the RBI permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks. These banks are collectively known as the “new” private sector banks. As at March 31, 2025 there were a total of 21 private banks and private sector banks.

### ***Foreign Banks***

As at March 31, 2025, there are 44 foreign banks operating in India. The primary activity of most foreign banks in India has been in the corporate segment. However, some of the larger foreign banks have made retail banking a significant part of their portfolios. Most foreign banks operate in India through branches of the parent bank. Certain foreign banks also have wholly owned non-banking financial company subsidiaries or joint ventures for both corporate and retail lending.

### ***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), 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 March 22, 2021, marking a significant shift in the approach to infrastructure financing in India, as it denotes the return of Development Financial Institutions (DFIs) in the country after a few decades. The Act subsequently received the assent of the President on March 28, 2021 and has come into force effective April 19, 2021. Reserve Bank of India (RBI) vide its letter dated March 8, 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:

- |              |  |
|--------------|--|
| Article VIII | fee-based activities such as investment banking and advisory services; and                 |
| Article IX   | short-term lending activity, including making corporate finance and working capital loans. |

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 9,291 non-banking financial companies in India as of December 31, 2024, mostly in the private sector. All non-banking financial companies are required to register with the RBI. The non-banking financial companies may be categorized into entities which take public deposits and those which do not. As on March 31, 2025, there were 21 deposit accepting (NBFCs-D). The companies which take public deposits are subject to strict supervision and the capital adequacy requirements of the RBI. The RBI classifies non-banking financial companies into three categories: asset finance companies, loan companies and investment companies. In February 2010, the RBI introduced a fourth category of non-banking financial company called infrastructure finance companies and followed up in December 2011 with the announcement of a separate category of non-banking financial company — microfinance institutions. The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting.

## **Housing Finance Companies**

Housing finance companies form a distinct sub-group of non-banking financial companies. As a result of the various incentives given by the Government for investing in the housing sector in recent years, the scope of this business has grown substantially. 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 provides for securitization of housing loans, foreclosure of mortgages and setting-up of the Mortgage Credit Guarantee Scheme.

## **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.

## **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 July 17, 2014, issued draft guidelines for the licensing of payment banks and on November 27, 2014 issued guidelines for small finance 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 6 payment banks and 11 small finance banks.

## **Insurance Companies**

As on March 31, 2025, there are 61 insurers operating in India; of which 26 are life insurers, 27 are general 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.

The insurance sector in India is regulated by the Insurance Regulatory and Development Authority. In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999, which amended the Insurance Act, 1938 and opened up the Indian insurance sector for foreign and private investors.

In its monetary and credit policy for fiscal 2001, the RBI issued guidelines governing the entry of banks and financial institutions into the insurance business. The guidelines permit banks and financial institutions to enter the business of insurance underwriting through joint ventures provided they meet stipulated criteria relating to their net worth, capital adequacy ratios, profitability track record, level of non-performing loans and the performance of their existing subsidiary companies.

## **Mutual Funds**

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India at the initiative of the Government and the RBI. From 1963 to 1987, Unit Trust of India was the only mutual fund operating in India. From 1987 onwards, several other public sector mutual funds entered this sector. These mutual funds were established by public sector banks, LIC and General Insurance Corporation of India. The mutual funds industry was opened up to the private sector in 1993. The industry is regulated by the SEBI (Mutual Fund) Regulations, 1996. The AUM of the Indian MF Industry has grown from ₹12.04 trillion as on May 31, 2015 to ₹72.20 trillion as on May 31, 2025 about 6 fold increase in a span of 10 years

The Industry's AUM had crossed the milestone of ₹10 Trillion (₹10 Lakh Crore) for the first time in May 2014 and in a short span of about three years, the AUM size had increased more than two folds and crossed ₹ 20 trillion (₹20 Lakh Crore) for the first time in August 2017. The AUM size crossed ₹ 30 trillion (₹30 Lakh Crore) for the first time in November 2020. The Industry AUM stood at ₹72.20 Trillion (₹ 72.20 Lakh Crore) as on May 31, 2025

## ***Committee on Banking Sector Reform***

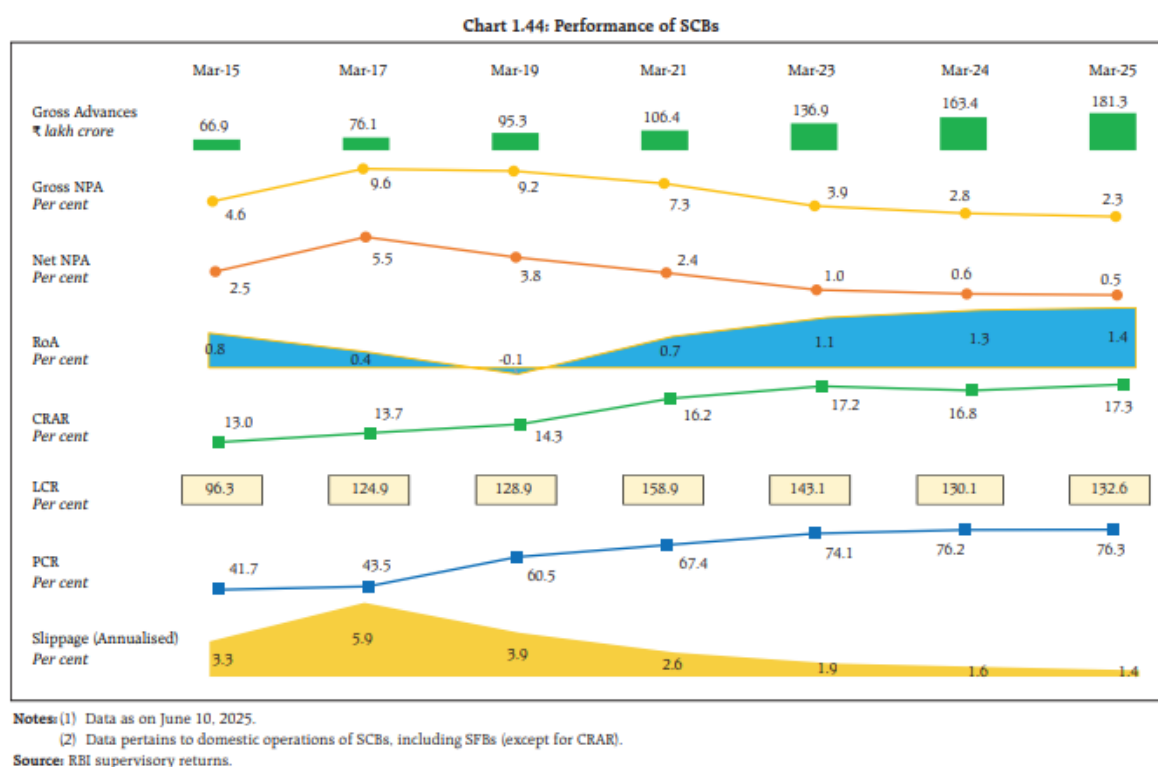
The second Committee on Banking Sector Reform ("**Narasimham Committee II**") submitted its report in April 1998. The major recommendations of the committee were in respect of capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The RBI accepted and began implementing many of these recommendations in October 1998.

Banks implemented new prudential accounting norms for the classification of assets, income recognition and loan loss provisioning. Following the Bank for International Settlements guidelines, capital adequacy norms were also prescribed. To meet additional capital requirements, public sector banks were allowed to access the market for funds. Interest rates were deregulated, while the rate of directed lending was progressively reduced.

## Commercial Banking Trends

### Banking System

The resilience of the banking system has been pivotal to the strength of the Indian financial system. This is evident in scheduled commercial banks' (SCBs) strong capital and liquidity buffers, improved asset quality and robust earnings. Adequate high quality common equity tier 1 (CET1) capital, declining loan losses and credit costs, and solid profitability lend credibility to their soundness and ability to lend to households and businesses as well as absorb losses in the event of downside risks



Notwithstanding the solid performance of banks during the last three years, they could face some pressure in the near-term:

(1) easing monetary policy cycle could impact the net interest margin (NIM) as growing share of loan book is linked to the external benchmark-based lending rate (EBLR), which is reset more frequently with change in repo rate. On the other hand, term deposits, which are also growing, have fixed contractual rates that change less frequently. The recent 100 bps cut in CRR, however, will cushion this impact by releasing funds for banks and reducing their costs; (2) credit growth has slowed, and credit impulse has turned negative. Economic slowdown, if any, amidst heightened uncertainty could drag credit demand lower, which may impact asset quality and profitability; and (3) banks' liability profile is changing with the share of higher-cost term deposits and CDs growing compared to low-cost current account and savings account (CASA) deposits

Chart 1.45: SCBs' Capital, Asset Quality and Profitability

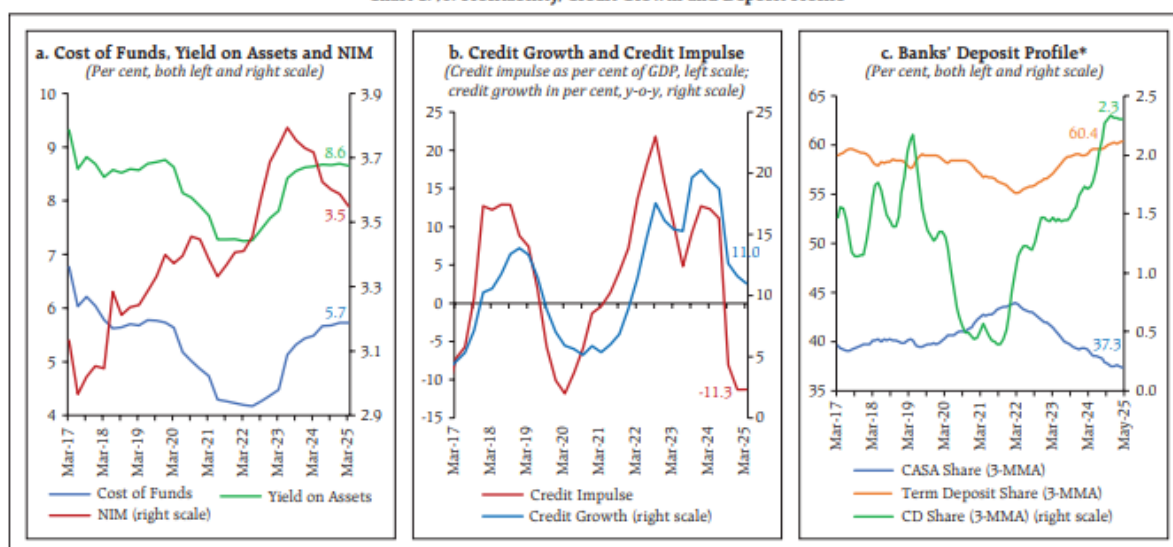


Note: \* Credit cost = Annualised (Risk provisions + write-offs)/ Average gross loans and advances.

Source: RBI supervisory returns.

Post-pandemic, bank loan growth was largely driven by lending to the retail and services sector, particularly through unsecured retail loans and lending to the NBFCs. Pursuant to the RBI's decision to increase risk weights on certain segments of consumer credit and bank lending to the NBFCs, loan growth in these two sectors has fallen sharply, contributing to a slowdown in total loan growth. Overall, a more cautious approach by lenders,

Chart 1.46: Profitability, Credit Growth and Deposit Profile



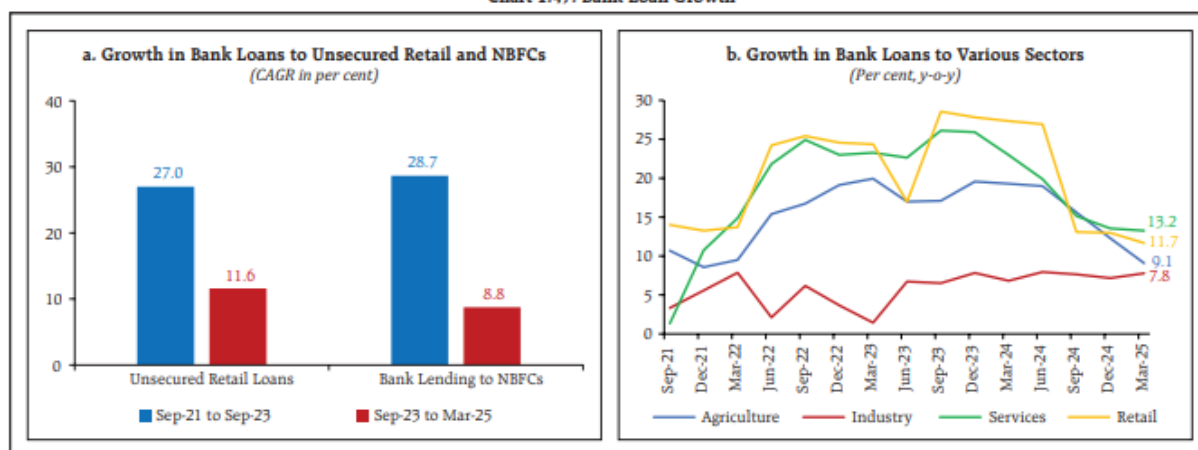
Note: \* 3-MMA = 3 month moving average.

Source: RBI supervisory returns.

improvement in lending standards, and the restoration of risk weights on bank lending to NBFCs are stability-enhancing and credit positive

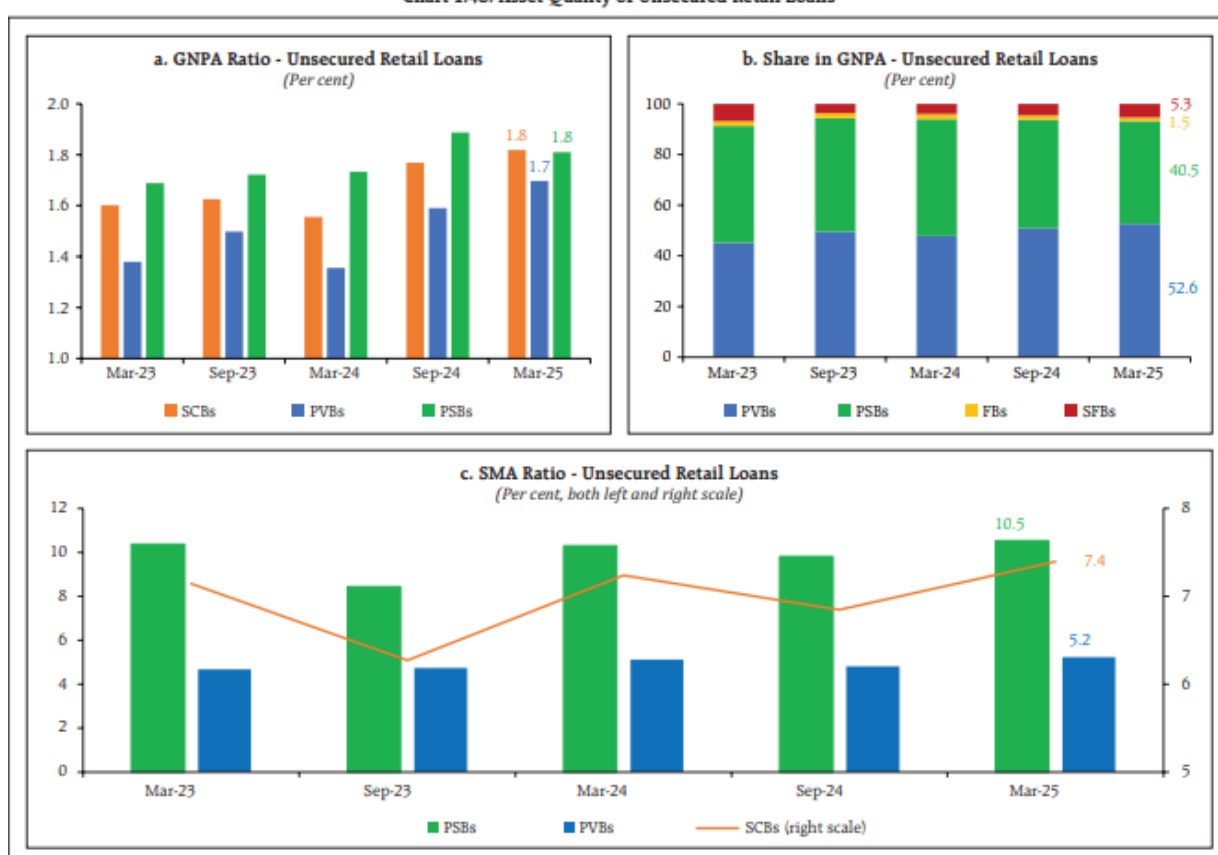
Even as unsecured retail lending has moderated – it forms 25.0 per cent of retail loans and 8.3 per cent of gross advances – its asset quality has relatively weakened compared to the overall retail portfolio - gross non-performing asset (GNPA) ratio at 1.8 per cent vis-à-vis 1.2 per cent in March 2025 - especially in respect of private sector banks (PVBs). On the other hand, the SMA ratio, an indicator of possible stress build-up in loan book, has risen, led by public sector banks (PSBs)

Chart 1.47: Bank Loan Growth



Source: RBI supervisory returns.

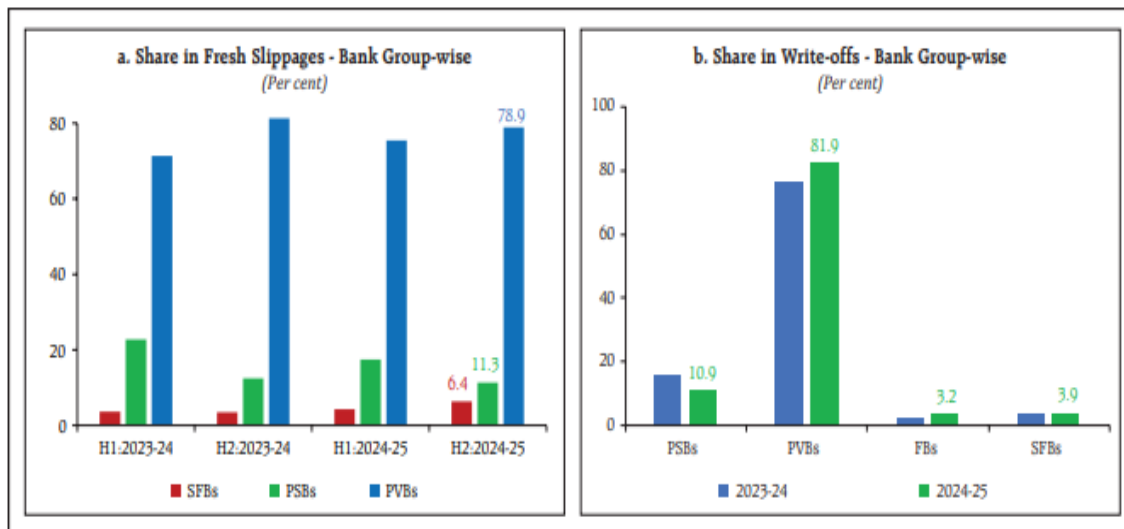
Chart 1.48: Asset Quality of Unsecured Retail Loans



Sources: RBI supervisory returns and staff calculations.

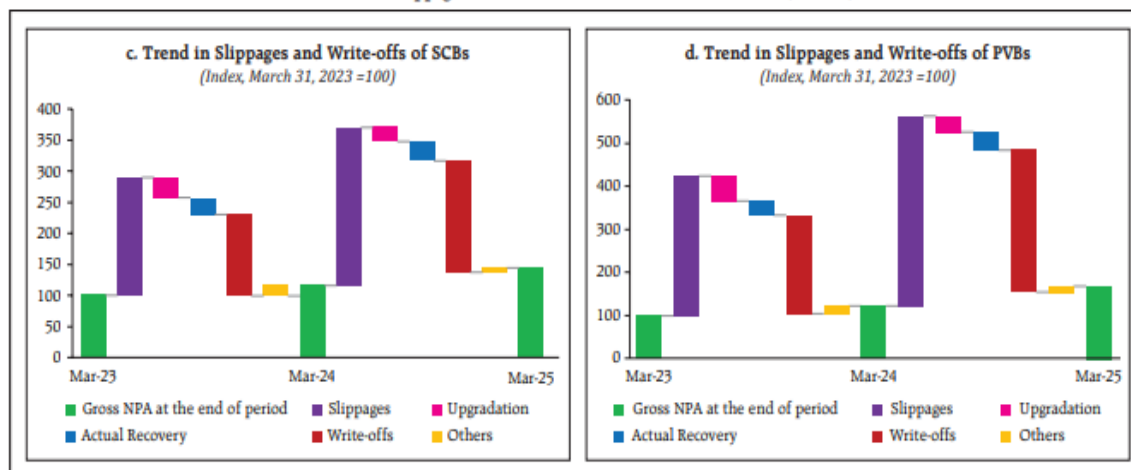
Slippages in unsecured retail loans remain elevated for PVBs. Fresh slippage in unsecured retail loans continues to dominate the overall slippage in retail loan segment with PVBs' contribution significantly higher among bank groups. Alongside, write-offs continue to remain a key contributing factor to NPA reduction in the unsecured retail portfolio, especially among PVBs

Chart 1.49: Slippages and Write-offs - Unsecured Retail Loans (Contd.)



Sources: RBI supervisory returns.

Chart 1.49: Slippages and Write-offs - Unsecured Retail Loans (Concl.)



Sources: RBI supervisory returns and staff calculations.

The share of floating rate loans in total gross advances of fourteen select banks, accounting for around 79 per cent of the assets of SCBs (excluding SFBs and regional rural banks), has increased from 72.0 per cent in March 2023 to 75.7 per cent in March 2025. The share of floating rate loans in the retail loan category rose from 60.2 per cent to 65.1 per cent during the same period - out of this, around 90 per cent are EBLR loans. Thus, with faster transmission of monetary policy, the debt service burden of retail borrowers is expected to ease



**Table 1.4: Distribution of Retail Loans by Interest Rate Framework**  
(Per cent)

	Fixed Rate	Base Rate	MCLR	EBLR	Others
<b>Housing Loans</b>					
PSBs	5.5	1.9	10.5	77.7	4.4
PVBs	1.1	0.5	3.1	95.1	0.2
All SCBs	3.6	1.3	7.2	85.3	2.6
<b>Vehicle/Auto Loans</b>					
PSBs	48.4	0.1	8.8	42.7	0.0
PVBs	99.9	0.0	0.0	0.1	0.0
All SCBs	72.6	0.1	4.7	22.7	0.0
<b>Credit Card Receivables</b>					
PSBs	100.0	0.0	0.0	0.0	0.0
PVBs	100.0	0.0	0.0	0.0	0.0
All SCBs	100.0	0.0	0.0	0.0	0.0
<b>Education Loans</b>					
PSBs	7.8	3.5	14.3	74.3	0.1
PVBs	6.8	0.1	1.6	91.5	0.0
All SCBs	7.7	3.1	12.9	76.3	0.1
<b>Other Retail Loans</b>					
PSBs	57.0	0.2	4.2	38.4	0.2
PVBs	63.7	0.2	1.8	32.8	1.4
All SCBs	59.9	0.2	3.2	36.0	0.7
<b>Total Retail Loans</b>					
PSBs	28.6	1.2	8.2	59.8	2.3
PVBs	42.4	0.3	2.0	54.7	0.5
All SCBs	34.9	0.8	5.4	57.5	1.5

Note: As on March 31, 2025.

Source: Individual bank submissions.

**Table 1.3: Share of Floating Rate Loans - Overall**  
(Per cent)

	PSBs (8)	PVBs (6)	SCBs (14)
Agriculture	93.0	54.5	82.8
Industry	85.5	81.5	83.9
Services	79.8	74.2	77.7
Personal (Retail) Loans	71.4	57.6	65.1
Others	89.6	74.2	85.5
Total Advances	80.9	67.5	75.7

Note: As on March 31, 2025. Number in parenthesis indicates number of banks covered in the analysis.

Source: Individual bank submissions.

Despite a broad deceleration in bank credit growth, the share of credit to the micro, small and medium enterprises (MSME) sector in total non-food bank credit has been growing steadily and its growth has outpaced that in other sectors during 2024-25. Within the MSME sector, however, credit to the micro enterprises, which formed 49.0 per cent of total credit to the MSME sector, witnessed slower incremental growth in 2024-25 compared to small and medium enterprises

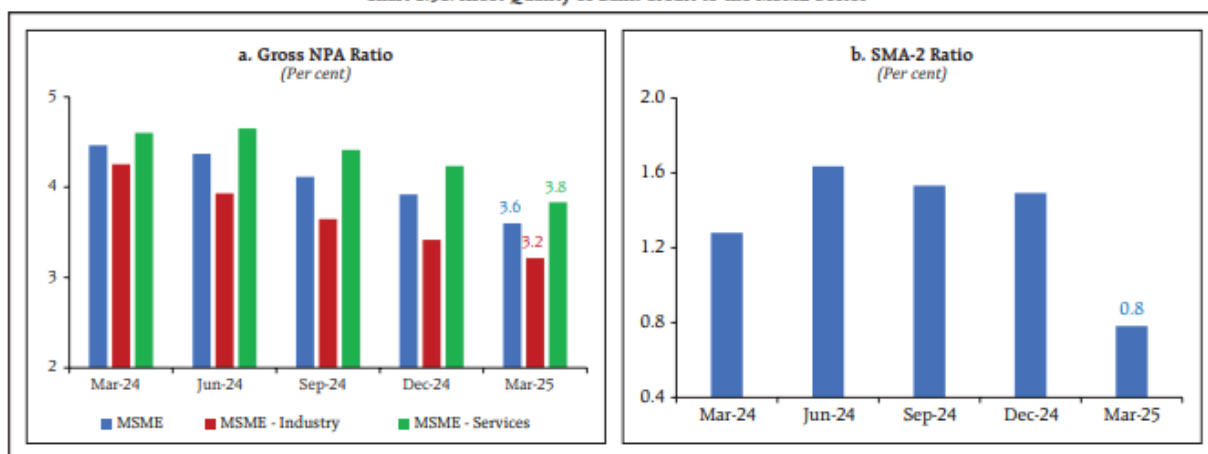
**Chart 1.50: Bank Credit to the MSME Sector**



Sources: RBI supervisory returns and staff calculations.

Asset quality has shown improvement with gross NPA ratio of MSME portfolio of SCBs falling from 4.5 per cent in March 2024 to 3.6 per cent as at end-March 2025. This is also reflected in the significant moderation in SMA-2 ratio, an indicator of incipient stress

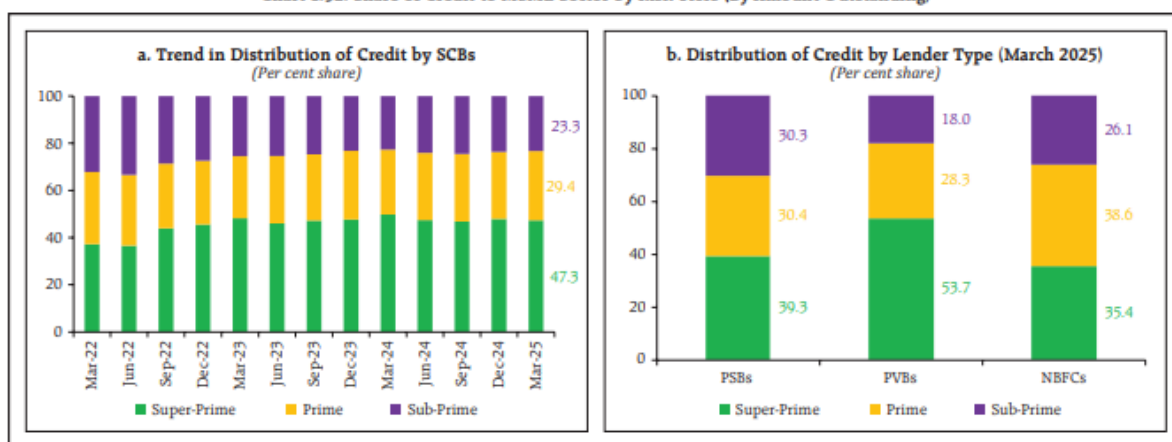
**Chart 1.51: Asset Quality of Bank Credit to the MSME Sector**



Sources: RBI supervisory returns and staff calculations.

In terms of amount outstanding, the share of sub-prime borrowers in the MSME portfolio of the SCBs has decreased from 33.5 per cent in June 2022 to 23.3 per cent in March 2025. PSBs, however, had a higher share of sub-prime borrowers in their MSME portfolio compared to PVBs and NBFCs

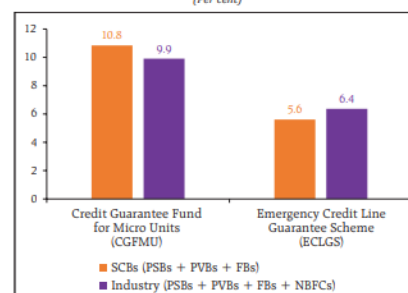
**Chart 1.52: Share of Credit to MSME Sector by Risk Tiers (By Amount Outstanding)**



Note: All MSME related data is sourced from TransUnion CIBIL Commercial database. CIBIL MSME Ranking is: Super-Prime: CMR 1-3; Prime: CMR 4-6; Sub-Prime: CMR 7-10.  
Source: TransUnion CIBIL.

The government's credit guarantee schemes improved flow of credit to the MSME sector, especially vulnerable enterprises, with approximately ₹6.28 lakh crore guaranteed under two flagship schemes, viz., the Credit Guarantee Fund for Micro Units (CGFMU) and the Emergency Credit Line Guarantee Scheme (ECLGS). The NPA ratio in both schemes remains contained despite the riskiness of borrowers

**Chart 1.53: NPA Ratio of Credit Extended under Select Guarantee Schemes (Per cent)**

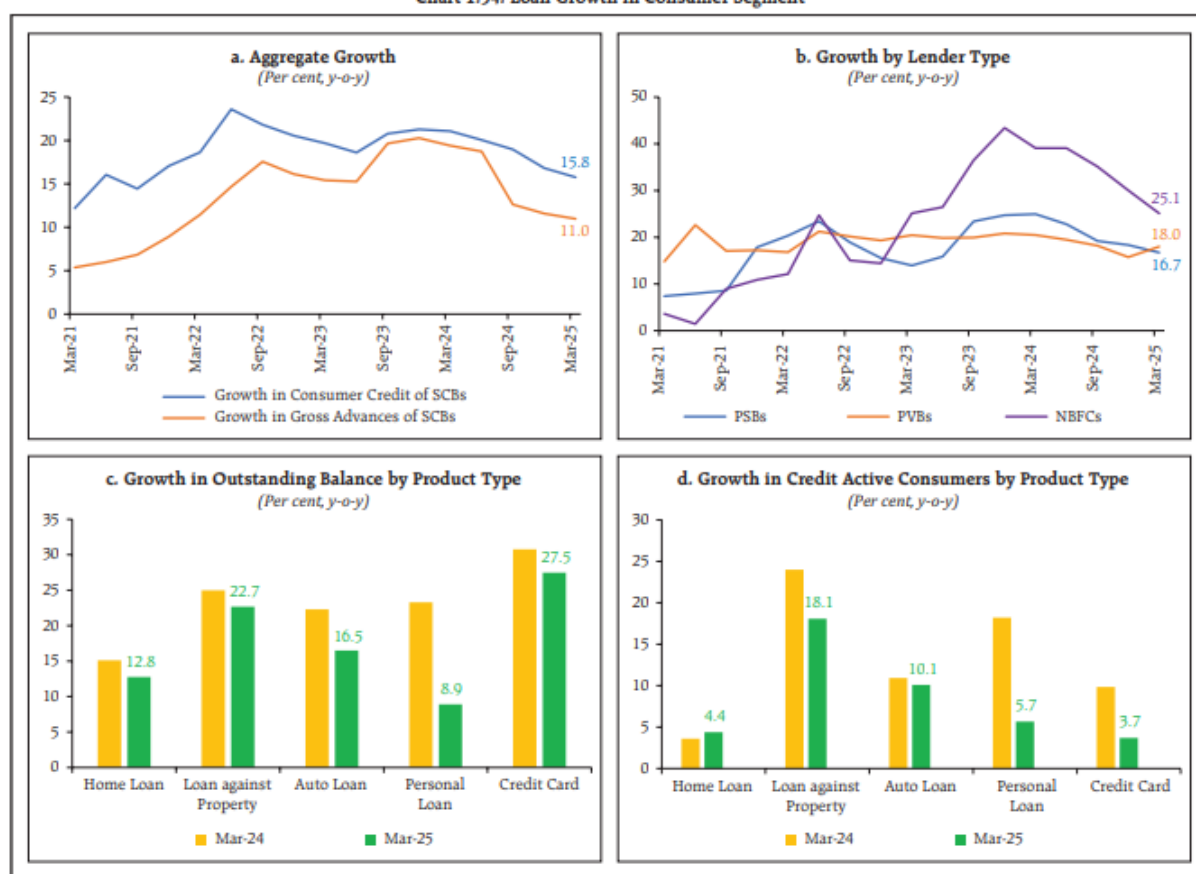


Note: As on March 31, 2025.  
Source: National Credit Guarantee Trustee Company Limited.

Consumer segment loans grew at a CAGR of 20.4 per cent between March 2021 and March 2025 compared to 14.6 per cent growth in the overall loans. During this period, loans extended by banking sector to this segment grew at a CAGR of 18.8 per cent. Consumer segment loan growth, however, has slowed following the implementation of regulatory measures by the RBI in Q3:2023-24, across lender types, product types and credit active consumers

Even as loan growth to consumer segment slowed down, the quality of the portfolio has improved. Delinquency levels, except credit cards, have decreased, upgradations from SMA-2 accounts have risen, and slippages from SMA-2 accounts have fallen. The GNPA ratio of the SCBs' consumer segment loans stood at 1.4 per cent in March 2025. Moreover, in a sign of improving underwriting standards, the share of borrowers rated prime and above increased for both PSBs and PVBs

**Chart 1.54: Loan Growth in Consumer Segment**

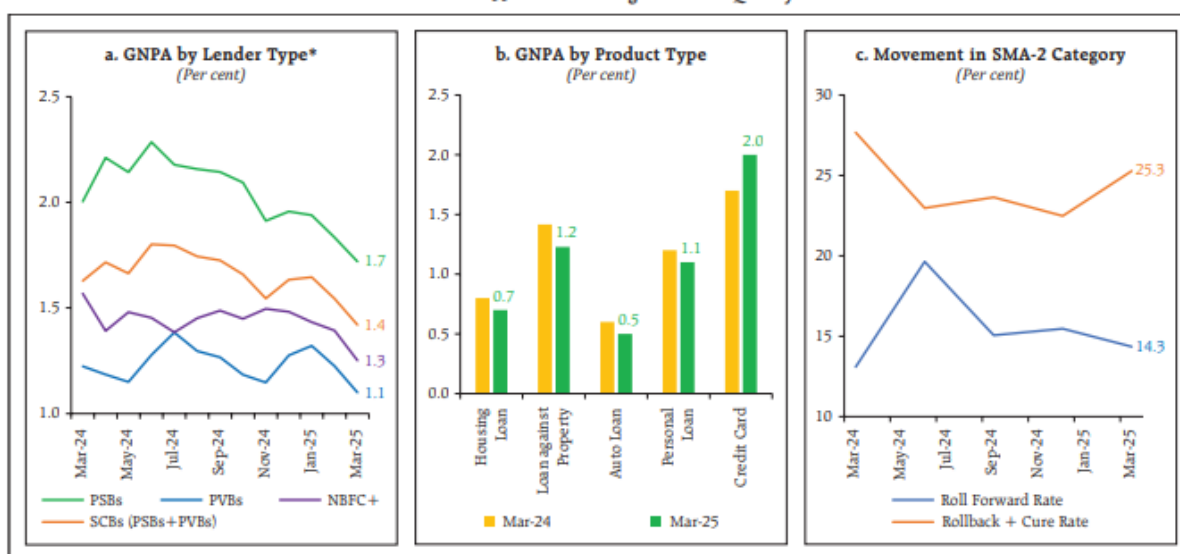


Sources: TransUnion CIBIL and RBI supervisory returns.

With the microfinance sector under stress, credit to the sector decreased by 13.9 per cent in 2024-25. Adoption of tighter underwriting standards by the lenders was the primary driver behind deceleration in credit growth, which also resulted in a decrease in total active borrowers by 40 lakhs. Bank credit to the sector, which forms 48.3 per cent of total credit outstanding to the sector, contracted by 13.8 per cent in 2024-25

The ratio of stressed assets in the microfinance sector increased in H2:2024-25, with 31-180 days past due (dpd) rising from 4.3 per cent in September 2024 to 6.2 per cent in March 2025. The banking sector also saw an increase in stress in their microfinance loan book with 31-180 dpd rising from 4.7 per cent in September 2024 to 6.5 per cent in March 2025.

Chart 1.55: Consumer Segment Asset Quality



Notes: (1) \* NBFC+: NBFCs including HFCs.

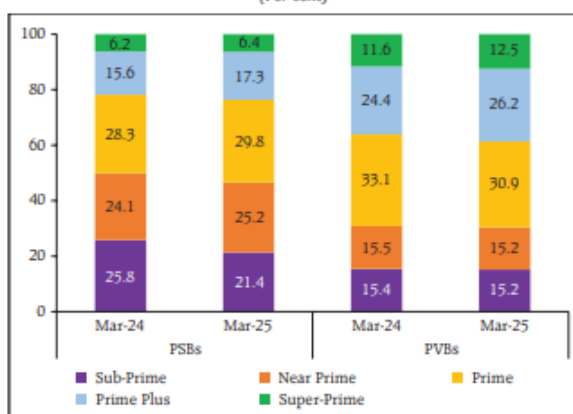
(2) Roll Forward rate is the percentage change (by amount) from SMA-2 category (61-90 dpd) in the current month, which moved to NPA category (90+dpd) in the next month (aggregated quarterly).

(3) Rollback + Cure rate is the percentage change (in amount) in SMA-2 category in the current month, which rolled back to SMA-1/ SMA-0/ 0 dpd in the next month (aggregated quarterly).

Source: TransUnion CIBIL.

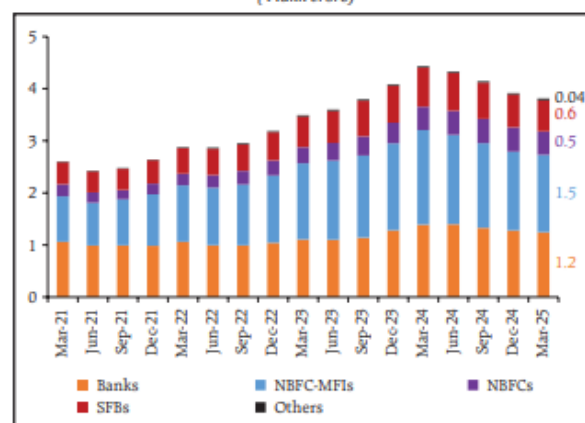
However, borrower indebtedness, measured by the share of borrowers availing loans from three or more lenders, is showing a declining trend.

Chart 1.56: Share of Borrowers by Risk Tier in Consumer Segment (Per cent)



Source: TransUnion CIBIL.

Chart 1.57: Credit to the Microfinance Sector (₹ lakh crore)



Notes: (1) NBFC-MFI (microfinance institution) is a non-deposit taking NBFC which has a minimum of 75 per cent of its total assets deployed towards microfinance loans.

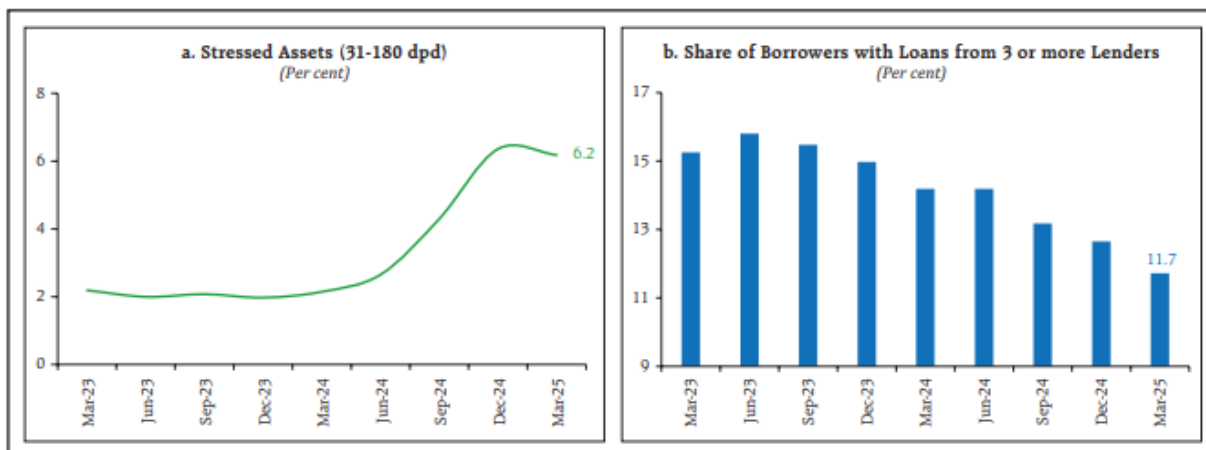
(2) NBFCs are the entities that do not qualify as NBFC-MFIs and can extend microfinance loans up to 25 per cent of their total assets.

(3) Updated as on May 16, 2025.

Source: CRIF High Mark.

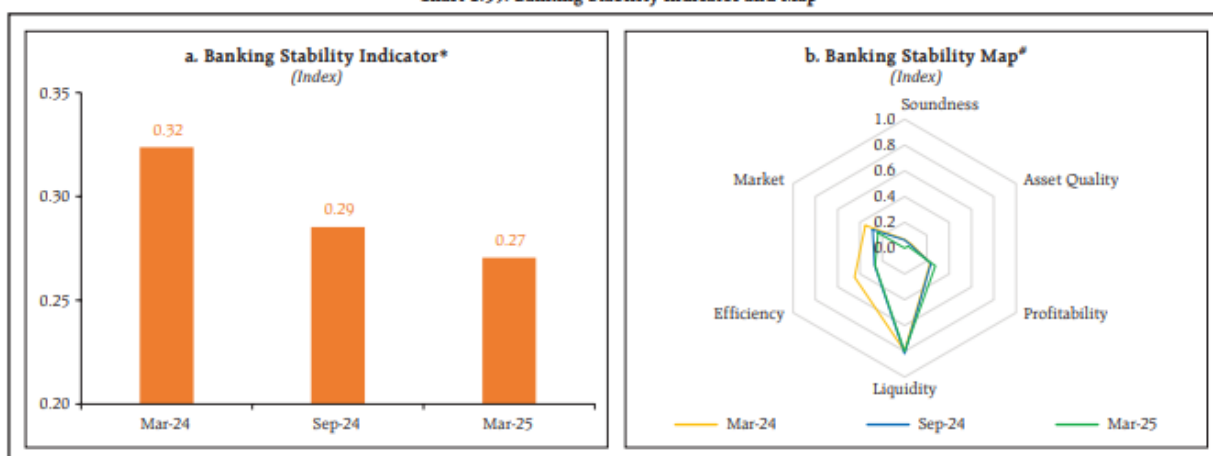
Overall, the resilience of the banking system has improved, as indicated by the banking stability indicator (BSI), which strengthened during H2:2024-25. All the dimensions of the BSI, except profitability, improved during the period

Chart 1.58: Stressed Assets and Indebtedness in the Microfinance Sector



Source: CRIF High Mark.

Chart 1.59: Banking Stability Indicator and Map



Notes: (1) \* Lower values indicate improvement.

(2) # Away from the centre indicates increase in risk.

Sources: RBI supervisory returns and staff calculations.

## Recent Structural Reforms

### *Prudential Framework for Resolution of Stressed Assets*

In 2019, RBI issued Reforms in the form of a framework for resolution of Stressed Assets. The directions came into force with immediate effect. The provisions of these directions shall apply to the following entities:

- SCBs (excluding Regional Rural Banks);
- All India Term Financial Institutions (NABARD, NHB, EXIM Bank, and SIDBI);
- Small Finance Banks; and,
- Systemically Important Non-Deposit taking Non-Banking Financial Companies (NBFC-ND-SI) and Deposit taking Non-Banking Financial Companies (NBFC-D)

#### *Purpose:*

- These directions were issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets.

- 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, 1949, for initiation of insolvency proceedings against specific borrowers under the Insolvency and Bankruptcy Code, 2016 (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:

<b>SMA Sub-categories</b>	<b>Basis for classification — Principal or interest payment or any other amount wholly or partly overdue between</b>
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:

<b>SMA Sub-categories</b>	<b>Basis for classification — Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:</b>
SMA-1 .....	31-60 days
SMA-2 .....	61-90 days

<b>Timeline for implementation of viable resolution plan</b>	<b>Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline</b>
180 days from the end of review period	20%
365 days from the commencement of review period	15% (i.e. total additional provisioning of 35%)

***National Asset Reconstruction Company Limited (“NARCL”)***

In the Union Budget for 2021-22, the Government announced a proposal for setting up NARCL, popularly termed as a “bad bank”, to consolidate and take over stressed debt from banks, based on decided

characteristics. The aggregation of assets is expected to assist in turning around the assets and eventually offloading them to AIFs and other potential investors for further value unlocking. Drawing from established market principles and global experience, the success of a bad bank initiative would eventually depend upon design aspects, viz., fair pricing; complete segregation of risk from selling banks; investment of external capital; independent and professional management of the new entity; minimizing moral hazard; and adequate capitalization of the banks post-sale of assets to invigorate fresh lending.

### **Base Rate System**

The RBI issued a circular on September 4, 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 October 1, 2019. The banks are free to choose one of the several benchmarks indicated in the circular. The banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower's credit assessment undergoes a substantial change, as agreed upon in the loan contract.

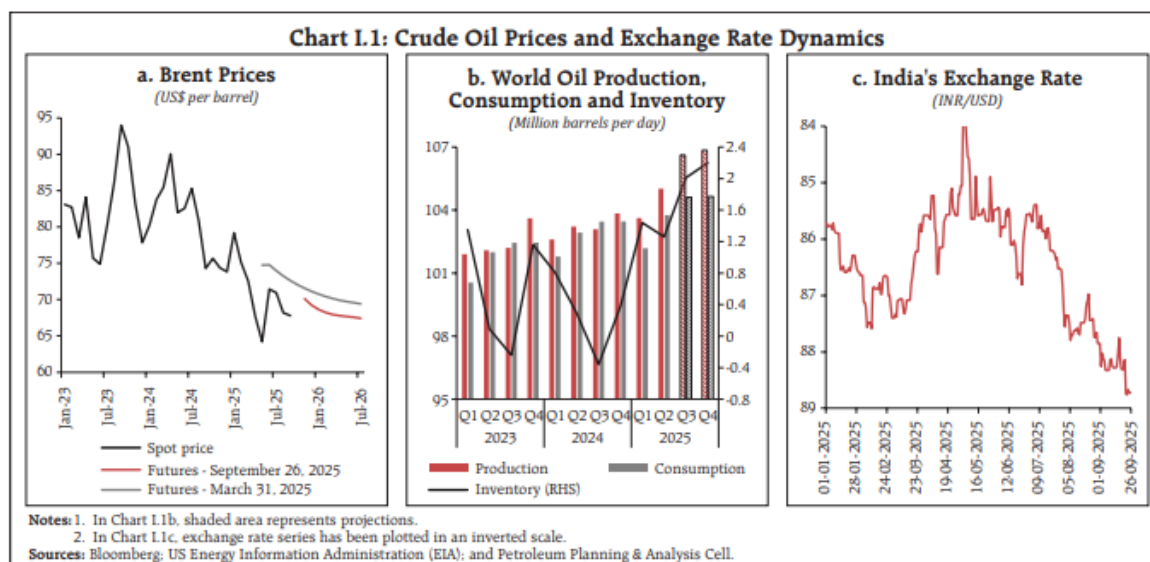
Following the introduction of an external benchmark system, the monetary policy transmission has improved in respect of the sectors where new floating rate loans have been linked to external benchmarks. With a view to further strengthening monetary policy transmission, it has been decided that all new floating rate loans to medium-sized enterprises extended by banks from April 1, 2020, shall be linked to the external benchmarks.

### **RBI Monetary Policy Report and Monetary Policy Committee ("MPC") discussion**

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 October 2025 are provided below:

### **Inflation Outlook**

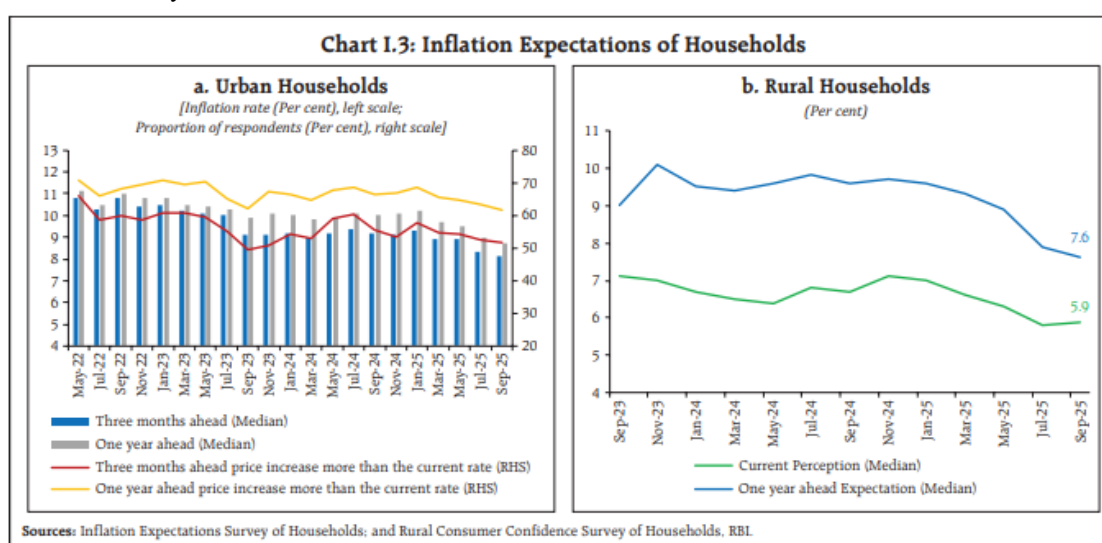
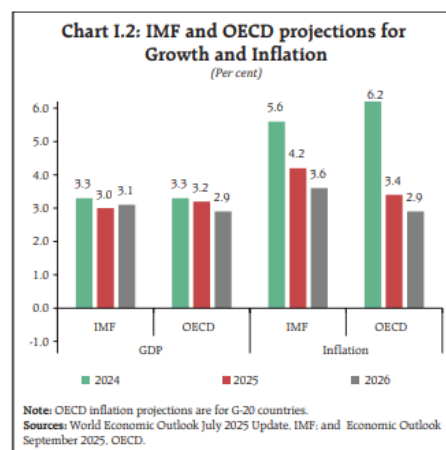
In H1:2025-26 (up to August), headline inflation has remained well below 4 per cent driven by benign food prices and favourable base effects. However, it increased to 2.1 per cent in the month of August as compared to 1.6 per cent in July 2025 which is a first increase recorded after nine consecutive months of decline. In the



September 2025 round of the Reserve Bank's bi-monthly households survey, the three months and one year ahead inflation expectations of urban households moderated by 20 bps to 8.1 per cent and 30 bps to 8.7 per



cent, respectively. The shares of respondents anticipating a rise in inflation declined for the near term and year ahead compared to the previous round. Urban households' long-term expectations on inflation have been sequentially declining for the past four survey rounds. Additionally, as per the Reserve Bank's recent bi-monthly Rural Consumer Confidence Survey (RCCS), the current perception of inflation (vis-à-vis a year ago) of the rural and semi-urban households inched up by 10 bps to 5.9 per cent in September 2025 as compared with the previous round. However, their year ahead inflation expectations declined by 30 bps to 7.6 per cent. Rural households' long term expectations of inflation has been sequentially declining for the past five rounds of survey.



Looking ahead, the inflation outlook will depend upon several factors, both global and domestic. Assuming a normal monsoon and a sustained reduction in food inflation, the quarterly CPI inflation forecasts for 2025-26 have been adjusted downward in RBI staff projections. Nevertheless, inflation is expected to rise from the final quarter of this financial year, yet the recent GST rationalization among other favourable factors will help keep overall inflation low during 2025-26. While the uncertainties surrounding tariffs continue to remain, the impact of previous policy rate reductions are still unfolding.

**Table I.3: Projections - Reserve Bank and Professional Forecasters**

	(Per cent)	
	2025-26	2026-27
<b>Reserve Bank's Baseline Projections</b>		
Inflation	2.6	4.5
Real GDP growth	6.8	6.6
<b>Median Projections of Professional Forecasters</b>		
Inflation, Q4 (y-o-y)	3.6	-
Real GDP growth	6.7	6.5
Gross domestic saving (per cent of GNDI)	30.0	30.4
Gross capital formation (per cent of GDP)	32.8	33.0
Credit growth of scheduled commercial banks	11.0	11.5
Combined gross fiscal deficit (per cent of GDP)	7.4	7.1
Central government gross fiscal deficit (per cent of GDP)	4.4	4.2
Repo rate (end-period)	5.25	-
Yield on 91-days treasury bills (end-period)	5.5	6.0
Yield on 10-year central government securities (end-period)	6.4	6.5
Overall balance of payments (US\$ billion)	7.6	20.0
Merchandise exports growth	0.2	5.0
Merchandise imports growth	2.5	6.0
Current account balance (per cent of GDP)	-0.9	-0.9

Note: GNDI: Gross National Disposable Income.  
Source: RBI staff estimates; and Survey of Professional Forecasters (September 2025).



## Growth Outlook

Domestic economic activity remains resilient, supported by strong private consumption, government consumption and fixed investment. An above-normal southwest monsoon, congenial financial conditions, rising capacity utilisation, the government's continued thrust on capital expenditure, and GST 2.0 reforms augured well for the growth outlook. Improving credit conditions are also likely to spur aggregate demand conditions in the near-term. However, outlook remains uncertain due to external demand uncertainty driven by tariffs; prolonged geopolitical tensions; and volatility in global financial markets

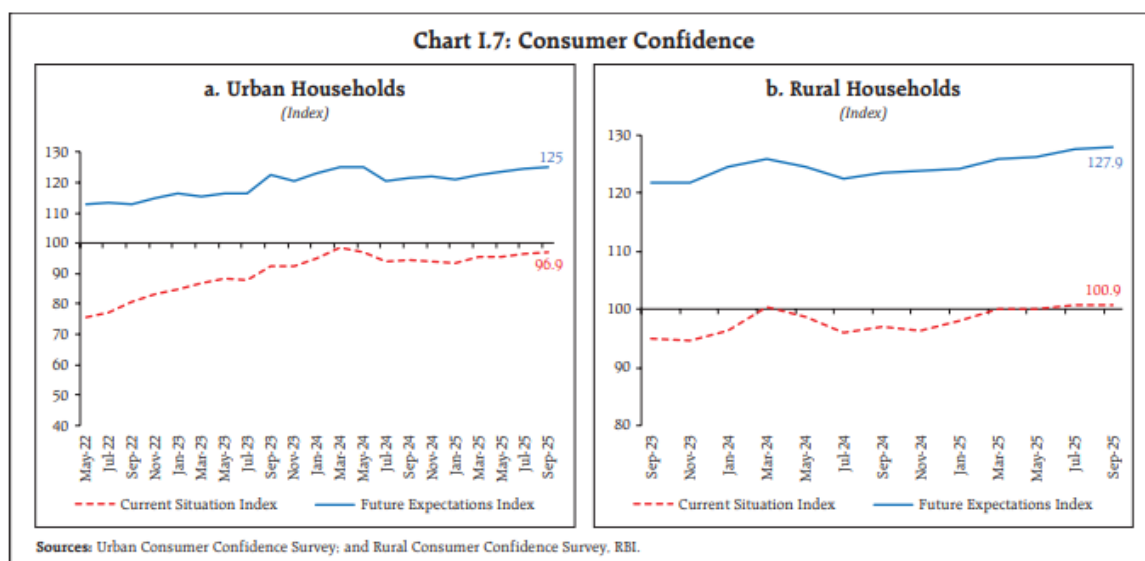
Turning to the key messages from forward-looking surveys, bi-monthly consumer confidence (the current situation index) for both urban and rural households improved marginally in September 2025 vis-à-vis the previous round on account of improved sentiments across most of the survey parameters.

Although it remains in the pessimistic zone for urban households, it is in the optimistic zone for rural households. Consumers' optimism for the year ahead, measured by the future expectations index, strengthened further for both urban and rural households, remaining in optimistic territory.

In the Reserve Bank's quarterly industrial outlook survey of July-September 2025, manufacturing firms continued to hold an optimistic business outlook (BAI/BEI)<sup>13</sup> during Q3:2025-26. The services and infrastructure companies also continue to remain optimistic on overall business situation in Q3:2025-26. Recent surveys by other agencies indicate a mixed picture on business expectations relative to the previous round (Table I.4). In the PMI surveys for August 2025, both manufacturing and services firms reported improvements in a year ahead sentiment, driven by expectations of stronger demand.

Professional forecasters polled in September 2025 round of the Reserve Bank's survey projected real GDP growth at 6.8 per cent during Q2:2025-26. Growth is expected around 6.1-6.5 per cent during Q3:2025-26 to Q2:2026-27.

Real GDP growth was higher at 7.8 per cent in Q1:2025-26 as compared with 7.4 per cent in Q4:2024-25, mainly driven by robust fixed investment, private and Government consumption. Taking into account the baseline assumptions, survey indicators and model forecasts, real GDP growth is expected at 6.8 per cent in 2025-26 with 7.0 per cent in Q2; 6.4 per cent in Q3; and 6.2 per cent in Q4 – and risks evenly balanced around this baseline path. Assuming a normal monsoon and no major exogenous or policy shocks, structural model estimates for 2026-27 indicate real GDP growth at 6.6 per cent, with Q1 at 6.4 per cent, Q2 at 6.6 per cent, Q3 at 6.8 per cent and Q4 at 6.5 per cent.



Domestic economic activity remains resilient and is expected to maintain momentum, supported by domestic drivers, despite weak external demand. The GST 2.0 reforms are expected to boost private consumption and domestic demand. Rising capacity utilisation, strong corporate and bank balance sheets, and favourable financial conditions are likely to further support investment and growth. India's recent credit rating upgrades reflect growing global confidence in the country's economic resilience and growth prospects. Headline inflation has seen significant moderation during H1:2025-26 (up to August), mainly due to a sharp correction in food prices. Inflation expectations of households and professional forecasters have also eased. Inflation is expected to remain broadly aligned with the target, despite edging up from Q4:2025-26 as favourable base effects wane and demand strengthens on the back of policy action. Core inflation is also expected to remain contained. Nonetheless, risks from adverse weather events, evolving tariff actions, and volatile global financial markets pose headwinds to growth and inflation. However, India's robust macroeconomic fundamentals, along with a strong external position, provide resilience against such shocks

### ***Monetary Policy Statement for meeting in December 2025***

The Monetary Policy Committee (MPC) held its 58th meeting from December 3 to 5, 2025, under the chairmanship of Shri Sanjay Malhotra, Governor, Reserve Bank of India. The MPC members Dr. Nagesh Kumar, Shri Saugata Bhattacharya, Prof. Ram Singh, Dr. Poonam Gupta and Shri Indranil Bhattacharyya attended the meeting.

After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted unanimously to reduce the policy repo rate under the liquidity adjustment facility (LAF) to 5.25 per cent. Consequently, the standing deposit facility (SDF) rate shall stand adjusted to 5.00 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 5.50 per cent. The MPC also decided to continue with the neutral stance.

### **Statement on Development and Regulatory Policies**

This Statement sets out various developmental and regulatory policy measures relating to (i) Regulations; (ii) Foreign Exchange Management; (iii) Consumer Protection and (iv) Financial Markets.

#### **I. Regulations**

##### **1. 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.

##### **2. 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.

### **3. 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. Based on feedback and review, 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.

### **4. 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. Detailed notification will be issued shortly, which will be effective from the next financial year.

### **5. 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.

The draft guidelines shall be issued shortly.

### **6. 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. The draft circular to withdraw these guidelines shall be issued shortly for public comments.

### **7. Risk Weights on infrastructure lending by NBFCs**

Infrastructure projects that have commenced operations typically exhibit lower risk compared to those under construction. Recognizing this risk differential, the existing capital adequacy norms permit NBFCs to assign a lower risk weight to operational projects under Public-Private Partnerships (PPPs). With a view to further

rationalise the risk weights for infrastructure lending by NBFCs in line with the nuanced risk-profile of operational projects, it has been decided to introduce a principle-based framework. The framework aims to align risk weights with the actual risk characteristics of operational infrastructure projects, promoting better risk assessment and capital allocation. Draft regulations in this regard shall be issued shortly for public consultation.

#### **8. Discussion Paper on Licensing Framework for new Urban Co-operative Banks (UCBs)**

Since 2004, issuance of fresh license for UCBs had been paused following weak financial health of the UCB Sector. Considering that more than two decades have passed since then and the positive developments in the sector, a discussion paper on licensing of new Urban Co-operative Banks (UCBs) will be issued shortly.

#### **9. Consolidation of Regulatory Instructions**

The evolution of regulatory framework administered by the Reserve Bank has resulted in proliferation of several circulars and directions. In order to provide ease of access and reduce the compliance cost faced by the regulated entities, the Reserve Bank has undertaken an exercise of consolidating the regulatory instructions administered by the Department of Regulation of the Reserve Bank into a set of Master Directions on an 'as is' basis. The drafts of about 250 Master Directions consolidating extant instructions on up to 30 areas for 11 types of regulated entities shall be placed on the website shortly for comments on their completeness and accuracy.

#### **10. 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. Based on the experience gained and feedback received, these instructions have been reviewed 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. The draft guidelines shall be issued shortly.

### **II. Foreign Exchange Management**

#### **11. 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. The amendments to regulations will be notified shortly.

#### **12. 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 upto 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. The amendments to regulations will be notified shortly.

#### **13. 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. The directions will be issued shortly.

#### **14. Review of External Commercial Borrowing Framework**

With an objective to rationalise and simplify the regulations governing External Commercial Borrowings (ECB), the Reserve Bank of India 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. The draft Framework will be issued shortly.

#### **15. 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. The draft regulations will be issued shortly.

### **III. Consumer Protection**

#### **16. 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 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.

#### **17. Measures for strengthening the Internal Ombudsman mechanism in REs**

The Reserve Bank 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. A draft of the Master Direction, outlining these revisions, is being released shortly for public feedback.

#### **18. Review of the Reserve Bank – Integrated Ombudsman Scheme, 2021**

The Reserve Bank – Integrated Ombudsman Scheme (RB-IOS) (the Scheme), 2021 launched on **November 12, 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. Notification will be issued shortly in this regard.

Moreover, based on the operational experience, stakeholder feedback, and global best practices, the Reserve Bank 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. The draft Scheme shall be placed on the Reserve Bank's website shortly for seeking feedback from stakeholders.

### **IV. Financial Markets**

#### **19. 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 Reserve Bank of India 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. The amendments to regulations will be notified shortly.

#### **20. Additional Reference Rates to be published by Financial Benchmarks India Limited**

Over the years, 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.

#### **21. 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. The revised regulations will be notified shortly.

## Consolidation of Master Directions by The Reserve Bank of India

1. The Reserve Bank has issued numerous directions over the years, under the statutory powers conferred upon it by various Acts. While increase in regulatory guidelines is a natural process as the financial system evolves, this was further driven by an expanding regulatory perimeter, distributed supervisory/ regulatory jurisdiction over certain regulated entities, and non-repeal of some of the earlier instructions when new ones were issued. Being mindful of compliance burden to the Regulated Entities (REs), the Reserve Bank has continuously endeavoured to optimise its regulatory framework.

2. Against this backdrop, the Reserve Bank has recently undertaken a fundamental reorganisation of the regulatory instructions administered by its Department of Regulation – marking a paradigm shift in its regulatory communication. The comprehensive exercise involved consolidation of more than 9000 existing circular/ guidelines administered by Department of Regulation into 238 function-wise Master Directions (MDs), specific to each category of regulated entity. Instructions issued by NABARD to Regional Rural Banks, State Co-operative Banks and Central Co-operative Banks were also consolidated in consultation with NABARD. This exercise is expected to enhance clarity, ease of access, and reduce compliance burden for REs, thereby supporting the broader objective of improving ease of doing business.

3. Under this consolidation effort, instructions contained in approximately 3500 directions, circulars, and guidelines, were consolidated into 238 Master Directions, across 11 types of regulated entities. For this purpose, the 11 types of regulated entities identified are: (a) Commercial Banks; (b) Small Finance Banks; (c) Payments Banks; (d) Local Area Banks; (e) Regional Rural Banks; (f) Urban Co-operative Banks; (g) Rural Co-operative Banks; (h) All India Financial Institutions; (i) Non-Banking Financial Companies; (j) Asset Reconstruction Companies; and (k) Credit Information Companies. Instructions contained in **remaining** directions / circulars were identified as obsolete and marked for repeal once the consolidated MDs are issued.

4. Accordingly, the drafts of these 238 MDs were placed on website of the Reserve Bank for public comments regarding completeness and accuracy vide [press release dated October 10, 2025](#). The list of circulars that were proposed to be repealed following the issue of consolidated MDs as well as a list of notifications that were to be retained as [standalone](#) were also provided.

5. The Reserve Bank had received over 770 comments from various stakeholders on the draft MDs. Several suggestions were for regulatory changes, which were outside the scope of this consolidation exercise, and hence have not been considered for the purpose of consolidation. The remaining comments, relevant to the finalisation of the MDs have been duly considered while finalising the consolidated MDs.

6. Consequently, **the following set of final documents were issued:**

- 244 Master Directions consolidating the instructions currently administered by the Department of Regulation on an 'as-is' basis. These instructions have been issued separately for 11 types of regulated entities and are cohesively organised across various regulatory areas. These documents can be accessed through Notifications → Master Directions → [Department of Regulation](#). These Master Directions will serve as the sole library of regulations administered by the Department of Regulation.
- List of 9445 circulars that are being repealed / withdrawn following the issue of these consolidated Master Directions can be accessed through Notifications → Circulars Withdrawn → Circulars withdrawn by the Department of Regulation.

## SUPERVISION AND REGULATION

*The following description is a summary of some of the relevant regulations and policies as prescribed by the central, state and regulatory bodies in India that are applicable to the Bank and its Subsidiaries. The following description is not meant to be exhaustive, and is only intended to provide general information to the investors on some of the key regulations and policies applicable to us.*

The primary legislation governing banking companies in India is the Banking Regulation Act, 1949, as amended (the “**Banking Regulation Act**”). The provisions of the Banking Regulation Act are, in addition to and not, save as expressly provided under the Banking Regulation Act, in derogation of the Companies Act and any other law currently in force. Other laws governing banking companies include the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881, the SARFAESI Act and the Bankers’ Books Evidence Act, 1891. Additionally, the RBI, from time to time, issues guidelines, circulars, directions, and policies relating to our businesses. The Bank is regulated by various regulators, including but not limited, to SEBI and the RBI.

Some of the key rules and regulations governing the Bank’s functioning are enumerated below:

### **RBI Regulations**

Commercial banks in India are required to obtain a license from the RBI to carry on banking business in India. Such license is granted to the bank subject to compliance with certain conditions, as specified in Section 22 of the Banking Regulation Act. The RBI may cancel the license if the bank fails to meet the qualifications or if the bank ceases to carry on banking operations in India.

The Banking Regulation Act confers power on the RBI (in consultation with the Central Government) to supersede the board of directors of a banking company for a period not exceeding a total of 12 (twelve) months, in public interest or for preventing the affairs of the bank from being conducted in a manner detrimental to the interest of the depositors or for securing the proper management of any banking company. Under Section 45 of the Banking Regulation Act, the RBI may apply to the Central Government for an order of moratorium in respect of any banking company. During the period of moratorium, the banking company shall not make any payment to depositors or discharge liabilities to any other creditors. The Banking Regulation Act, 2020 enacted on 29 September 2020 (“**Amendment Act**”) stipulates further that during this period of moratorium, the banking company shall not grant any loans or advances or make any investments in credit instruments. Further, the RBI may prepare a scheme for the reconstruction or amalgamation of the banking company, in order to protect public interest and the interests of banking system of India, during the period of moratorium or at any other time.

The Banking Laws (Amendment) Act, 2025, notified on 15 April 2025, introduced 19 amendments across five statutes - the Reserve Bank of India Act, 1934; the Banking Regulation Act, 1949; the State Bank of India Act, 1955; and the Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980. The Banking Laws (Amendment) Act, 2025, aims to strengthen governance in the banking sector, enhance depositor and investor protection, improve audit standards in public sector banks, and extend the tenure of directors (other than the chairperson and whole-time directors) in cooperative banks. The Central Government, through Gazette Notification S.O. 3494(E) dated 29 July 2025, has appointed 1 August 2025 as the effective date for specified provisions of the Banking Laws (Amendment) Act, 2025. These provisions revise the definition of “substantial interest” by enhancing the threshold from ₹ 5 lakh to ₹ 2 crore and align the tenure of directors in cooperative banks with the 97<sup>th</sup> Constitutional Amendment by increasing the maximum tenure from 8 (eight) years to 10 (ten) years (excluding the chairperson and whole-time directors). Further, public sector banks are now authorised to transfer unclaimed shares, interest amounts, and bond redemption proceeds to the Investor Education and Protection Fund, thereby harmonising their obligations with the framework applicable to companies under the Companies Act, 2013.



The Bank has obtained a banking license from the RBI and is regulated and supervised by the RBI. The RBI has issued directions/ guidelines to commercial banks in relation to functioning, covering various aspects such as loans and advances, investments, risk management, recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets, periodical submission of reports etc. The RBI requires us to furnish statements, information and certain details relating to our business.

On 11 June 2020, the RBI published a discussion paper on Governance in Commercial Banks in India with the objective to align current regulatory framework with global best practices while being mindful of the context of domestic financial system. The paper is applicable to State Bank of India, nationalized banks and regional rural banks and private sector banks including small finance banks. The paper's applicability also extends to payments banks, wholly-owned subsidiaries of foreign banks and foreign banks operating in India under branch model. The paper discusses the overall responsibilities, structure and practices of the board of directors and committees of the boards. Further, the paper also explores matters including the qualification and selection criteria for board members and senior management and procedures for internal audit and vigilance. Pursuant to the discussion paper and feedback received, the RBI, on 26 April 2021, has issued guidelines regarding 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. Banks are expected to comply with these instructions latest by 1 October 2021. Further, on 11 September 2020, the RBI issued guidelines, to (i) bring uniformity in the approach followed by the banks in relation to effective compliance culture, independent corporate compliance function and a strong compliance risk management programme and (ii) align the supervisory expectations of the chief compliance officer with best practices ("**Compliance Guidelines**"). The Compliance Guidelines prescribe, among others, (a) laying down of a compliance policy, approved by the board of directors of the bank, clearly spelling out its compliance philosophy, expectations on compliance culture, function and role of the chief compliance officer, (b) the tenure of the chief compliance officer to be fixed for not less than 3 (three) years, (c) eligibility criteria for appointment of the chief compliance officer, (d) duties and responsibilities of the chief compliance officer. The Compliance Guidelines also state that the chief compliance officer may be transferred or removed before completion of the tenure only in exceptional circumstances with the explicit prior approval of the board of directors of the Bank, after following a well-defined and transparent internal administrative procedure.

When a bank fails to or omits to comply with the provisions of the Banking Regulation Act and directions issued thereunder or wilfully makes a statement which is false in any material particularly, knowing it to be false or wilfully omits to make a material statement, the RBI may impose fine within prescribed limits on banks and its officers or punish with imprisonment for the term provided in the law, on the basis of the nature of the violation.

The appointment of the statutory auditors of the banks is subject to the approval of the RBI. The RBI can direct a special audit in the interest of the depositors or in the public interest.

### **Regulations in Relation to Bank**

The Bank is primarily governed by *inter alia* the RBI Act, Reserve Bank of India (Commercial Banks – Miscellaneous) Directions, 2025, Reserve Bank of India (Commercial Banks – Forthcoming Instructions) Directions, 2025, Reserve Bank of India (Commercial Banks – Climate Finance and Management of Climate Change Risks) Directions, 2025, Reserve Bank of India (Commercial Banks – Managing Risks in Outsourcing) Directions, 2025, Reserve Bank of India (Commercial Banks – Responsible Business Conduct) Directions, 2025, Reserve Bank of India (Commercial Banks – Know Your Customer) Directions, 2025, Reserve Bank of India (Commercial Banks – Prudential Norms on Declaration of Dividends and Remittance of Profit) Directions, 2025, Reserve Bank of India (Commercial Banks – Financial Statements: Presentation and

Disclosures) Directions, 2025, Reserve Bank of India (Commercial Banks – Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025, Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025, Reserve Bank of India (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025, Reserve Bank of India (Commercial Banks – Interest Rates on Advances) Directions, 2025, Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025, Reserve Bank of India (Commercial Banks – Transfer and Distribution of Credit Risk) Directions, 2025, Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025, Reserve Bank of India (Commercial Banks – Credit Risk Management) Directions, 2025, Reserve Bank of India (Commercial Banks – Credit Information Reporting) Directions, 2025, Reserve Bank of India (Commercial Banks – Credit Cards and Debit Cards: Issuance and Conduct) Directions, 2025, Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025, Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Directions, 2025, Reserve Bank of India (Commercial Banks – Resource Raising Norms) Directions, 2025, Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025, Reserve Bank of India (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 (Updated as on December 11, 2025), Reserve Bank of India (Commercial Banks – Governance) Directions, 2025, Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025 (Updated as on December 05, 2025), Reserve Bank of India (Commercial Banks – Digital Banking Channels Authorisation) Directions, 2025, Reserve Bank of India (Commercial Banks – Branch Authorisation) Directions, 2025, Reserve Bank of India (Commercial Banks – Voluntary Amalgamation) Directions, 2025, Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025, Reserve Bank of India (Setting Up of Wholly Owned Subsidiaries by Foreign Banks) Guidelines, 2025, Reserve Bank of India (Universal Banks – Licensing) Guidelines, 2025 as amended, replaced and/or updated from time to time, and all other notifications, directions, guidelines, circulars or press notes, clarifications or letters issued by the RBI from time to time.

### **Regulations relating to the opening of branches**

Section 23 of the Banking Regulation Act requires banks to obtain prior permission of the RBI to open new branches. The RBI issues instructions and guidelines to banks on branch authorization from time to time, including guidelines allowing banking companies to open new branches, closure, shifting of branches/ extension counters/ ATMs etc. The RBI notified the RBI (Commercial Banks - Branch Authorisation) Directions, 2025 on 28 November 2025 (“**Branch Authorization Directions**”). The Branch Authorization Directions allow scheduled commercial banks, unless otherwise specifically restricted by RBI, to open ‘banking outlets’ in tier 1 to tier 6 centres without prior permission from RBI, subject to the conditions laid down by RBI. The RBI has introduced the concept of ‘banking outlets’ which, among other things, includes satellite offices, part-shifted branches, extension counters, ultra-small branches and specialised branches, subject to their satisfying the conditions set out in the Branch Authorization Directions. A ‘banking outlet’ is defined as 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 4 (four) hours per day for at least 5 (five) days a week. Banks may also shift, merge or close all such banking outlets except rural branches and sole semi-urban branches at their discretion. Rural branches and sole semi-urban branches can also be closed subject to certain conditions. The board of directors of such banks have been given the overall responsibility to ensure that all the guidelines are complied with.

The RBI has further stipulated that the banks are required to open at least 25% of the total number of branches opened during a financial year in unbanked rural (tier 5 and tier 6) centres.

Further, RBI has permitted installation of on-site and off-site ATMs at centres identified by banks, without specific permission from the RBI. Banks are also required to periodically report details of the branches and banking outlets opened/closed/shifted to RBI.

### **Guidelines for ‘on tap’ licensing of universal banks in the private sector**

The RBI notified the RBI (Universal Banks- Licensing) Guidelines, 2025 on 28 November 2025 (“**On-tap Licensing Guidelines**”). The salient features of On-tap Licensing Guidelines are as follows: (i) resident individuals and professionals having 10 (ten) years of experience in banking and finance at a senior level would be eligible to promote universal banks; (ii) entities/groups in the private sector that are “owned and controlled by residents” and have a successful track record for at least 10 (ten) years, provided if such entity/group has total assets of ₹ 50 billion or more, and the non- financial business of the group does not account for 40% or more in terms of total assets or gross income, would be recognized as eligible promoters; (iii) existing non-banking financial companies that are “owned and controlled by residents” and have a successful track record for at least 10 (ten) years, provided if such entity/group has total assets of ₹ 50 billion or more, and the non-financial business of the group does not account for 40% or more in terms of total assets or gross income, would be recognized as eligible promoters (iv) large industrial or business houses have been permitted to invest in the banks to the extent of up to 10% and shall not have a controlling interest in the bank, provided that such shareholder(s) shall not have any director on the board of a bank on account of any agreement, including a shareholders’ agreement or otherwise; (v) the Non-Operative Financial Holding Company (**NOFHC**) has now been made non-mandatory in case of promoters being individuals or standalone promoting/ converting entities who/which do not have other group entities; and (vi) the promoter(s)/promoter group of the NOFHC are now required to hold at least 40% of the paid-up voting equity share capital of the bank.

### **Capital adequacy requirements**

In accordance with the master circular on “Basel III Capital Regulations” dated 1 July 2015, capital ratios and deductions from common equity were to be fully phased-in and implemented as on 31 March 2019. As per the RBI (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 dated 28 November 2025 (“**Capital Adequacy Directions**”), the following are the capital adequacy requirements:

<b>Minimum capital ratios (as % of risk weighted assets)</b>	<b>Requirement</b>
Minimum Common Equity Tier I Ratio (CET1)	5.50
Capital Conservation Buffer (CCB)	2.50
Maximum Additional Tier I Capital (with minimum Tier I capital ratio of 7%)	1.50
Minimum CET1+CCB	8.00
Minimum Tier I Capital Ratio	7.00
Maximum Tier 2 Capital (with minimum total capital ratio of 9%)	2.00
Minimum Total Capital Ratio*	9.00
Minimum CET1 Ratio plus CCB	8.00
Minimum Total Capital Ratio + CCB	11.50

\* The difference between the minimum total capital requirement of 9.00% and the Tier I requirement can be met with Tier II and higher forms of capital.

As per the RBI (Commercial Banks - Concentration Risk Management) Directions, 2025 dated 28 November 2025 (“**CRM Directions**”), a bank shall comply with the capital adequacy ratio requirements at two levels:

- the consolidated (group) level - at the consolidated group level, after consolidating the assets and liabilities of its subsidiaries / joint ventures / associates (including overseas operations through 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 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
- the solo level - at the standalone level also (including overseas operations through branches), which should measure the exposures to a counterparty based on its standalone capital strength and risk profile.

The overseas operations of a bank through its branches will be covered in both the above scenarios.

In accordance with the Capital Adequacy Directions, banks compute capital charge for equities while investing in the units of funds (other than debt mutual funds and exchange traded funds). Further, as per the Capital Adequacy Directions, banks investing in debt mutual fund and exchange traded funds shall compute a general market risk charge of 9% as well as specific risk capital charge for various kinds of exposures. In case the portfolio of the fund contains a mix of various kinds of debt instruments, the specific risk capital charge shall be computed based on the lowest rated debt instrument/ instrument attracting the highest specific risk capital charge in the fund.

### **Liquidity coverage ratio**

The Basel III framework on ‘Liquidity Standard’ includes ‘Liquidity Coverage Ratio’, ‘Net Stable Funding Ratio’ and liquidity risk monitoring tools. With effect from 1 January 2015, the RBI introduced a requirement for commercial banks in India to maintain certain levels of Liquidity Coverage Ratio (**LCR**). Such requirements have been consolidated under the Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025 dated 28 November 2025 (**ALM Directions**). The LCR measures a bank’s ability to manage and survive for 30 (thirty) days under a significant stress scenario that combines idiosyncratic as well as market-wide shock situations that would result in accelerated withdrawal of deposits from retail as well as wholesale depositors, partial loss of secured funding, increase in collateral requirements and unscheduled drawdown of unused credit lines. The specified percentage of net cash outflows in the next 30 (thirty) days, computed with these assumptions of a stressed scenario, are required to be supported by High Quality Liquid Assets (**HQLAs**). In accordance with the ALM Directions, banks are required to maintain an LCR of 100% on an ongoing basis.

The ALM Directions also include provisions on “net stable funding ratio” (NSFR). The objective of NSFR 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.

### **Non-Performing Assets**

The RBI has issued consolidated instructions and guidelines relating to income recognition, asset classification and provisioning standards pursuant to the RBI (Commercial Banks – Income Recognitions, Asset Classification and Provisioning) Directions, 2025 dated 28 November 2025, as may be amended from time to time (**Prudential Norms**). Similarly, the RBI has issued consolidated instructions and guidelines relating to the

valuation of investments pursuant to the RBI (Commercial Banks – Classification, Valuation and Operation of Investment Portfolio) Directions, 2025, as may be amended from time to time.

### **Prudential norms on income recognition, asset classification and provisioning pertaining to advances**

The principal features of the RBI guidelines are set forth below:

The assets of a bank are classified as: (i) standard assets; or (ii) NPAs. A standard asset (**Standard Asset**) is a financial asset that continues to generate income for a bank. Under the prudential norms, an NPA is one that ceases to generate income for a bank. A loan or an advance becomes an NPA if: (i) the interest and / or instalment of principal remains overdue for a period of more than 90 (ninety) days in respect to a term loan; (ii) the account remains out-of-order in respect of an overdraft or cash credit; (iii) a working capital borrowal account where irregular drawings are permitted in the account for a continuous period of 90 (ninety) days even though the unit may be working or the borrower's financial position is satisfactory; (iv) the bill remains overdue for a period of more than 90 (ninety) days in the case of bills purchased and discounted; (v) an account where the regular / ad hoc credit limits have not been reviewed / renewed within 180 (one hundred and eighty) days from the due date / date of ad hoc sanction; (vi) the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops; (vii) the instalment of principal or interest thereon remains overdue for one crop season for long duration crops; (viii) the amount of liquidity facility remains outstanding for more than 90 (ninety) days, in respect of a securitization transaction undertaken in terms of the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025, as amended from time to time; (ix) 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 (ninety) days from the specified due date for payment; or (x) a credit card account where the minimum amount due, as mentioned in the statement, is not paid fully within 90 (ninety) days from the payment due date mentioned in the statement. An account is treated as “out-of-order” if (i) the outstanding balance remains continuously in excess of the sanctioned limit or drawing power for 90 (ninety) days; (ii) the outstanding balance is less than the sanctioned limit / drawing power but there are no credits continuously for 90 (ninety) days; (iii) the outstanding balance is less than the sanctioned limit / drawing power but credits are not enough to cover the interest debited during the previous 90 (ninety) days period. Any amount due to the Bank under any credit facility is ‘overdue’ if it is not paid on the due date fixed by the Bank.

As per the Prudential Norms, NPAs are classified as the following: (i) substandard assets; (ii) doubtful assets; and (iii) loss assets. The RBI (Commercial Banks – Resolution of Stressed Assets) Directions, 2025, notified on 28 November 2025 (“**Stressed Assets Directions**”) further include sub categories of an asset before it is classified as an NPA. This classification of an asset is designated as an SMA-0, SMA-1 or SMA-2 depending on the period for which amounts due have remained unpaid. Banks are required to report credit information, including classification of an account as SMA to CRILC on all borrowers having aggregate exposure of ₹ 50 million and above. As per the Directions on Stressed Assets, the CRILC-Main Report is required to be submitted on a monthly basis. In addition, the lenders shall report to CRILC, all borrower entities in default (with aggregate exposure of ₹ 50 million and above), on a weekly basis, at the close of business on every Friday, or the preceding working day if Friday happens to be a holiday. Additionally, banks are required to put in place a policy approved by its board of directors for making provisions for standard assets at rates higher than the regulatory minimum, based on evaluation of risk and stress in various sectors. In accordance with the Stressed Assets Directions, the deferment of date of commencement of commercial operations (non-infrastructure) for projects in the commercial real estate sector is up to 2 (two) years, while the permitted deferment of infrastructure projects is up to 3 (three) years.

As per the Framework for Revitalising Distressed Assets in the Economy - Refinancing of Project Loans, Sale of NPA and Other Regulatory Measures issued on 26 February 2014 (which was partially consolidated under an erstwhile Master Circular dated 1 April, 2025 and now partially consolidated under the Prudential

Norms), the RBI issued guidelines on sales and purchases of NPAs between banks, financial institutions and Non-Banking Financial Companies (“NBFCs”). Banks are also permitted to sell their NPAs to other banks / FIs / NBFCs (excluding asset reconstruction companies) without any initial holding period. However, if the purchasing bank wishes to resell the non-performing financial asset, it should have been held in its books at least for a period of 12 (twelve) months before it is sold.

The RBI, by way of its erstwhile circular dated 14 September 2020, 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 (**2011 Guidelines**). Banks were required to conform to the 2011 Guidelines latest by 30 June 2021. The 2011 Guidelines have since been superseded by Reserve Bank of India (Authentication mechanisms for digital payment transactions) Directions, 2025 bearing reference number RBI/2025-26/79 CO.DPSS.POLC.No. S 668/02-14-015/2025-2026 dated 25 September 2025.

### **Prudential framework on resolution of stressed assets**

The RBI had, pursuant to its circular dated 7 June 2019 established a new regulatory framework for resolution of stressed assets, which has now been repealed and consolidated under the Stressed Assets Directions. Pursuant to the Stressed Assets Directions, existing guidelines and schemes for debt resolution such as revitalising distressed assets, CDR, flexible structuring of existing long term project loans, SDR, change in ownership outside SDR, and S4A have been withdrawn. In addition, the guidelines /framework for joint lenders’ forum has also been discontinued. According to the Stressed Assets Directions, the lenders must identify incipient stress in loan accounts immediately on default by classifying stressed assets as special mention account (SMA), as per the categories of SMA-0, SMA-1 or SMA-2.

Under Stressed Assets Directions, resolution of stressed assets, where banks are required to put in place a board approved policy for resolution of stressed assets. Upon the occurrence of a default, banks are required to within a period of 30 (thirty) days from the date of such default (**Review Period**), review the account of the borrower and determine a strategy for implementing a resolution plan or choose to initiate legal proceedings or recovery. If a resolution plan route is chosen by the lenders during the Review Period, the lenders are required to enter into an inter-creditor agreement to provide rules for finalisation and implementation of the resolution plan and also provide in such inter-creditor agreement that decisions by lenders representing 75% of outstanding facilities and 60% by number shall bind all lenders to the inter-creditor agreement. The resolution plan is to be implemented within 180 (one hundred and eighty) days from the end of the Review Period. Depending on the aggregate exposure (including fund based and non-fund based) of the borrower towards the lender, the Review Period is required to commence by a specified date, as set out below:

- (i) ₹ 20,000 million and above (approx. USD 280,000,000 and above) – 7 June 2019;
- (ii) ₹ 15,000 million and above (approx. USD 210,000,000 and above) but less than ₹ 20,000 million (less than approx. USD 280,000,000) – 1 January 2020; and
- (iii) Less than ₹ 15,000 million (approx. USD 280,000,000) – To be announced in due course.

The Stressed Assets Directions further clarifies that in the event a viable resolution plan in respect of the borrower is not implemented within the aforementioned timelines, all lenders (whether party to the inter-creditor agreement or not) are required to make additional provisions as set out below:

<b>Timeline for implementation of viable resolution plan</b>	<b>Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline</b>
180 (one hundred and eighty) days from the end of Review Period	20%
365 (three hundred and sixty five) days from the commencement of Review Period	15% (i.e. total additional provisioning of 35%)

The above requirements do not apply to the accounts having an aggregate exposure of less than ₹ 15,000 million.

### **Financing of NBFCs by banks**

RBI has issued guidelines vide Reserve Bank of India (Commercial Banks – Credit Facilities) Directions, 2025 bearing reference no. RBI/DOR/2025-26/154 DOR.CRE.REC.73/07-01-001/2025-26 dated 28 November 2025, as amended (“**Master Directions – Commercial Bank Credit Facilities**”) relating to the financing of NBFCs by commercial banks. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as:

- (i) Bills discounted/rediscouted by NBFCs, except for rediscounting of bills discounted by NBFCs arising from sale of –
  - a) commercial vehicles (including light commercial vehicles), and
  - b) two wheeler and three wheeler vehicles, subject to the conditions prescribed under Master Directions – Commercial Bank Credit Facilities.
- (ii) Investments of NBFCs both of current and long-term nature, in any company/entity by way of shares, debentures, etc. However, stock broking companies may be provided need-based credit against shares and debentures held by them as stock-in-trade.
- (iii) Unsecured loans/inter-corporate deposits by NBFCs to/in any company.
- (iv) All types of loans and advances by NBFCs to their subsidiaries, group companies/entities.
- (v) Finance to NBFCs for further lending to individuals for subscribing to initial public offerings and for purchase of shares from the secondary market.

Further, as per the Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025 bearing reference no. RBI/DOR/2025-26/158 DOR.CRE.REC.77/07-03-001/2025-26 dated 28 November 2025, the exposure of a commercial bank to a single NBFC which is predominantly engaged in lending against collateral of gold jewellery (i.e. such loans comprising 50 per cent. or more of their financial assets), shall not exceed 7.5 per cent. of the bank’s capital funds (Tier I plus Tier II Capital). However, this exposure ceiling may go up by five per cent., i.e., up to 12.5 per cent. of banks’ capital funds if the additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector.

### ***Fair Practice Code***

In accordance with the Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Directions, 2025 bearing reference no. RBI/DOR/2025-26/170 DOR.MCS.REC.No.89/01-01-032/2025-26 dated November 28, 2025 (“**Business Conduct Directions**”), all banks shall put in place approved policies and periodic review mechanisms to ensure sound business conduct and enhanced customer service. The policies should be from i) General Customer Service Aspects; ii) Liability Related; iii) Asset Related; iv) Charges

Related; v) Training Related. A bank shall orient its systems and procedures towards providing better customer service and shall periodically assess these systems and their impact on customer service. A bank shall have a Board approved policy for general management of the branches. For better customer service a bank shall mandatorily have “Enquiry” or “May I Help You” counters either exclusively or combined with other duties, located near the entry point of the banking hall, at all branches (excluding very small branches). The bank shall adhere to the instructions and procedures for opening and operating deposit accounts to safeguard against unscrupulous persons opening accounts mainly to use them as conduit for fraudulently encashing payment instruments. However, in view of receipt of continuous complaints of fraudulent encashment by unscrupulous persons opening deposit accounts in the name/s similar to already established entities resulting in erroneous and unauthorised debit of drawers’ accounts, the bank shall remain vigilant to prevent such lapses and issue necessary instructions to the branches / staff.

A bank shall adopt the broad instructions and frame the Fair Practices Code duly approved by its Board of Directors. The bank, as principal, is responsible for the actions of its agents. Hence, it shall ensure that its agents engaged for recovery of its dues strictly adhere to the instructions, while engaged in the process of recovery of dues. The bank engaging recovery agents shall undertake a periodical review of the mechanism to learn from experience, to effect improvements, and to bring to the notice of the Reserve Bank suggestions for improvement in these directions.

#### **The Recovery of Debts and Bankruptcy Act, 1993 (RDB Act) as amended by Chapter III of the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016**

The erstwhile Recovery of Debts Due to Banks and Financial Institutions Act, 1993 was renamed to the RDB Act *vide* the Insolvency and Bankruptcy Code, 2016. The RDB Act was enacted for adjudication of disputes pertaining to debts due to banks and financial institutions exceeding ₹ 1 million. The RDB 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 RDB Act.

#### **Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended, and as amended by the Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (the SARFAESI Act)**

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 (sixty) 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 (sixty) 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. Security interests over ships and aircraft, any statutory lien, a pledge of movables, any conditional sale, hire purchase or lease or any other contract in which no security interest is created, rights of unpaid sellers, any property not liable to attachment, security interest for securing repayment of less than ₹ 1 lakh, agricultural land and any case where the amount due is less than 20.00% of the principal amount and interest are not enforceable under the SARFAESI Act. In the event that 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 debt recovery tribunal or the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act as well as the debt recovery tribunal.

The SARFAESI Act also provides for sale of financial assets by banks and financial institutions to asset reconstruction companies. The financial assets can be sold to asset reconstruction companies in accordance with the extant guidelines and prudential norms issued 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 asset reconstruction companies. The banks may not sell financial assets at a contingent price with an agreement to bear a part of the shortfall on ultimate realization. However, banks may sell specific financial assets with an agreement to share in any surplus realised by the asset reconstruction company in the future. Consideration for the sale may be in the form of cash, bonds or debentures or security receipts or pass through or pay through certificates issued by the asset reconstruction company or trusts set up by it to acquire the financial assets. In the event that 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.

### **The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 (ESIRDA Amendment Act)**

The ESIRDA Amendment Act received Presidential Assent on 12 August 2016. It seeks to amend certain provisions of the SARFAESI, RDB 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 (thirty) 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 setting up of a central database to integrate records of security registered under various registration systems.

The key amendments to the RDB Act include (a) Debenture Trustees registered with SEBI can initiate proceedings under the RDB Act regarding defaults in listed debt securities; (b) a bank or a financial institution has now been permitted to take proceedings under the RDB Act before a tribunal in whose jurisdiction where

the defaulted account is maintained / located; (c) a defendant, upon service of summons under the RDB 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.

### **Insolvency and Bankruptcy Code**

The Insolvency and Bankruptcy Code, as amended (**IBC**) was enacted and notified in the Gazette of India on 28 May 2016. The IBC covers individuals, companies, limited liability partnerships, partnership firms, proprietorship firms and other legal entities. The IBC has established an Insolvency and Bankruptcy Board of India to function as the regulator for all matters pertaining to insolvency and bankruptcy. The IBC prescribes a time limit of 180 (one hundred and eighty) days (extendable by up to a maximum of 90 (ninety) days) for the insolvency resolution process to be completed (**Moratorium Period**) during which period the entity shall be revived. The insolvency resolution process shall be mandatorily completed within a period of 180 (one hundred and eighty) days (extendable by up to a maximum of 90 (ninety) days) from the date of commencement of the insolvency resolution process. During the Moratorium Period, (i) the management of the debtor vests in favour of the resolution professional appointed by National Company Law Tribunal (**NCLT**); (ii) no assets of the debtor can be transferred, encumbered; (iii) there can no enforcement of security interest; (iv) no fresh proceedings can be initiated against the debtor and the continuation of pending proceedings are prohibited. The resolution professional shall invite and verify claims of all creditors of the debtor and constitute a committee of creditors comprising of all creditors whose claims are verified and accepted. Thereafter a resolution plan is prepared for the revival of the entity which shall be approved by majority of the committee of creditors which is then sanctioned by the NCLT. In the event no resolution plan is approved by committee of creditor or the NCLT rejects the resolution plan for non-compliance, the NCLT directs the liquidation of the debtor. The Central Government through its notification dated 24 March 2020 specified that a minimum default of ₹ 10 million shall be required for the filing of application for corporate insolvency.

The IBC was amended by the Insolvency and Bankruptcy Code (Amendment) Ordinance, 2021, which introduced pre-packaged insolvency framework to address the specific requirements of micro, small and medium enterprises relating to the resolution of their insolvency, due to the unique nature of their businesses and simpler corporate structures.

On 12 August 2025, the Insolvency and Bankruptcy Code (Amendment) Bill, 2025 was introduced that, among others, proposes to mandate an NCLT to admit/reject an application within 14 (fourteen) days of receipt of initiation of a corporate insolvency resolution process (CIRP). Where the NCLT fails to issue an order under the proposed timeline, it shall record the reasons for such delay in writing. The bill further provides that a CIRP can be withdrawn only with approval of 90% of the relevant Committee of Creditors. The proposed amendment is subject to parliamentary approval.

### **Regulations relating to lending**

The RBI issues directions covering the lending activities of banks. Some of the major directions of the RBI, which are now in effect, are as follows:

- RBI has provided a framework of the rules/regulations/instructions on statutory and other restrictions on loans and advances, which has been further updated by the RBI by way of the RBI (Commercial Banks – Credit Facilities) Directions, 2025 dated 28 November 2025 (**“Credit Facilities Directions”**).
- RBI has notified to the banks the changes and modification in the Micro, Small and Medium Enterprises Development Act, 2006 as notified by way of various Gazette Notifications.
- RBI issued the Reserve Bank of India (Housing Finance Companies) Directions, 2025 dated 28 November 2025 to provide framework to banks for deploying their funds under the housing

finance allocation and ensure that bank credit is used for production, constructions activities and not for activities connected with speculation in real estate.

- Section 21A of the Banking Regulation Act provides that the rate of interest charged by a bank shall not be reopened by any court on the ground that the rate of interest charged by a bank is excessive. The Banking Regulation Act provides for protection to banks for interest rates charged by them.
- The RBI has issued the Reserve Bank of India (Commercial Banks – Interest Rate on Deposits) Directions, 2025 dated 28 November 2025 (“**Interest Rate Directions**”). As per the Interest Rate Directions, banks are required to formulate a policy approved by its board or committee, as applicable, in respect of, among others, interest rate on deposits. Further, the interest rate on deposits is required to be uniform across all branches for all customers of the bank. Additionally, as per the Interest Rate Directions, the interest rate for domestic savings deposits of up to Rs. 0.10 million shall be uniform, while for a domestic savings deposit exceeding Rs. 0.10 million, differential rates of interest can be provided. The Interest Rate Directions also stipulate that the floating rate domestic term deposit is required to be linked to a directly observable and transparent market determined external benchmark.
- Further, the Credit Facilities Directions, also deals with loans sourced over digital lending platforms. They stipulate that the bank shall maintain a website of their own in public domain which shall be kept up to date, *inter-alia*, with the details including (i) Details of all of its digital lending products and its Digital Lending Apps/ Platforms (“**DLAs**”) (ii) Details of LSPs and the DLAs of the LSPs along with the details of the activities for which they have been engaged for (iii) Particulars of bank’s customer care and internal grievance redressal mechanism (iv) Link to the Reserve Bank’s Complaint Management System (CMS) and Sachet Portal (v) Privacy policies and other details as required under extant guidelines of the RBI The Credit Facilities Directions mandate that the bank shall conduct enhanced due diligence before they enter into an agreement with a LSP for digital lending, taking into account LSP’s technical capabilities, robustness of data privacy policies and storage systems, fairness in conduct with borrowers, past records of conduct and ability to comply with all applicable regulations and statutes and that the bank remains fully responsible for all acts and omissions of the LSP.

### **Guidelines on IT Governance, Risk, Controls and Assurance Practices**

The Master Direction on Information Technology Governance, Risk, Controls, and Assurance Practices bearing reference no. RBI/2023-24/107 DoS.CO.CSITEG/SEC.7/31.01.015/2023-24 issued on 7 November 2023 (“**Guidelines on IT Governance, Risk, Controls and Assurance Practices**”) consolidates and updates various guidelines and circulars on IT governance and controls, business continuity management and information systems audit. These directions are applicable to regulated entities, including banks.

The directive mandates banks (as applicable) to adopt board approved frameworks and policies offering guidance on information technology (“**IT**”) governance, with key focus on *inter alia* strategic alignment, risk management, resource management, performance management and business continuity/disaster recovery management. Further, the banks must ensure, among others: (a) formation of an IT strategy committee; (b) constitution of an IT steering committee with representation at senior management level from IT and business functions of the Bank; (c) appointment of a senior level, technically competent and experienced official in IT related aspects as the head of IT function; (d) establishment of a management framework to support its IT systems and infrastructure; (e) appropriate vendor risk assessment processes and controls, proportionate to the assessed risk and materiality of any IT activities/services outsourced to third-parties; (f) to conduct regular risk

assessments; (g) development of robust processes for incident response and recovery, through analysis of past incidents and conduct of tests and drills; (h) implementation of comprehensive business continuity and disaster recovery management best practices; and (i) it has separate information systems audit function or resources who possess the required professional expertise and skills.

### **Circular – Fair Practices Code for Lenders – Charging of Interest dated 29 April 2024**

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.

### **Regulations relating to deposits**

The RBI has issued the Interest Rate Directions. The Interest Rate Directions apply to all banks authorised to operate in India and require them to pay interest on deposits (other than current account deposits) accepted or renewed in their domestic, Non-Resident Ordinary (NRO), Non-Resident (External) (NRE), and Foreign Currency (Non-resident) Accounts (Banks) Scheme (FCNR(B)) deposit accounts. Banks are required to put in place a comprehensive policy on (i) interest rates on deposits; (ii) Penalties for premature withdrawal of term deposits, including partial premature withdrawal; (iii) Penalties for premature withdrawal of NRE term deposits; (iv) Penalties for premature withdrawal of FCNR(B) term deposits, duly approved by the board of directors or any committee to which powers have been delegated. Further, certain additional restrictions have been prescribed to determine interest rates for savings deposits and term deposits. For instance, banks may provide differential rates of interest may be provided for any end-of-day savings bank account balance exceeding ₹1 lakh. Additionally, interest rates offered by banks on NRO and NRE deposits cannot be higher than those offered by them on comparable domestic rupee term deposits.

### **Directed lending**

The RBI notified the Reserve Bank of India (Priority Sector Lending – Targets and Classification) Directions, 2025 on 24 March 2025 (“**Master Direction**”), superseding and consolidating earlier directions that sets out the broad policy in relation to priority sector lending (“**PSL**”). In accordance with these directions, the priority sectors for all scheduled banks include (i) agriculture; (ii) MSMEs; (iii) education; (iv) housing; (v) social infrastructure; (vi) renewable energy; (vii) export credit and (viii) others (which are loans up to prescribed limits as specified in the Master Direction). Under the Master Direction, the priority sector lending targets are linked to adjusted net bank credit as defined (**ANBC**) or credit equivalent amount of off-balance sheet exposure (“**CEOBSE**”), whichever is higher, as on the corresponding date of the preceding year. Currently, the total priority sector lending target for domestic banks is 40% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher. It also prescribed sub-targets for small and marginal farmers, micro-enterprises and weaker sections. As per the Master Director, the export credit (other than those under agriculture and MSME) given by domestic banks shall be eligible for classification as PSL if the incremental export credit over corresponding date of the preceding year is up to 2% of the ANBC of CEOBSE (whichever is higher), subject to a sanctioned limit of ₹ 500 million per borrower.

Further, as per the Master Directions, bank credit to registered NBFCs (other than MFIs) for on-lending will be eligible for classification as priority sector up to ₹ 1.00 million under respective categories, subject to the conditions laid out therein.

### **Co-Lending Directions**

The RBI introduced the Reserve Bank of India (Commercial Banks- Transfer and Distribution of Credit Risk) Directions, 2025 on 28 November 2025.

Pursuant to these directions, each regulated entity is required to maintain a minimum of 10% share of the individual loans in its books. The final interest rate charged to a borrower shall be a blended interest rate calculated as an average rate of interest derived from the interest rates charged by each of the co-lenders, as per their internal policies and the risk profile of a similar borrower, subject to applicable laws. The agreement between the co-lenders is also required to formulate policies for customer interface, customer protection issues and grievance redressal mechanism.

### **Master Regulations and Guidelines of the SEBI**

SEBI was established in 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992 to protect the interests of public investors in securities and to promote the development of, and to regulate, the Indian securities market including all related matters. We are subject to regulations prescribed by SEBI in respect of capital issuances as well as some of our activities, including acting as agent for collecting subscriptions to public offerings of securities made by other Indian companies, underwriting, custodial, depository participant, and investment banking and because our equity shares are listed on Indian stock exchanges. These regulations provide for registering with SEBI the functions, responsibilities and the code of conduct applicable for each of these activities.

### **Exposure norms**

As a prudential measure aimed at better risk management and avoidance of concentration of credit risk, the RBI has prescribed credit exposure limits for banks and long-term lending institutions in respect of their lending to individual borrowers and to all borrowers belonging to a single group. A bank may consider fixing internal limits for its aggregate exposure to all NBFCs put together. The bank should have an internal sub-limit on its aggregate exposures to all NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. This sub-limit should be within the internal limit, where fixed by the bank for its aggregate exposure to all NBFCs put together.

The aggregate exposure of a bank to the capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth, on both standalone and consolidated basis as on 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 alternative investment funds should not exceed 20% of its consolidated net worth.

Under the CRM Directions, with the objective of mitigating the risk posed to the banking system on account of large aggregate lending to a single corporate. As per the framework, exposure to corporate with large borrowing from banking system beyond the prescribed limit would attract additional provisions and higher risk weights.

In accordance with the CRM Directions, exposure limits to single and group borrowers will be 20% and 25%, respectively, of our Tier 1 Capital funds.

As per the CRM Directions, the sum of all exposure values of a bank to a counterparty or a group of connected counterparties is defined as a 'Large Exposure' (LE), if it is equal to or above 10% of the bank's

eligible capital base (i.e., Tier 1 capital) and the bank is required to report their LE to the RBI and Department of Banking Supervision, Central Office. Exposure limits to single and group NBFC's will be 20% and 25% of our Tier 1 Capital funds respectively.

### **Directions on short-selling**

The RBI issued the Short Sale (Reserve Bank) Directions, 2018 ("**Short Sale Directions**") that came into effect from 26 July 2018.

The Short Sale Directions define a short sale as a sale of a security one does not own. Banks may treat sale of a security held in the investment portfolio as a short sale and follow the process laid down in the Short Sale Directions.

These transactions shall be referred to as 'notional' short sales. For the purpose of these Short Sale Directions, short sale would include 'notional' short sale.

The maximum amount of a security (face value) that can be short sold shall be as follows:

- for Liquid Securities – 2% of the total outstanding stock of each security, or, ₹ 5.00 billion, whichever is higher;
- for other securities – 1% of the total outstanding stock of each security, or, ₹ 2.50 billion, whichever is higher.

### **Regulations relating to Know Your Customer and Anti-Money Laundering**

The RBI has issued several guidelines on Know Your Customer (KYC) and Anti Money Laundering (AML) containing rules on (i) customer identification and acceptance; (ii) monitoring of transactions; and (iii) vigilance at the time of opening accounts for new customers to prevent misuse of the banking system. Banks have been advised to ensure systems and procedures are in place to control financial frauds, identify money laundering and suspicious activities and monitor high value cash transactions. Such monitoring includes cross border transactions. Further, banks have also been advised to ensure that adequate policies are formulated and adopted in relation to KYC and AML.

On 20 April 2020, the RBI amended the Master Direction - Know Your Customer (KYC) Direction, 2016, read with the Reserve Bank of India (Know Your Customer (KYC)) (Amendment) Directions, 2025 dated 12 June 2025 requiring banks and financial institutions regulated by the RBI to periodically carry out money laundering and terrorist financing risk assessments to identify, assess and take effective measures to mitigate its money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels, etc. These requirements have now been consolidated under the RBI (Commercial Banks – Know Your Customer) Directions, 2025 ("**Know Your Customer Directions**"). The banks and financial institutions shall apply a risk based approach for mitigation and management of the identified risk and should have Board approved policies, controls and procedures which take into consideration sector-specific vulnerabilities which are shared by the regulators. Further, regulated entities are required to inform the customer in advance to update their KYC, giving at least three advance intimations including at least one intimation by letter, at appropriate intervals through available communication options.

### **Penalties**

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.

## **Legal Reserve Requirements**

### ***Cash Reserve Ratio***

Each bank is required to maintain CRR on a daily basis which is a specified percentage of total of DTL adjusted for the exemptions, by way of a balance in a current account with the RBI. As per the RBI (Commercial Banks – Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025 (“**Cash Reserve Ratio and Statutory Liquidity Ratio Directions**”), banks are required to maintain the CRR at 3.75%, 3.5%, 3.25% and 3.0% of their net demand and time Liabilities (NDTL) effective from the reporting fortnight beginning September 6, October 4, November 1 and November 29, 2025, respectively. The RBI does not pay any interest on CRR balances. The CRR has to be maintained on an average basis for a fortnightly period and the minimum daily maintenance of the CRR should be 90% in such a manner that the average of CRR maintained daily shall not be less than the CRR prescribed by the RBI. The RBI may impose penal interest at the rate of 3% p.a. above the bank rate on the amount by which the reserve falls short of the CRR required to be maintained on a particular day and if the shortfall continues further the penal interest charged shall be increased to a rate of 5% p.a. above the bank rate in respect of each subsequent day during which the default continues. In case of default in the maintenance of CRR on average basis during the fortnight, penal interest will be recovered as envisaged under Section 42(3) of the Reserve Bank of India Act, 1934.

### ***Statutory Liquidity Ratio***

Each Bank is required to maintain a SLR, a specified percentage of total DTL by way of liquid assets like cash, gold or approved unencumbered securities. The percentage of this liquidity ratio is fixed by the RBI from time to time, pursuant to Section 24 of the Banking Regulation Act. At present, the RBI requires banks to maintain SLR of 18.00%. Under the Marginal Standing Facility (**MSF**), banks shall have the option to borrow up to 2% of their respective NDTL outstanding at the end of the second preceding fortnight, the banks can borrow overnight at their discretion by dipping into their excess SLR holdings. Additionally, in the event of the banks’ SLR holding falling below the statutory requirement up to 2% of their NDTL, banks shall not have the obligation to seek a specific waiver for default in SLR compliance arising out of use of this facility in terms of notification issued under Section 24(2A) of the Banking Regulation Act, 1949.

## **Risk Management and Inter-bank dealings and hedging of foreign exchange risk**

RBI through its Master Direction on Risk Management and Inter-Bank Dealings 2016, amended from time to time, governs the foreign exchange derivatives contracts to promote orderly development and maintenance of foreign exchange market in India. Foreign exchange derivatives contracts include forward contract, cross currency and rupee option and SWAPs.

In terms of the Master Direction on Risk Management and Inter-Bank Dealings 2016, RBI permits authorised dealer banks to book foreign exchange derivatives with person resident in India to facilitate hedging of underlying foreign currency exposure.

By way of its circular dated 7 April 2020, RBI revised the existing facilities for residents and non-residents to hedge their foreign exchange risk on account of transactions permitted under FEMA 1999. While all key obligations of authorized dealer banks remain, a greater flexibility has been provided to the authorised dealer banks in monitoring and managing their client foreign exchange activities.

The revised directions aim to ease access to the domestic foreign exchange & derivative markets, among others, through: i) merging facilities for residents and non-residents into a single unified facility for all users, ii) allowing users having valid exposure to hedge the same by using any available instrument iii) introducing facility to hedge anticipated exposures and iv) simplifying procedures for authorised dealer banks to offer foreign exchange and derivatives transactions.

The RBI has issued the Cash Reserve Ratio and Statutory Liquidity Ratio Directions on Cash Reserve Ratio and Statutory Liquidity Ratio, as amended, which mandates, among others, reporting requirements by banks for SLR in the manner prescribed under these directions.

### **Regulations relating to Authorised Dealers (ADs) for foreign exchange and cross-border business transactions**

The foreign exchange and cross border transactions undertaken by banks, both on its 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 bank should monitor all non-resident accounts and cross border transactions to prevent money laundering. RBI may impose penalty for contravention of FEMA and regulations/ notifications issued there under or contravenes any condition subject to which an authorisation is issued by the Reserve Bank.

### **Foreign ownership restriction**

Aggregate foreign investment, in a private sector bank is permitted up to 49% of the paid up capital under the automatic route. This limit can be increased up to 74% of the paid up capital with prior approval from the Department of Financial Services. Pursuant to a letter dated 19 July 2016 from the Ministry of Finance, Government of India, the Bank has received approval for aggregate foreign investment in the Bank up to 74% of its paid up capital. Further, SEBI has through circular dated 5 April 2018, put in place a new system for monitoring the foreign investment limits in listed Indian companies, and by its circular dated 17 May 2018, SEBI has directed that the system be made operational from 1 June 2018. Accordingly, the listed Indian company shall have to appoint any one depository as its designated depository to facilitate the monitoring of the foreign investment limits.

### **Secrecy obligation**

Banks' obligations relating to maintaining secrecy arise out of Section 13 of the Bank Nationalisation Act and also common law principles governing the relationship between them and their customers. As per Know Your Customer Directions, as amended, information collected from customers shall be treated as confidential and such information shall not be divulged for the purpose of cross selling, or for any other purpose without the express permission of the customer. While considering the requests for data / information from Government and other agencies, the bank shall satisfy itself that the information being sought is not of such a nature as will violate the provisions of the laws relating to secrecy in the transactions.

### **Ownership restrictions**

Pursuant to Section 12(2) of the Banking Regulation Act the RBI has, on 21 July 2016, notified that no shareholder in a bank can exercise voting rights on poll in excess of 26% of total voting rights of all the shareholders of the bank.

RBI has issued the Reserve Bank of India (Commercial Banks- Acquisition and Holding of Shares or Voting Rights) Directions, 2025 ("**Directions on Ownership**"), that prescribes every person, who intends to acquire shares or voting rights and intends to be a major shareholder of a banking company, is required to obtain previous approval of the RBI. The RBI would undertake a due diligence to assess the 'fit and proper' status of the applicant. It will be open to the RBI to seek additional information / documents from the applicant / concerned banking company and make such enquiries with regulators, revenue authorities, investigation agencies, credit rating agencies or any other persons as considered appropriate. If at any point in time the aggregate holding of the person falls below 5%, as per Section 12B(1) of Banking Regulation Act, 1949, the person will be required to again obtain prior approval from the Reserve Bank to raise the aggregate holding to 5% or more of total paid-up share capital or voting rights of the banking company. Thereafter prior approval is also needed to go beyond 10%. The RBI, when considering whether to grant an approval, may take into account



all matters that it considers relevant to the application, including ensuring that shareholders whose aggregate holdings are above specified thresholds meet fit and proper criteria.

The Directions on Ownership envisage diversified shareholding in private sector banks by a single entity/corporate entity/group of related entities. Further, separate limits are now stipulated for (i) non-financial and (ii) financial institutions; and among financial institutions, for diversified and non-diversified financial institutions. The Directions on Ownership has prescribed that Non-promoters who are natural persons, non-financial institutions, financial institutions connected with large industrial houses, or institutions owned or controlled by individuals may hold up to 10% of a bank's paid-up capital or voting rights. Other financial institutions, supranational institutions, public sector undertakings, and central or state governments may hold up to 15%. Promoters are permitted a higher long-term stake, capped at 26%. This 26% limit applies only after the bank has completed 15 (fifteen) years from the commencement of its business.

### **RBI restriction on offshore payments**

Any offshore payments to be made under the medium term notes by the head office of the Bank would require prior approval of the RBI.

### **Regulations governing Offshore Banking Units (OBUs)**

The Government and the RBI have permitted banks to set up OBUs 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. OBUs are exempt from CRR requirements. All prudential norms applicable to overseas branches of Indian banks apply to OBUs. OBUs may operate and maintain balance sheets only in foreign currency and are not allowed to deal in Indian rupees except for having a special rupee account out of the convertible funds in order to meet their daily expenses.

### **Regulations governing IFSC Banking Units (IBUs)**

The RBI through its notification dated 1 April 2015, as amended, has permitted both private and public sector banks to set up banking units in International Financial Services Centres (IFSC), provided that they are eligible to deal in foreign exchange and have minimum capital of USD 20 million or equivalent in foreign currency. IBUs are exempt from CRR and SLR requirement specified by the RBI under the Basel III Regulations and may raise capital from persons not resident in India and overseas branches of Indian banks. IBUs must maintain LCR as applicable to Indian banks on a stand-alone basis and follow the liquidity risk management guidelines issued by RBI to banks. Further, NSFR will also be applicable to IBUs as and when it is applied to Indian banks. The IBUs are permitted to engage in all banking services allowed to be conducted by banks in accordance with the Banking Regulation Act, provided the transactions are conducted in currency other than Indian Rupee and are not conducted with high net worth individuals or retail customers. Further, IBUs may, among other things, undertake factoring / forfaiting of export receivables, derivative transactions, open foreign escrow accounts and act as underwriters / arrangers for overseas issue of rupee denominated bonds. However, IBUs are not permitted to open savings accounts and may only open foreign currency current accounts. No cheque facility will be available for holders of current accounts in the IBUs. All transactions must be undertaken through bank transfers. IBUs are prohibited from undertaking cash transactions. The IBUs will be required to scrupulously follow know your customer-combating of financing of terrorism and other anti-money laundering instructions issued by the IFSC Authority including the reporting thereof.

The SEBI issued SEBI (International Financial Services Centres) Guidelines, 2015 on 27 March 2015 which stipulate the nature of clients, raising of capital, issue of debt securities, listing and trading of securities and the exemptions from application of SEBI regulations granted to entities operating in IFSCs, including IBUs. The SEBI through its circular dated 9 July 2020, allowed banking companies, among others, to invest up to 15% of the paid up share equity of recognized stock exchange in an IFSC. Further, SEBI through its circular

dated 7 August 2020, allowed banking companies, among others, to invest up to 15% of the paid-up share equity of clearing corporation in an IFSC.

### **International Financial Services Centre Authority (“IFSCA”)**

The Government of India enacted the International Financial Services Centres Authority Act, 2019 on December 2019 and established the International Financial Services Centres Authority (**IFSCA**) to develop and regulate the financial services market in the International Financial Services Centres in India and for matters connected therewith or incidental thereto. The IFSCA recently introduced the International Financial Services Centre Authority (Listing) Regulations, 2024 dated 30 August 2024 (“**IFSCA Regulations**”) (as amended), which provide a unified regulatory framework for listing of various securities by issuers incorporated in the IFSC, India and foreign jurisdictions on exchanges in IFSCs. These regulations aim to assist issuers in accessing and raising capital through stock exchanges in IFSCs. These regulations cover issuance and listing of various financial products on the recognised stock exchanges in IFSC. These regulations were issued in suppression of previous regulations, the International Financial Services Centres Authority (Issuance and Listing of Securities) Regulations, 2021.

The IFSCA by way of its notice dated 18 November 2020 issued the International Financial Services Authority (Banking) Regulations, 2020, as amended, for banking and investment activities in the International Financial Services Centres. The IFSC GIFT City Branch of the Bank is regulated by IFSCA.

### ***Digital Personal Data Protection Act, 2023 (“DPDP Act”)***

The DPDP Act received Presidential assent and was notified on August 11, 2023; however, its provisions will be implemented in phased manner. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. It mandates data fiduciaries to provide a notice in plain and clear language describing the personal data sought to be collected and the purpose of processing, and provides that personal data may be processed only for a lawful purpose after obtaining consent, which may be withdrawn at any time. A data principal will have the right to obtain information about processing, seek correction and erasure, and nominate another person to exercise rights, and shall not register false or frivolous grievances or furnish false particulars, among other duties.

The DPDP Act imposes obligations on data fiduciaries to make reasonable efforts to ensure accuracy, completeness and consistency of data, build reasonable security safeguards, inform the Data Protection Board of India and affected persons in the event of a breach, and erase personal data upon withdrawal of consent or when the purpose is no longer served. The Digital Personal Data Protection Rules, 2025 (“**DPDP Rules**”), were officially notified by the Government of India on November 13, 2025, with a phased rollout for compliance. The DPDP Rules include detailed implementation aspects pertaining to notice, registration and obligations of consent managers, processing of personal data for issuance of subsidy, benefit or service by State, applicability of reasonable security safeguards, breach intimation, exercise of rights, processing of personal data of a child or person with disability, constitution and functioning of the Data Protection Board, and procedure for appeals.

### **Downstream investment by banks**

In accordance with rule 23 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, downstream investments made by a banking company, as defined in section 5(c) of the Banking Regulation Act, incorporated in India, which is owned or controlled by non-residents/non-resident entity, under corporate debt restructuring, or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment. However, their ‘strategic downstream investment’ shall count towards indirect foreign investment. For this purpose, ‘strategic downstream investments’ would mean investment by these banking companies in their subsidiaries, joint ventures and associates.

### **Guidelines for merger and amalgamation of private sector banks**

The RBI has issued, the RBI (Commercial Banks – Voluntary Amalgamation) Directions, 2025 dated 28 November 2025 relate to: (i) an amalgamation of two banking companies; and (ii) an amalgamation of a NBFC with a banking company. For voluntary amalgamation of an NBFC with a bank or vice versa, scheme of amalgamation shall require approval by the Tribunal in terms of Sections 230 to 234 of the Companies Act, 2013. However, No-Objection Certificate' from RBI shall be obtained before approaching any Court or Tribunal for approval of amalgamation of a bank and an NBFC. The Reserve Bank has discretionary powers to approve the voluntary amalgamation of two banking companies under the provisions of Section 44A of the Banking Regulation Act.

### **Regulation of financial services provided by banks**

The RBI (Commercial Banks – Undertaking of Financial Services) Directions, 2025 dated 28 November 2025 (“**Financial Services Directions**”), require banks to comply with certain restrictions while undertaking financial services including in relation to risk mitigation measures, limits on investment that can be made by banks in companies undertaking financial services. The directions also provide for specific regulations for certain financial services such as, among others, setting of an infrastructure debt fund, underwriting activities, mutual fund business, and insurance business. Under the Financial Services Directions, equity investment by a bank in any entity, including its group entity, individually, shall not exceed 10% 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. 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). 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.

### **Guidelines on management of intra-group transactions and exposures**

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.

### **Capital and provisioning requirements for exposures to entities with unhedged foreign currency exposure**

The RBI issued the CRM Directions, pursuant to these directions, RBI has provided for provisioning and capital requirements for bank exposures to entities with unhedged foreign currency exposures.

### **Central Repository of Large Common Exposures**

The RBI has introduced Central Repository of Large Common Exposures (CRILC) repository of large credits and share information with the banks for enabling them to be aware of building leverage and common exposures. All banks are required to report to RBI, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 50.00 million. In addition, RBI directions require banks to report, among others, the SMA 2 (Principal or interest payment overdue between 61-90 (sixty one to ninety) days) status of the borrower to the CRILC. Any non-submission of or wrong reporting in these returns attracts penalties as specified in the Banking Regulation Act.

Further, in terms of the Stressed Assets Directions, all banks are required to report to CRILC, on a monthly basis, exposures of individuals and entities having exposure (both fund and non-fund based) of more than ₹ 50 million. Banks are also required to report to CRILC, on a weekly basis for all borrower entities in default, having aggregate exposure of more than ₹ 50 million. In addition, banks are required to report to CRILC

the classification of an account to ‘special mention account’ in respect of borrower entities having aggregate exposure of more than ₹ 50 million. Any action by a bank with an intent to conceal the actual status of accounts or evergreen the stressed accounts, will be subjected to stringent supervisory / enforcement actions as deemed appropriate by the Reserve Bank, including, but not limited to, higher provisioning on such accounts and monetary penalties.

### **Storage of payment system data**

The RBI on 6 April 2018 issued a notification on storage of information relating to the payment ecosystem as not all system providers store the payments data in India. In accordance with the notification, all system providers shall ensure that data relating to payment systems operated by them are stored in a system only in India. Data should include the full end-to-end transaction details, information collected, carried, processed as part of the message or payment instruction. For the foreign leg of the transaction, if any, the data can also be stored in the foreign country, if required. System providers have to comply within 6 (six) months and report compliance and do a system audit report.

### **The Reserve Bank of India – Integrated Ombudsman Scheme, 2021 (Scheme)**

The Scheme integrates the existing three Ombudsman schemes of RBI namely, (i) the Banking Ombudsman Scheme, 2006; (ii) the Ombudsman Scheme for Non-Banking Financial Companies, 2018; and (iii) the Ombudsman Scheme for Digital Transactions, 2019. The Scheme, framed by the Reserve Bank in exercise of the powers conferred on it under Section 35A of the Banking Regulation Act, 1949 (10 of 1949), Section 45L of the Reserve Bank of India Act, 1934 (2 of 1934), and Section 18 of the Payment and Settlement Systems Act, 2007 (51 of 2007), will provide cost-free redress of customer complaints involving deficiency in services rendered by entities regulated by RBI, if not resolved to the satisfaction of the customers or not replied within a period of 30 (thirty) days by the regulated entity. In addition to integrating the three existing schemes, the Scheme also includes under its ambit Non-Scheduled Primary Co-operative Banks with a deposit size of ₹ 50 crore and above. The Scheme adopts ‘One Nation One Ombudsman’ approach by making the RBI Ombudsman mechanism jurisdiction neutral. The Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023, with a view to strengthen the internal grievance redress system of regulated entities and to ensure adequate resolution of customer complaints by enabling a review before rejection by an authority within the relevant bank itself.

### **Banking Regulation (Amendment) Act, 2017**

The Banking Regulation (Amendment) Act 2017 states that the Government may by order authorise the RBI to issue directions to banking companies to initiate insolvency proceedings under the Insolvency and Bankruptcy Code, 2016.

### **Declaration of dividend by banks**

The RBI has issued the Reserve Bank of India (Commercial Banks- Prudential Norms on Declaration of Dividends and Remittance of Profits) Directions, 2025 (“**Declaration of Dividends Directions**”). The payment of dividends by banks is subject to the board of directors to consider the current and projected capital position of the bank vis-à-vis the applicable capital requirements, applicable capital buffers and the adequacy of provisions, taking into account the economic environment, and the outlook for profitability. The banks have to fulfil the minimum prudential requirements to declare the dividend. If a bank does not meet the above eligibility criteria, no special dispensation shall be given to the bank for declaration of dividend. The dividend payout ratio shall not exceed 40% and shall be as per the matrix furnished in the Declaration of Dividends Directions. If the profit for the relevant period includes any extra-ordinary profits / income, the dividend payout ratio shall be computed after excluding such extra-ordinary items for reckoning compliance with the prudential payout ratio. The payment of dividends by banks is also subject to restrictions under the Banking Regulation Act. Section 15(1) of the Banking Regulation Act states that no banking company shall pay any dividend on its shares until

all its capitalised expenses (including preliminary expenses, organisation expenses, share-selling commissions, brokerage, amounts of losses incurred and any other item of expenditure not represented by tangible assets) have been completely written off. In addition, Section 17(1) of the Banking Regulation Act requires every banking company to create a reserve fund and, out of the balance of the profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 25% of such profit to the reserve fund before declaring any dividend.

### **Representative Offices**

The Bank has three representative offices in GCC at Dubai, Sharjah and Abu Dhabi, which are regulated by Central Bank of the United Arab Emirates. The representative offices in GCC are permitted to carry out facilitating and promotion of permitted products for non-resident Indians in the UAE. The Bank has another Rep Office in Bangladesh (BRO). As per the Regulations of Bangladesh Investment Development Authority (BIDA) & Bangladesh Bank, BRO is permitted to promote FI-Trade & Non-FI Trade business through its overseas locations.

### **Regulations relating to banking business**

The Banking Regulation Act defines the forms of business in which a banking company may engage. RBI has issued various guidelines/directions governing the functioning of banks in India. These guidelines cover, not limited to, governance, deposits, loans, investments, risk management, operations, audit, compliance, housekeeping etc.

### **Reporting of fraud cases**

The RBI issued Master Directions on Fraud Risk Management in Commercial Banks (including Regional Rural Banks) and All India Financial Institutions dated 15 July 2024 replacing earlier guidelines. These extensive rules cover a broad spectrum of regulated institutions, such as commercial banks, cooperative banks, and non-banking financial companies. They underscore the need for a strong governance structure for managing fraud risks, along with early detection tools such as Early Warning Signals (EWS) and the Red Flagging of Accounts (RFA). The Directions introduce strict requirements for reporting fraud to law enforcement agencies (LEAs) and the RBI, and they detail the functioning of the Central Fraud Registry (CFR), the process for reporting fraud events, and how fraud cases should be handled during resolution. They also require measures like legal audits for high-value loan accounts, clear delineation of auditor responsibilities, and defined timelines for reporting fraud. Overall, the Directions are designed to improve transparency, accountability, and operational effectiveness in addressing fraud risks within the banking system, thereby supporting regulatory compliance and protecting financial stability.

### **Marginal Cost of Funds based Lending Rate (MCLR)**

Pursuant to the notification issued by RBI dated 17 December 2015, all rupee loans sanctioned and credit limits renewed with effect from 1 April 2016 are to be priced with reference to the MCLR which is the internal benchmark for such purposes. MCLR comprise: (a) marginal cost of funds; (b) negative carry on account of CRR (c) operating costs (d) tenor premium.

### **Indian Accounting Standards**

The MCA, in its press release dated 18 January 2016, issued a roadmap for the implementation of Indian Accounting Standards (**IND-AS**) converged with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board with certain carve-outs for scheduled commercial banks, insurance companies and non-banking financial companies (the “**2016 roadmap**”). The 2016 roadmap requires such institutions to prepare IND-AS based financial statements for the 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. A bank shall ensure strict compliance with the Accounting Standards notified under

the Companies (Accounting Standards) Rules, 2021, as amended from time to time, subject to directions / guidelines issued by the RBI. This has been recently notified under RBI (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28 November 2025. A bank shall, at the minimum, furnish the following information in the 'Notes to Accounts'. The bank shall note that mere mention of an activity, transaction or item in the disclosure template does not imply that it is permitted, and the bank shall refer to the extant statutory and regulatory requirements while determining the permissibility or otherwise of an activity or transaction. The bank shall disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements. Further, the bank shall include comparative information for narrative and descriptive information if it is relevant to understanding the current period's financial statements. For more information on deferment of implementation of IND-AS, see "*Presentation of Financial and Other Information*".

### **Appointment and Remuneration of the Chairman, the Managing Director and Other Directors**

Banks require the prior approval of the RBI to appoint their Chairman and Managing Director and any other whole time or executive directors and to fix their remuneration. The RBI is empowered to remove the appointee on the grounds of public interest or the interest of depositors or to ensure the proper management of the bank. Further, the RBI may order meetings of the board of directors of banks to discuss any matter in relation to the bank, appoint observers to these meetings and in general may make changes to the management as it may deem necessary and can also order the convening of a general meeting of the company to elect new directors. RBI has, issued the RBI (Commercial Banks - Governance) Directions, 2025 dated 28 November 2025, has issued instructions in relation 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.

### **Project Finance Directions**

Effective 28 November 2025, the RBI notified the Credit Facilities Directions. The Credit Facilities Directions has introduced a framework for banks, for financing of projects in infrastructure and non-infrastructure (including commercial real estate & commercial real estate- residential housing) sectors by banks. As per the Credit Facilities Directions, under-construction projects where the aggregate exposure of a lenders is up to ₹ 15,000 million, no individual lender can have an exposure which is less than 10% of the aggregate exposure. For projects where aggregate exposure of all lenders is more than ₹ 15,000 million, the exposure floor for an individual lender is required to be 5% or ₹ 1,500 million, whichever is higher.

### **Draft Reserve Bank of India (Commercial Banks - Capital Market Exposure) Directions, 2025**

The RBI has issued the Draft Reserve Bank of India (Commercial Banks - Capital Market Exposure) Directions, 2025 inviting public comments on 24 October 2025 ("**Draft Directions**"). The Draft Directions represent a comprehensive overhaul of, *inter alia*, the existing framework on financing by banks against shares and now specifically acquisition financing in the following respects: (a) prescribing prudential limits on the capital market exposure of the banks towards acquisition finance; (b) introducing conditions to be met by banks for providing acquisition financing; (c) permitting banks to extend acquisition financing of up to 70% of the acquisition value of the target company; and (d) unveiling policy requirements to be met by banks for providing acquisition financing, bridge financing and other kinds of financing against shares as collateral.

### **Statement of Developmental and Regulatory Policies issued by the RBI on 7 February 2025**

The RBI, through its press release dated 7 February 2025 announced certain policy measures for the following: (i) financial markets, (ii) cyber security, and (iii) payment systems. These measures included introduction of forward contracts in government securities and introduction of an electronic platform for secondary transactions in government securities. Further, to enhance security for cross-border card transactions, the policy has also proposed to introduce additional authentication for international transactions as well.

Moreover, due increase instances of fraud in the digital payments, the press release has recommended changing domain names to "bank.in" for Indian banks and "fin.in" for other non-bank entities in the financial sector. The RBI, vide its circular dated 22 April 2025, had advised to migrate their domain names by 31 October 2025. For further details, see "*The Indian Financial Sector*".

### **Companies Act, 2013 ("Companies Act")**

The Companies Act, as amended, seeks to strengthen corporate regulation by increasing the robustness of the existing provisions and introducing new measures, such as: (i) increasing the accountability of management by making independent directors more accountable; (ii) improving corporate governance practices; (iii) enhancing disclosure norms in relation to capital raising; (iv) enhancing audit procedures and audit accountability; (v) increasing investor protection and activism by way of provisions relating to class action suits; (vi) ensuring protection of minority rights including exit options; (vii) promoting e-governance initiatives; (viii) ensuring stricter enforcement standards including establishment of the Serious Fraud Investigation Office for investigation of frauds relating to companies and special courts for summary trial of offences under the Companies Act offences; (ix) mandatory constitution of corporate social responsibility committee for every company having net worth of Rs. 5,000 million or more, or turnover of Rs. 10,000 million or more or a net profit of Rs. 50 million or more during the immediately preceding Fiscal Year and spend in every Fiscal Year, of at least two per cent. of the average net profits of the company made during the three immediately preceding Fiscal Years; (x) introducing the National Company Law Tribunal and its appellate authority which is the National Company Law Appellate Tribunal which has replaced the Company Law Board, the Board for Industrial and Financial Reconstruction and its appellate authority with the intention that all lawsuits relating to companies are made to one body; (xi) providing rules on related party transactions and acceptance of deposits; and (xii) the implementation of a fixed and variable legislation model with various provisions of the Companies Act delegating rule making power to Central Government.

### **Laws relating to Intellectual Property**

In India, trademarks enjoy protection both statutory and under common law. The Trademarks Act, 1999, as amended, ("**Trademarks Act**") and the Copyright Act, 1957, as amended, amongst others govern the law in relation to intellectual property, including brand names, trade names and service marks and research works. The Trademarks Act governs the statutory protection of trademarks in India. It governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 (ten) years, and can be renewed in accordance with the specified procedure

### **Consumer Protection Act, 2019**

In light of emerging delivery systems such as e-commerce and direct selling, the Consumer Protection Act, 2019 (**CPA**) was enacted on 9 August 2019 for the protection of the interests of consumers availing goods and services, including banking or financial services. The CPA prescribes rights of consumers as well as prohibits unfair trade practices, misleading advertising and unfair contracts. The CPA was notified and came into effect on 15 July 2020, except certain provisions regarding e-commerce, direct selling, penalties and jurisdiction of national consumer disputes redressal commission which were notified on 23 July 2020.

The CPA prohibits unfair contracts between manufacturers, traders or service provider and consumers, whose terms which may cause significant change in the rights on consumers. Such unfair contracts include contracts requiring excessive security deposits, imposing disproportionate penalty for breach of contract, non-acceptance of early repayment of debts and assignment without consent of consumer.

The CPA establishes consumer disputes redressal commissions at the national, state and district level which are empowered to hear complaints, conduct proceedings and pass orders with respect to protection of consumer rights and unfair contracts, including directing the seller or service provider of the good or service to

provide pay penalties, remove defects, provide restitution to the complainant or cease manufacturing or providing a hazardous good or service.

On 20 July 2020, the Consumer Protection (Mediation) Rules, 2020 were notified which stipulate that every commission shall have a mediation cell for the settlement of consumer disputes, provided that matters of involving serious frauds, forgery and criminal offences shall not be referred to mediation.

The Central Consumer Protection Authority (**CCPA**) was established on 24 July 2020 under the provision of the CPA to regulate and inquire into matters relating to violation of consumer rights, unfair trade practices, false or misleading advertisements and enforce class actions. The CCPA is empowered to file complaints before the district, state or national commissions, intervene in the proceedings of the commissions, issue guidelines regarding unfair trade practices or misleading advertisements or pass orders recalling or discontinuing goods and services. The Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021 were enacted on 30 December 2021 stating the jurisdiction of the commission on various levels.

### **Other Regulations**

In addition to the above the Bank is required to comply with the relevant provisions of the Companies Act and other relevant legislations along with rules formulated thereunder for its regulatory operations.

### **Regulation of External Commercial Borrowings (“ECBs”)**

The current laws relating to ECBs as applicable to the issue of the Notes are embodied in the ECB Guidelines.

Indian companies are permitted to issue secured instruments (including fixed rate bonds or notes) under the ECB Guidelines. ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals (however, approvals from an authorised dealer bank may be required on a case-by-case basis for such financings under the automatic route), whereas the approval route requires prior RBI approval. The ECB Guidelines classify ECBs into two categories (i) foreign currency denominated ECBs (“**FCY ECB**”); and (ii) Indian Rupee denominated ECBs (“**INR ECB**”). The Notes will qualify as FCY ECBs.

#### ***Automatic route***

All entities eligible to receive foreign direct investment as per RBI regulations are eligible borrowers for raising ECBs. In addition, the following are eligible borrowers: (i) Small Industries Development Bank of India; (ii) units in special economic zones in India (“**SEZ**”); and (iii) port trusts constituted under the Major Port Trusts Act, 1963 or Indian Ports Act, 1908; (iv) Export Import Bank of India; and (v) registered entities engaged in micro-finance activities, such as registered not-for-profit companies, registered societies/trusts/cooperatives and non-government organisations.

Any lenders and investors seeking to provide FCY ECBs should be resident in an FATF compliant country or an International Organisation of Securities Commission (“**IOSCO**”)-compliant country. However, a multilateral or regional financial institution, where India is a member country will also be considered as a recognised lender. However, (a) individuals qualify as recognised lenders only if they are foreign equity holders of the borrower or are subscribing to bonds or debentures listed abroad; and (b) foreign branches or subsidiaries of Indian banks will qualify as recognised lenders/investors only for FCY ECBs (except for foreign currency convertible bonds and foreign currency exchangeable bonds) and are subject to further restrictions based on the end use of the ECBs raised. The minimum average maturity period for FCY ECBs (other than those extended by foreign equity holders) must be 3 (three) years.



In relation to the utilisation of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities; (ii) investment in capital market; and (iii) equity investment. Additionally, except in the cases detailed below, proceeds from an ECB cannot be utilised for (i) working capital purposes; (ii) general corporate purposes; and (iii) repayment of Rupee loans except from a foreign equity holder, subject to the minimum average maturity period of 5 (five) years. Additionally, save for the exception below, for all ECBs, on-lending for any of the abovementioned activities is prohibited under the ECB Guidelines. Eligible borrowers are permitted to raise ECBs from recognised lenders, except foreign branches or overseas subsidiaries of Indian banks, for the following purposes:

- (i) working capital, general corporate or repayment of Rupee loans, if raised from foreign equity holders, subject to the minimum average maturity period of 5 (five) years;
- (ii) working capital purposes, general corporate purposes or on lending by non-banking financial companies for the same purposes, subject to the minimum average maturity period being 10 (ten) years;
- (iii) repayment of Rupee loans made available domestically for capital expenditure or on lending by non-banking financial companies for the same purposes, subject to the minimum average maturity period being 7 (seven) years; and
- (iv) repayment of Rupee loans made available domestically for purposes other than capital expenditure or on lending by non-banking financial companies for the same purposes, subject to the minimum average maturity period being 10 (ten) years.

The maximum amount which can be raised every fiscal year under the automatic route is U.S.\$750,000,000 or its equivalent.

The all-in cost (which includes rate of interest, other fees and expenses in foreign currency or Indian Rupees but does not include commitment fees, prepayment fees, payments for withholding tax in Rupees) ceilings for FCY ECBs is 500 basis points over any widely accepted interbank rate or alternative reference rate of a six-month tenor, applicable to the currency of borrowing. In the case of fixed rate loans, the swap cost plus spread should not be more than the floating rate plus the applicable spread. The various components of all-in cost have to be paid by the borrower and not from the proceeds of the ECBs. As per the ECB Guidelines, various components of the all-in-cost have to be paid by the ECB borrower without taking recourse to the drawdown of ECB, i.e. ECB proceeds cannot be used for payment of interest or charges. Prepayment charge or penal interest, if any, for default or breach of covenants, should not be more than 2% (two per cent) over and above the contracted rate of interest on the outstanding principal amount and will be outside the all-in-cost ceiling.

#### ***Approval route***

All ECBs falling outside the automatic route limits are considered by the RBI under the approval route.

#### ***Creation of Security***

Under the present ECB Guidelines, the choice of security to be provided is left to the borrower. ECBs may be secured, after approval by the authorised dealer category 1 bank as licensed by the RBI (the “**AD Bank**”), by creation of a charge on immovable assets, movable assets, financial securities and the issue of corporate and/or personal guarantees in favour of an overseas lender or a security trustee, to secure the ECB, subject to certain conditions. In the event of enforcement of the charge over movable assets, the claim of the lender, whether the lender takes possession over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB.

In terms of Section 77 of the Companies Act, 2013, every company creating a charge on its property or assets or any of its undertakings is required to register such charge with the Registrar of Companies within 30

days of creation of the charge. The Registrar of Companies may, on an application filed by the company, allow such registration to be made after a period of 60 days of creation of the charge on payment of additional fees and if not registered within such timeline, the Registrar of Companies may, on application allow the registration to be made in a further period of 60 days on payment of prescribed ad-valorem fees. The particulars of the charge shall be filed in the form prescribed under Rule 3 of the Companies (Registration of Charges) Rules, 2014 with the Registrar of Companies within the aforementioned time period.

Certain documents creating a mortgage over immovable properties are required to be registered under the Registration Act, 1908 with the sub-registrar of assurances within four months of their execution. If a document is not registered within this time period, the registrar of assurances may, on an application, permit registration within a further period of four months subject to payment of penalties.

***Filing and regulatory requirements in relation to issuance of Notes***

An ECB borrower is required to obtain a loan registration number from the RBI before an issuance of the Notes is effected. To obtain this, ECB borrowers are required to submit a completed Form ECB certified by a company secretary or a chartered accountant to the AD Bank of the ECB borrower. The AD Bank is then required to forward the completed Form ECB to the RBI.

Any ECB borrower is required to submit an ECB-2 Return on a monthly basis via its AD Bank to the RBI (to report actual ECB transactions within seven days of the month to which it is related).

***Procedure in relation to any change to the Terms and Conditions of the ECBs***

Any change in the terms and conditions of the ECBs after obtaining the Loan Registration Number (“LRN”) requires the prior approval of the RBI or the AD Bank, as the case may be.

Certain changes (such as amendments to the repayment date, currency, the name of the borrower, recognised lender, the purpose for which the proceeds from the Notes is utilised, all-in-costs, cancellation of LRN, reduction in amount of the Notes or any change to the AD Bank) may be approved by the AD Bank under a delegated authority from the RBI subject to certain conditions being complied with. Any redemption or prepayment of the Notes prior to their stated maturity, including on the occurrence of an early redemption event or an early prepayment event, as applicable, or default will require the prior approval of the RBI or the AD Bank, as the case may be. Changes in ECB are required to be reported to the Department of Statistics and Information Management of the RBI through revised Form ECB at the earliest, in any case not later than seven days from the changes effected.

## 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 or 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 Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws applicable in India, Singapore, Hong Kong, UAE and each country of which they are residents. This information relates to the Issuer acting through its Singapore, Hong Kong or DIFC branch. In the case where the Issuer acts through any other foreign office, the tax laws in the relevant jurisdiction would apply.*

### Indian Taxation

The following is a summary of the existing principal Indian tax consequences for investors who are not resident (**Non-resident Investors**) in India and are subscribing to the Notes issued by the Issuer from its Corporate Office or GIFT City IBU in India, or its offshore branches in Singapore and DIFC. The summary is based on Indian taxation law and practice in force as at the date of this Offering Circular and is subject to change, possibly with retrospective effect. 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 advisers regarding the Indian tax consequences, as well as the tax consequences under any applicable taxing jurisdiction, of acquiring, owning and disposing of the Notes.

### Taxation of Interest

Interest on foreign currency denominated Notes will not be subject to taxes in India if the proceeds of the issuance of such Notes are used for the purposes of business carried on by the Issuer outside India. If the proceeds are utilised for the purposes of the business of the Issuer in India Non-resident investors are liable to pay income tax on the interest paid at the rate of 20% under Section 115A of the IT Act (plus applicable surcharge and cess), in accordance with conditions of the IT Act. The rate of tax will stand reduced under the beneficial provisions of any tax treaty, subject to the Non-resident Investor being eligible to claim the Tax Treaty benefits, which includes holding a valid Tax Residency Certificate (“**TRC**”) and other documents. Further as per the provisions of section 115A read with section 194LC of the Indian Tax Act, the rate of tax for interest paid or payable on Notes (i) regulated under the Foreign Exchange Management Act, 1999 read with Foreign Exchange Management (Borrowing or Lending in Foreign exchange) Regulations 2000, as amended from time to time; (ii) (being long term bonds) i.e., having a minimum original maturity period of 3 years; (iii) issued after 1 July 2023 and listed exclusively on a recognised stock exchange located in the IFSC; is 9% (plus applicable surcharge and cess), subject to satisfaction of prescribed conditions.

A Non-resident Investor is obliged to pay such income tax on 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 foreign currency denominated Notes and its ultimate Indian tax liability for such interest, subject to the

conditions of the IT Act. The Non-resident Investors shall be obliged to provide all necessary information and documents as may be required by the Issuer and/or the tax authorities in India.

## **Withholding of Taxes**

There is no requirement to withhold tax under Indian law on interest payments that are made on the Notes issued by any offshore branch, if the proceeds of Notes are utilised outside India (excluding monies borrowed by IBUs of Indian bank). Where the proceeds raised are utilised in India, including if the Notes are issued from the Bank's Head Office itself for utilisation in India, there may be a requirement to withhold tax up to 20% (plus applicable surcharge, health and education cess) on interest payments made on the foreign currency denominated Notes. However, as per Section 194LC of the Income Tax Act, interest payable on the Notes issued by the Issuer will be subject to withholding tax at the rate of 9 per cent. (plus applicable surcharge and cess) subject to fulfillment of the relevant conditions prescribed as discussed in the section titled "Taxation of Interest" – above. These rates are subject to any lower rate of tax provided by an applicable Tax Treaty.

For the purpose of tax withholding, generally the non-residents are obliged to provide the Permanent Account Number ("PAN") allotted by the tax authorities. However, an exemption from obtaining PAN has been provided under Section 206AA of the IT Act, in case of a Non-resident Investor earning only interest income Section 194LC.

The non-resident Noteholders may be required to provide necessary documents such as the TRC, Form 10F and NO PE Certificate etc. for claiming the Tax Treaty benefits.

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 pursuant to Condition 8, the Issuer will pay an additional amount as may be necessary in order that the net amount received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes in the absence of the withholding or the deduction, subject to certain exceptions.

## **Taxation of gains arising on disposal of Notes**

Given below is a summary of taxation of capital gains arising upon disposal of Notes.

Any gains arising to a Non-resident Investor from disposal of the Notes held (or deemed to be held) as a capital asset will generally be chargeable to income tax in India if the Notes are regarded as property situated in India.

If the Notes are regarded as situated in India by the Indian tax authorities, upon disposition of a Note:

- there is no tax on capital gains arising on a transfer of a Note, if the Note is transferred by a non-resident investor on a recognised stock exchange located in the IFSC and where the consideration for such transaction is paid or payable in foreign currency;
- when the conditions stated in clause (a) above are not met, a non-resident investor who has held the Notes as a capital asset for more than 12 months prior to the date of their disposal would be liable to pay capital gains tax at a rate of 12.5% per cent plus Surcharges and Cess of the capital gains subject to and in accordance with the provisions of the Indian Tax Act. These rates are subject to any benefit provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable;
- when the conditions stated in clause (a) above are not met, a non-resident investor who has held the Notes as a capital asset for 12 months or less would be liable to pay capital gains tax at a rate

of 35% (plus applicable surcharge and cess) in the case of foreign companies and at rates up to 30% (plus applicable surcharge and cess) for other types of investors on capital gains earned by them from the sale of such capital assets. Further, if the investor is a FII, the rate of tax is 30% (plus applicable surcharge and cess). These rates are subject to any benefit provided for by an applicable Tax Treaty read with MLI, if and to the extent applicable;

- capital gains arising on transfer of the Notes which is chargeable to tax under the Indian Tax Act is subject to withholding tax obligation at the prevailing tax rate under the provisions of the Indian Tax Act, subject to any Tax Treaty benefit, read with MLI, if and to the extent applicable. In case of FIIs, the Indian Tax Act explicitly provides for non-deduction of tax on such capital gains tax.

Further, taxation of capital gains would also depend upon the provisions/benefits available under the relevant tax treaty, subject to fulfilment of the conditions prescribed under the relevant tax treaty as well as the IT Act; and

- any surplus realised 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, 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 35.0% (plus applicable surcharge, health and education cess), depending on the legal status of the Non-resident Investor and his taxable income in India, while other types of investors may be liable to pay tax on such income at rates up to 30% (plus applicable surcharge and cess), depending upon the legal status of the non-resident investor and his taxable income in India, subject to any benefit provided for by a Tax Treaty read with MLI, if and to the extent applicable.

If applicable, under the tax law, tax shall be withheld by the person making any payment to a Non-resident Investor at rates specified above. Tax payable shall be computed as set out in the IT Act.

For the purpose of tax withholding, the Non-resident Investor shall be obliged to provide the prescribed information or documents and fulfil any conditions set out in the applicable tax treaty, including a tax residency certificate (issued by the tax authorities of the country in which the investor is resident) Form 10F and NO PE Certificate etc, to claim tax treaty benefits.

In absence of a PAN, the non-resident Noteholders may alternatively provide documentation including a tax residency certificate, a tax identification number and other details including their name, address, email and contact number, pursuant to Rule 37BC of Income Tax Rules, 1962. Potential investors should, in any event, consult their own tax advisers on the tax consequences of transfer of the Notes.

### **Compliance to be undertaken by the Non-resident Investors**

As per the provisions of the IT Act, any person who is earning income in India is required to furnish an annual tax return declaring the total income earned and taxes paid in India, for the purpose of which such person shall be required to obtain a PAN in India.

However, as per the provisions of section 115A of the IT Act, in case of a Non-resident Investor earning income only in the nature of interest income referred to in section 194LC of the IT Act and where applicable taxes i.e., 9% (plus applicable surcharge and cess) have been withheld on such income (i.e., as per the IT Act and without considering any beneficial rate under a tax treaty), an exemption has been provided from the requirement of furnishing of such annual return.

## **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, may be subject to income tax in India on the benefit accruing to him as per Section 56(2)(x) of the IT Act. 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 the proviso to Section 56(2)(x) of the IT Act.

In case a non-resident receives Notes as per the above mechanism, the taxability of the same shall also be subject to the provisions of the applicable Tax Treaty, assuming the non-resident is entitled to claim benefits of the Tax Treaty.

## **Estate Duty**

No estate duty is payable at present in relation to the Notes in India. There are no inheritance taxes or succession duties currently imposed in respect of the Notes held outside India.

## **Gift Tax**

No gift tax is payable at present in relation to the Notes held outside India.

## **Stamp Duty**

A transfer of the Notes or execution of Programme Agreement, Trust Deed or Agency Agreement or any other document in relation to the Notes, as the case may be, outside India will not give rise to any Indian stamp duty liability unless the Notes or such agreement(s) or document(s), as the case may be, are brought into India. In the event that the Notes or such agreement(s) or document(s), as the case may be, are brought into India for enforcement or for any other purpose, the same will attract stamp duty as payable in the relevant state. This stamp duty will have to be paid within a period of three months from the date the Notes or such agreement(s) or document(s), as the case may be, are first received in India.

## **Singapore Taxation**

### ***General***

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority (“IRAS”) of Singapore and the MAS in force as at the date of this Offering Circular, and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or 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 below do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, 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 or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s) or hold a specified licence) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none

of the Issuer, Dealers or any other persons involved in the issuance of the Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

In addition, the disclosure below is made on the assumption that IRAS regards each tranche of the Notes as “debt securities” for the purposes of the Income Tax Act and that distribution payments made under each tranche of the Notes will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Notes is not regarded as “debt securities” for the purposes of the Income Tax Act, or any distribution payment made under any tranche of the Notes is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Notes should consult their own tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Notes.

### ***Interest and Other Payments***

Generally, interest and other payments derived by a holder of the Notes who is not resident in Singapore and who does not have any permanent establishment in Singapore is not subject to tax, as such income is likely to be regarded as arising from a source outside Singapore, given that the Issuer is issuing the Notes outside Singapore and not through a branch, permanent establishment, or otherwise in Singapore. However, even if such interest and payments are regarded as sourced in Singapore, such interest and other payments may also be exempt from tax, including withholding of tax, if the Notes qualify as “qualifying debt securities” as discussed below:

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore from sources other than from its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

- (a) interest from debt securities derived on or after 1 January 2004;
- (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
- (c) early redemption fee and redemption premium from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the Programme was wholly arranged by Financial Sector Incentive (Capital Market) Companies, Financial Sector Incentive (Standard Tier) Companies or Financial Sector Incentive (Bond Market) Companies (each as defined in the Income Tax Act) before 15 February 2023 and remains to be so arranged, any tranche of Notes (the **Relevant Notes**) issued as debt securities under the Programme during the period from the date of this Offering Circular to (and including) 31 December 2028 would be qualifying debt securities pursuant to the Income Tax Act and the MAS Circular FDD Cir 08/2023 entitled “Extension of Tax Concessions for Promoting the Debt Market” issued by the MAS on 31 May 2023 (the **MAS Circular**), to which the following treatments shall apply:

- (a) subject to certain prescribed conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the “**Qualifying Income**”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore, but the funds used by that person to acquire the Relevant Notes are not obtained from such person’s operation through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders who have been granted the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
  - (i) the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and



- (ii) the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Issuer.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of the Relevant Notes, the Relevant Notes of such tranche are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as “qualifying debt securities”; and
- (b) even though a particular tranche of Relevant Notes are “qualifying debt securities”, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
  - (i) any related party of the Issuer; or
  - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “**related party**”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is being controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “**early redemption fee**” and “**redemption premium**” are defined in the Income Tax Act as follows:

- “**early redemption fee**”, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and
- “**redemption premium**”, in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to “early redemption fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, early redemption fee and redemption premium (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or

redemption premium derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the Income Tax Act, any person whose interest, discount income, early redemption fee and redemption premium (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

### ***Capital Gains***

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard 109 (“**FRS 109**”) or Singapore Financial Reporting Standards (International) 9 (**SFRS(I) 9**) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law). Please see the section below on “Adoption of FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes”.

### ***Adoption of FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes***

Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments”.

Holders of the Notes who may be subject to the tax treatment under 34AA of the Income Tax Act should consult their own tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

### ***Estate Duty***

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

### **DIFC Taxation**

Pursuant to Dubai Article 24 of Law No. (5) of 2021 in respect of the Dubai International Financial Centre (the **DIFC Law**), entities licensed, registered or otherwise authorised to carry on financial services in the DIFC and their employees shall be subject to a zero rate of tax for a period of 50 years from 27 April 2021. This zero rate of tax applies to income, corporation and capital gains tax. In addition, this zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the DIFC. Article 24 of the DIFC Law also provides that it is possible to renew the 50-year period to a similar period upon issuance of a resolution by the Ruler of the Emirate of Dubai. As a result no payments by the Issuer under the Notes are subject to any DIFC tax, whether by withholding or otherwise.

## **UAE (excluding the DIFC) Taxation**

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Dubai taxation in respect of payments made under the Notes. In the event of the imposition of any such withholding, the Issuer has undertaken to gross-up any payments subject as described under Condition 7 of the Terms and Conditions of the Notes.

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

## **United States Federal Income Tax Considerations**

The following is a general summary of certain U.S. federal income tax consequences that may be relevant with respect to the purchase, ownership and disposition of the Notes. In general, the U.S. federal income tax consequences discussed in this summary are limited to those applicable to U.S. Holders (as defined below), with the exception of the discussions below under “Foreign Account Tax Compliance Act” and “U.S. Withholding on Dividend Equivalent Payments,” which apply to all holders. Furthermore, this summary assumes that holders acquire the Notes at original issuance at their issue price (as defined below) and will hold the Notes as capital assets. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase Notes. In particular, it does not discuss special tax considerations that may apply to certain types of taxpayers, including, without limitation, the following: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities, notional principal contracts or currencies; (iv) tax-exempt entities; (v) real estate investment trusts; (vi) regulated investment companies; (vii) persons that will hold the Notes as part of a “hedging” or “conversion” transaction or as a position in a “straddle” or as part of a “synthetic security” or other integrated transaction for U.S. federal income tax purposes; (viii) partnerships, pass-through entities, or persons that hold Notes through partnerships or pass-through entities; (ix) U.S. Holders (as defined below) that have a “functional currency” other than the U.S. dollar; (x) individual retirement accounts and other tax-deferred accounts; (xi) U.S. Holders that are required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement; (xii) persons that have ceased to be U.S. citizens or lawful permanent residents of the United States; (xiii) U.S. Holders holding the Notes in connection with a trade or business conducted outside of the United States; and (xiv) U.S. citizens or lawful permanent residents living abroad. In addition, this summary does not address alternative minimum tax or Medicare contribution tax consequences or the indirect effects on the holders of interests in a holder of Notes. This summary also does not describe any tax consequences arising under the laws of any taxing jurisdiction other than the U.S. federal Government. Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Pricing Supplement.

Each prospective investor should consult its own tax adviser with respect to the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning or disposing of the Notes. This summary is based on the tax laws of the United States, including the U.S. Internal Revenue Code of 1986, as amended (the **Code**), U.S. Treasury regulations and judicial and administrative interpretations thereof, in each case as of the date of this Offering Circular. All of the foregoing is subject to change, and any such change may apply retroactively and could affect the tax consequences described below.

As used in this section, the term **U.S. Holder** means a beneficial owner of Notes that is for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation created or organised in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) any estate the income of which is subject to U.S. federal income tax regardless of its source; or (iv) any

trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes generally will depend upon the status of the partner and upon the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax adviser concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This discussion applies only to holders of Registered Notes. Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under U.S. federal income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

## **Characterisation of the Notes**

This summary should be read in conjunction with any discussion of U.S. federal income tax consequences to holders in the applicable Pricing Supplement. To the extent there is any inconsistency in the discussion of the U.S. federal income tax consequences to holders between this Offering Circular and the applicable Pricing Supplement, holders should rely on the tax consequences described in the applicable Pricing Supplement instead of this Offering Circular. Any special U.S. federal income tax consequences relevant to a particular issue of Notes, including any such as Fixed Rate Notes, Floating Rate Notes, Index Linked Notes, Dual Currency Notes, Zero Coupon Notes, Instalment Notes, Tier 2 Notes, Additional Tier I Notes and Partly Paid Notes may be specified in the applicable Pricing Supplement. The balance of this discussion, unless otherwise specified, assumes that the Notes will be treated as debt and will not be treated as contingent payment debt instruments for U.S. federal income tax purposes. If any series of Notes is not treated as debt for U.S. federal income tax purposes, the U.S. federal income tax consequences of the purchase, ownership and disposition of such Notes will be materially different from the consequences discussed below. A prospective investor in the Notes should consult its tax adviser in determining the U.S. federal income tax consequences of an investment in the Notes, including the application of state, local or other tax laws and the proper characterisation of the Notes for U.S. federal income tax purposes.

## ***Taxation of U.S. Holders of the Notes***

### ***Payments of Interest***

Interest paid on a Note, including the payment of any additional amounts paid in respect of withholding taxes and without reduction for any amounts withheld, whether payable in U.S. dollars or a currency other than U.S. dollars (a **foreign currency**), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount”), will be taxable to a U.S. Holder as ordinary interest income at the time it is received or accrued, depending on the U.S. Holder’s method of accounting for U.S. federal income tax purposes, reduced by the allocable amount of amortisable bond premium, subject to the discussion below. Interest income on the Notes, original issue discount (**OID**) if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) and payments of additional amounts will be treated as foreign source income for U.S. federal income tax purposes, which may be relevant in calculating a U.S. Holder’s foreign tax credit limitation for U.S. federal income tax purposes. The U.S. foreign tax credit limitation is calculated separately with respect to specific classes of income. The foreign tax credit rules are complex, and U.S. Holders should consult their tax advisers regarding the availability of a foreign tax credit and the application of the limitation in their particular circumstances.

### *Original Issue Discount*

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID. In the event the Issuer issues contingent payment debt instruments, the applicable Pricing Supplement may describe the material U.S. federal income tax consequences thereof.

A Note, other than a Note with a term of one year or less (a **Short-Term Note**), will be treated as issued with OID (a **Discount Note**) if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a *de minimis* amount (0.25% of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an **instalment obligation**) will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25% of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes generally must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period, and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

### *Short-Term Notes*

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual

basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the Internal Revenue Service (the IRS).

#### *Variable Interest Rate Notes*

Notes that provide for interest at variable rates (**Variable Interest Rate Notes**) generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under U.S. Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "qualified floating rate" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap), a minimum numerical limitation (i.e., a floor) or a restriction on the amount of increase or decrease in the stated interest rate (i.e., a governor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future.

Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than 3 months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant-yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as at the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as at the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as at the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating

rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. The proper U.S. federal income tax treatment of Variable Interest Rate Notes that are treated as contingent payment debt obligations may be more fully described in the applicable Pricing Supplement.

#### *Notes Purchased at a Premium*

If the issue price of a Note exceeds the sum of all amounts payable on the Note (other than payments of qualified stated interest), the Note will be considered to have “amortisable bond premium” equal in amount to such excess, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “Election to Treat All Interest as Original Issue Discount”.

#### *Occurrence of a Benchmark Discontinuance Event*

If a Benchmark discontinuance event occurs (for example, pursuant to the Benchmarks Regulation), a U.S. Holder holding Floating Rate Notes linked to or referencing a benchmark rate, including EURIBOR, and any other IBOR, may be deemed to exchange such Floating Rate Notes for new notes under Section 1001 of the Code, which may be taxable to such U.S. Holder. Proposed Treasury Regulations, which are not yet in effect but upon which taxpayers may rely, provide that in certain circumstances, the replacement of a benchmark rate with a qualifying reference rate would not result in a deemed exchange under Section 1001 of the Code. U.S. Holders should consult their tax advisers regarding the potential consequences of a Benchmark discontinuance event.

#### *Election to Treat All Interest as Original Issue Discount*

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “Original Issue Discount”, with certain modifications. For purposes of this election, interest includes stated interest, OID and *de minimis* OID as adjusted by any amortisable bond premium (described above under “Notes Purchased at a Premium”). This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

#### *Sale, Exchange or Other Taxable Disposition*

A U.S. Holder will generally recognise gain or loss on the sale, exchange or other taxable disposition of a Note in an amount equal to the difference between the amount realised on the sale, exchange or other



disposition and the tax basis in the Note. A U.S. Holder's tax basis in a Note will generally equal its cost, increased by the amount of any OID included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID included in the U.S. Holder's income with respect to the Note, and reduced (but not below zero) by (i) the amount of any payments made on the Notes that are not qualified stated interest payments, and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note. The amount realised does not include the amount attributable to accrued but unpaid qualified stated interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Short-Term Notes" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be U.S.-source capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. Prospective investors should consult their own tax advisers with respect to the treatment of capital gains (which may be taxed at lower rates than ordinary income for taxpayers who are individuals, trusts or estates that hold the Notes for more than one year) and capital losses (the deductibility of which is subject to limitations).

### *Foreign Currency Notes*

#### Interest

If a qualified stated interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment (including OID and reduced by any amortisable bond premium to the extent applicable) denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, an accrual basis U.S. Holder will generally recognise U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate of exchange on the date of receipt) and the amount previously accrued (translated into U.S. dollars as described above), regardless of whether the payment is in fact converted into U.S. dollars.

#### OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S.-source exchange gain or loss (taxable as ordinary income or loss)

equal to the difference between the amount received (translated into U.S. dollars at the spot rate of exchange on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

#### Bond Premium

Bond premium on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S.-source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder.

#### Sale, Exchange, Retirement or Other Taxable Disposition

As discussed above under “Sale, Exchange or Other Taxable Disposition”, a U.S. Holder generally will recognise gain or loss on the sale, exchange, retirement or other taxable disposition of a Note equal to the difference between the amount realised on the sale, exchange, retirement or other taxable disposition and its tax basis in the Note, in each case as determined in U.S. dollars. U.S. Holders should consult their own tax advisors about how to account for proceeds received on the sale or other taxable disposition of Notes that are not paid in U.S. dollars.

A U.S. Holder will recognise U.S.-source exchange rate gain or loss (taxable as ordinary income or loss) on the sale, exchange, retirement or other taxable disposition of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of taxable disposition and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the taxable disposition (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest and, if any, accrued OID). Any gain or loss realized in excess of the foreign currency gain or loss will be U.S.-source capital gain or loss (except in the case of a Short Term Note, to the extent of any discount not previously included in the U.S. Holder’s income).

#### Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S.-source ordinary income or loss.

#### ***Reportable Transactions***

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases generally is imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

### ***Backup Withholding and Information Reporting***

Backup withholding and information reporting requirements may apply to certain payments of interest and accrued OID on the Notes and proceeds of the sale, exchange or other disposition of the Notes to U.S. Holders. A U.S. Holder may be subject to backup withholding if it fails to furnish (usually on IRS Form W-9) the U.S. Holder's taxpayer identification number to certify that such U.S. Holder is not subject to backup withholding, or to otherwise comply with the applicable requirements of the backup withholding rules. Certain U.S. Holders are not subject to the backup withholding and information reporting requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder generally may be claimed as a credit against such U.S. Holder's U.S. federal income tax liability or refunded, provided that the required information is furnished to the IRS. Prospective investors in the Notes should consult their own tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain "specified foreign financial assets".

**THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. PROSPECTIVE INVESTORS IN THE NOTES SHOULD CONSULT THEIR OWN TAX ADVISERS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN FEDERAL OR OTHER TAX LAWS.**

### ***Foreign Account Tax Compliance Act***

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on, among other things, (i) certain payments it makes (**foreign passthru payments**), (ii) dividend equivalent payments (as described below in "U.S. Withholding on Dividend Withholding Payments") and (iii) payments of gross proceeds from the disposition of assets that generate dividend equivalent payments, in each case, to persons that fail to meet certain certification, reporting, or related requirements. However, proposed U.S. Treasury regulations have been issued that provide for (x) the repeal of the withholding tax applicable to payments of gross proceeds from the disposition of assets that generate dividend equivalent payments and (y) the extension of the date on which withholding applies to foreign passthru payments to the date that is two years after the date of publication in the Federal Register of applicable final regulations defining foreign passthru payments.

The Issuer and its Singapore Branch, GIFT City IBU and DIFC Branch (the **Relevant Branches**) are foreign financial institutions for these purposes. A number of jurisdictions, including India, Singapore, and the UAE, have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments, are uncertain and may be subject to change. Additionally, Notes that are characterized as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal income tax purposes generally would be "grandfathered" for purposes of FATCA withholding (i) in respect of foreign passthru payments, if issued on or prior to the date is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register, and (ii) in respect of dividend equivalent payments, if issued on or prior to the date that is six months after the date on which Notes of its type are first treated as giving rise to dividend equivalent payments, in each case unless the Note is materially modified after the relevant grandfathering date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not

distinguishable from 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 grandfathered Notes, as subject to withholding under FATCA.

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. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

### **U.S. Withholding on Dividend Equivalent Payments**

Under Section 871(m) of the Code and the U.S. Treasury regulations published thereunder (**Section 871(m)**), a “dividend equivalent” payment is treated as a dividend from sources within the United States and will be subject to U.S. withholding tax at a rate of 30% when paid. A “dividend equivalent” payment generally includes a payment (or deemed payment) that is contingent upon, or determined by reference to, the payment of a U.S.-source dividend under certain financial instruments. An instrument whose economic characteristics are sufficiently similar to those of an underlying or referenced U.S. security that pays U.S.-source dividends under tests provided in applicable U.S. Treasury regulations will generally be subject to the Section 871(m) regime (such an instrument, a **Specified ELI**). The tests applicable for determining whether an instrument is a Specified ELI will depend on the terms of the relevant instrument and the date on which the instrument is issued and may be subject to redetermination in connection with certain modifications of the instrument. Similarly, if additional Notes of the same series are issued (or deemed issued for U.S. tax purposes, such as certain sales of Notes out of inventory) after the original issue date, the U.S. Internal Revenue Service (the **IRS**) could treat the issue date for determining whether the existing Notes are Specified ELIs as the date of such subsequent sale or issuance.

Pursuant to IRS guidance, Section 871(m) will not apply to certain financial instruments issued prior to 1 January 2023 if such financial instruments are not “delta one” transactions. With respect to financial instruments issued on or after 1 January 2023, a financial instrument will be a Specified ELI subject to the Section 871(m) if such instrument has a delta of 0.8 or greater with respect to the underlying security. However, the Section 871(m) regulations provide certain broadly applicable exceptions to characterization as Specified ELIs, in particular for certain instruments linked to certain broad-based indices. The “delta” of a financial instrument is the ratio of the change in fair market value of such instrument to the change in the fair market value of the property referenced by such instrument.

Withholding in respect of dividend equivalents will generally be required when cash payments are made under a Specified ELI or upon the date of maturity, lapse or other disposition of the Specified ELI. If the underlying or referenced U.S. security or securities are treated as paying dividends during the term of the Specified ELI, withholding generally will still be required even if the Specified ELI does not provide for payments explicitly linked to such dividends.

As discussed above, FATCA would impose withholding tax at a rate of 30% on any payments in respect of a Note that are treated as dividend equivalent payments when paid to persons that fail to meet certain certification, reporting, or related requirements. While a payment with respect to a Note could be subject to U.S. withholding under both FATCA and as a result of being treated as a dividend equivalent payment, the maximum rate of U.S. withholding on such payment would not exceed 30%.

Upon the issuance of a series of Notes, the Issuer will state in the relevant Final Terms if it has determined that the Notes are Specified ELIs at the time such Notes are issued, in which case Noteholders should expect to be subject to withholding in respect of any dividend equivalent payments on such Notes. In the event that any withholding would be required pursuant to Section 871(m) with respect to payments on the Notes, no person will be required to pay any additional amounts with respect to amounts so withheld. Additionally, the Issuer may withhold the full 30% tax on any payment on the Notes in respect of any dividend equivalent arising with

respect to such Notes regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a Noteholder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A Noteholder may be able to claim a credit against its U.S. federal income tax liability for such withholding and may be entitled to a refund of any excess withholding provided the required information is timely furnished to the IRS. However, Noteholders may not receive the necessary information to properly claim a refund.

Prospective investors should consult their tax advisers regarding the consequences to them of the potential application of Section 871(m) to the Notes.

## PRINCIPAL SHAREHOLDERS

### Substantial Shareholders

The list of shareholders holding 1% or more of the paid up share capital of the Issuer on a fully diluted basis as of 30 September 2025 are set forth in the table below:

S. No.	Name of the Shareholder	Number of Equity Shares Held	% of the Equity Share Capital	% of the Equity Share Capital on a fully diluted basis
1	Life Insurance Corporation of India	244,860,645	8.16	8.02
2	DSP (through its schemes)	35,723,571	1.19	1.17
3	Parag Pariksh (through its schemes)	35,951,312	1.20	1.18
4	Aditya Birla (through its schemes)	40,858,842	1.36	1.34
5	Mirae Asset (through its schemes)	47,492,867	1.58	1.56
6	Kotak (through its schemes)	54,323,711	1.81	1.78
7	UTI (through its schemes)	56,237,476	1.87	1.84
8	Nippon (through its schemes)	96,810,814	3.23	3.17
9	ICICI Prudential (through its schemes)	211,302,373	7.04	6.92
10	SBI (through its schemes)	157,972,830	5.26	5.17
12	HDFC (through its schemes)	157,972,830	5.24	5.15
13	SBI Life Insurance Company Limited (through its schemes)	35,704,939	1.19	1.17
14	NPS Trust (through its schemes)	76,208,411	2.54	2.50
15	Vanguard Total International Stock Index Fund	33,243,385	1.11	1.09
16	Government of Singapore	57,598,047	1.92	1.89
17	Government Pension Fund Global	64,578,889	2.15	2.11
18	Dodge and Cox International Stock Fund	66,840,650	2.23	2.19

## TRANSFER RESTRICTIONS

**As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.**

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- that either: (i) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (ii) it is outside the United States and, if Category 2 is specified in the applicable Pricing Supplement, is not a U.S. person;
- that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or, if Category 2 is specified in the applicable Pricing Supplement, to, or for the account or benefit, of, U.S. persons, except as set forth below;
- that, unless it holds an interest in a Regulation S Global Note and is a person located outside the United States and, if Category 2 is specified in the applicable Pricing Supplement, is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (i) to the Issuer or any affiliate thereof, (ii) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available), or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;
- it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (c) above, if then applicable;
- that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- that the Notes in registered form, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A)

REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144A FOR REALES OF THE SECURITY.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON)”; and

- that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.



No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent).

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 26 December 2025 (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 of their 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 Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

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.

If a jurisdiction requires that the 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, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

### **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.

CMI 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 categorize 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);
- 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 they 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 relevant 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.

## **United States**

*The selling restrictions in the following paragraph shall be applicable to Notes offered and sold in reliance on Regulation S as specified in the applicable Pricing Supplement.*

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons). The Notes are being offered and sold outside of the United States in reliance on Regulation S.

*The selling restrictions in the following paragraphs shall be applicable to Notes offered and sold in reliance on Rule 144A as specified in the applicable Pricing Supplement.*

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer has undertaken in the Trust Deed to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) of the Securities Act if, at the time of the request, any of the Notes remain outstanding as “restricted securities” within the meaning of Rule 144(a)(3) of the Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Application may also be made to have certain Series of Notes accepted for trading in the Private Offerings, Resales and Trading through Automated Linkages System of the Financial Industry Regulatory Authority.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations and guidance. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- 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 Financial Services and Markets Act 2000 (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
- 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 which are the subject of the Programme contemplated by this Offering Circular are not and may not be offered or sold in the Netherlands other than to persons or entities which are qualified investors (*gekwalficeerde beleggers*) as defined in section 1:1 of the Dutch Financial Supervision Act (Wet op het *financieel toezicht* or the AFS). Each purchaser of the Notes described in this Offering Circular located in the Netherlands will be deemed to have represented, acknowledged and agreed that it is a qualified investor (*gekwalficeerde belegger*) as defined in section 1:1 of the AFS. For the purposes of this provision, the expression “an offer of the Notes to the public” in relation to any Notes in the Netherlands means to make a sufficiently specific offer addressed to more than one person as referred to in section 217(1) of Book 6 of the Dutch Civil Code to conclude a contract to purchase or otherwise acquire the Notes, or to issue an invitation to make an offer of the Notes.

## India

Each Dealer has represented and acknowledged (severally and not jointly) that (a) this Offering Circular has not been and will not be registered, filed, produced or published as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or general information document or key information document or other offering material in respect of any private placement of securities under the Companies Act, 2013, as amended, and the rules framed thereunder or any other applicable Indian laws) with the Registrar of Companies, the Securities and Exchange Board of India, the RBI, International Financial Services Centres Authority, any Indian stock exchange or any other statutory or regulatory body of like nature in India, save and except for any information from any part of this Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or pursuant to the sanction of any regulatory and adjudicatory body in India, including filing of this Offering Circular with the India International Exchange (IFSC) Limited (India INX) and NSE IX, India’s international exchanges at GIFT IFSC; and (b) the Notes have not been and will not be offered or sold in India by means of any document, other than to persons permitted to acquire the Notes under Indian law, whether as a principal or an agent, and (c) this Offering Circular or any other offering document or material relating to the Notes have not been and will not be circulated or distributed, directly or indirectly, to any person or to the public or any member of 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. The Notes have not been offered or sold, and will not be offered or sold to any person, in India, including in circumstances which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities (whether to the public or by way of private placement) within the meaning of the Companies Act, 2013, as amended, or any 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 or by the Indian stock exchange.

### ***Notes denominated in INR***

Each Dealer represents and agrees that in relation to any issuance of Notes denominated in Rupees and payable in a currency other than Rupees, the Offering Circular or any other material relating to such Notes has not been and will not be circulated or distributed to: (i) any prospective investor who does not meet the FATF Requirements or IOSCO Requirements as per the ECB Guidelines; or (ii), any person who is otherwise prohibited from investing in such Notes denominated in INR under any applicable law.

As per the ECB Guidelines, Multilateral and Regional Financial Institutions where India is a member country, will also be considered as recognised investors. Foreign branches/subsidiaries of Indian banks are permitted as recognised lenders only for foreign currency ECB to the extent permitted in terms of Paragraph 2.1(v) (Minimum Average Maturity Period) of the ECB Guidelines. Further, Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market makers/traders in Notes denominated in INR issued overseas. However, underwriting by overseas branches/subsidiaries of Indian banks for issuances by Indian banks is not permitted under the current extant regime of the ECB Guidelines. Additionally, overseas investors are eligible to hedge their exposure in Rupee through permitted derivative products with AD Category I banks in India. The investors can also access the domestic market through branches/subsidiaries of Indian banks abroad or branches of foreign banks with Indian presence on a back-to-back basis.

### ***Eligibility of holders of the Notes and the Notes denominated in INR***

Holders and beneficial owners of the Notes and the Notes denominated in INR shall be responsible for compliance with restrictions on the ownership of the Notes and the Notes denominated in INR 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 and the Notes denominated in INR shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase the Notes and the Notes denominated in INR under applicable laws, regulations and guidelines and are not prohibited under any applicable laws or regulations or guidelines from acquiring, owning or selling and transferring the Notes and the Notes denominated in INR.

### ***Disclosure of information relating to holders of the Notes and the Notes denominated in INR***

The holders and beneficial owners of the Notes and the Notes denominated in INR shall be deemed to confirm that, for so long as they hold any of the Notes and the Notes denominated in INR, they will meet the FATF Requirements or IOSCO Requirements and the ECB Guidelines of India. Further, all Noteholders represent and agree that the Notes and the Notes denominated in INR will not be offered, sold on the secondary market or offered as security to any person who does not meet the FATF Requirements or IOSCO Requirements and comply with the ECB Guidelines.

In relation to any issuance of the Notes and the Notes denominated in INR, the holders 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 governmental authority in India as and when such information is required. The holders and beneficial owners will provide all the 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 Noteholders or any other information pertaining to such transferee Noteholders to enable the Issuer to provide such information to the RBI or any other statutory or regulatory authority in India as and when such information is required. The Notes and the Notes denominated in INR can only be sold/transferred/offered as security overseas subject to compliance with aforesaid FATF Requirements or IOSCO jurisdictional requirements.

To comply with applicable laws and regulations, the Issuer or its duly appointed agent may from time to time request Euroclear and Clearstream to provide details of the account holders within Euroclear and Clearstream, as may be appropriate, that hold the Notes and the Notes denominated in INR and the number of Notes and the Notes denominated in INR held by each such account holder. Euroclear and Clearstream participants which are holders of the Notes and the Notes denominated in INR or intermediaries acting on behalf of such Noteholders would be deemed to have hereby authorised Euroclear and Clearstream, as may be appropriate, to disclose such information to the Issuer or its duly appointed agent.

**“FATF Requirements”** pursuant to the ECB Guidelines means an investor who is a resident of a country that is a member of a Financial Action Task Force (FATF) or a member of a FATF style regional body; and should not be a country identified in the public statement of the FATF as: (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

**“IOSCO Requirements”** pursuant to the ECB Guidelines means an investor who is a resident of a country whose securities market regulator is a signatory to the International Organisation of Securities Commission’s (IOSCO’s) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the SEBI for information sharing arrangements”.

#### ***Additional Selling Restrictions as per RBI Guidelines***

In accordance with the provisions of the RBI Guidelines, 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 acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Program 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, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, or (ii) 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.

***Singapore SFA Product Classification*** – In connection with Section 309B of the SFA and 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).

## **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 **FIEA**). 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 organized under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Hong Kong**

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 or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People’s Republic of China (**Hong Kong**), by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**) and any rules made under 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 (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

## **The People’s Republic of China (PRC)**

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the PRC (excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) as part of the initial distribution of the Notes, except as permitted by the securities laws of the People’s Republic of China.

## **Prohibition of sales to EEA 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 Program 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**); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended or superseded, the **Prospectus Regulation**); and
- (b) the expression **an offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Pricing Supplement in respect of any Notes specifies the “Prohibition of sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer represents and agrees, and each further Dealer appointed under the Program will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement 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:

- (c) if the Pricing Supplement in relation to the Notes specifies 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 Pricing Supplement 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 Pricing Supplement, as applicable and the Company has consented in writing to its use for the purpose of that Non-exempt Offer;
- (d) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (e) 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
- (f) 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 paragraphs (d) to (f) 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 and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

## 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 has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA); or
  - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (FSMA) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as 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 EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA; 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 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 Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “Public Offer”), following the date of publication of a prospectus in relation to such Notes which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, 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 Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **FSMA** means the Financial Services and Markets Act 2000 and the expression an **offer of Notes to the public** in relation to any Notes in the United Kingdom 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 and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### **United Arab Emirates (excluding the Dubai International Financial Centre and the Abu Dhabi Global Market)**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold, or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

#### **Dubai International Financial Centre**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme to any person in the DIFC unless such offer is:

- an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the DFSA rulebook; and
- made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

#### **Abu Dhabi Global Market**

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 any person in the Abu Dhabi Global Market unless such offer is:

- (a) an “Exempt Offer” in accordance with the Market Rulebook of the Financial Services Regulatory Authority (the “FSRA”);
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook; and
- (c) is made only in circumstances in which the “Financial Promotion Restriction” set out in section 18(1) of the Financial Services and Markets Regulations 2015 does not apply.

#### **Denmark**

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 is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Prospectus Regulation and neither has this Offering Circular been filed with or will be filed with or approved by Danish Financial Supervisory Authority

or any other authority in the Kingdom of Denmark. The Notes have not been offered or sold and may not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark, unless such Notes are offered to qualified investors within the meaning set out in the Prospectus Regulation and in compliance with the Danish Capital Markets Act (Consolidated Act No. 377 of 2 April 2020, as amended from time to time) and any executive orders issued thereunder.

## **Sweden**

Each Dealer has confirmed and agreed, and each further Dealer appointed under the Programme will be required to confirm and agree that this Offering Circular is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Prospectus Regulation nor any other Swedish enactment. Neither the Swedish Financial Supervisory Authority (*Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this Offering Circular or will examine, approve or register this Offering Circular. Accordingly, this Offering Circular may not be made available, nor may the Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Prospectus Regulation.

## **General**

Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme will be required to represent, warrant and undertake 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, 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, 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, offers, sales or deliveries and neither the Issuer, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Trustee, the Arrangers 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 such other restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement.

## GENERAL INFORMATION

### Authorisation

1. The establishment and maintenance of the Programme and the issue of Notes, and the increase in the size of the Programme to U.S.\$5,000,000,000 have been duly authorised by resolutions of the Board of Directors of the Issuer dated 14 October 2005, 17 April 2007, 15 October 2012, 26 April 2014, 29 April 2015, 28 April 2020, 28 April 2021 and 24 April 2025.
2. At present, the issuance of any Notes by the Issuer acting through its Corporate Office, Singapore branch, DIFC branch, GIFT City IBU, any other foreign branch for borrowings in foreign currency for the purpose of funding its domestic/ foreign offices in the normal course of banking business inside and outside India, does not require any approval from the RBI and/or the Ministry of Finance. The Issuer is, however, required to: (i) comply with reporting requirements specified under the guidelines issued by the RBI; (ii) comply with the requirements specified under the guidelines issued by the RBI in relation to the Subordinated Notes; and (iii) reporting as part of the overseas liabilities and DSBO Returns with respect to operation of foreign branches of Indian banks, as amended, modified or supplemented from time to time.

### Listing

1. Notes may be issued pursuant to the Programme which will not be admitted to the Singapore Official List or listed on any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.
2. Application will be made to the Global Securities Market of the India INX and to the Debt Securities Market of the NSE IX for the listing and quotation of the Notes on the Global Securities Market of the India INX or the Debt Securities Market of the NSE IX that may be issued pursuant to the Programme.
3. Application has been made to the SGX-ST for permission to deal in, and quotation of any 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 SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or the Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes if traded, will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Notes is exchanged for definitive Notes. In addition, in the event that the Global Notes is exchanged for definitive Notes, an announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

## **Clearing systems**

1. The Bearer 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 Bearer Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, 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**

1. Save as disclosed in the Offering Circular, there has been no significant change in the financial or trading position of the Bank since 30 September 2025 and there has been no material adverse change in the financial position or prospects of the Bank since 30 September 2025.

## **Litigation**

1. Except as disclosed in this Offering Circular in the section, “*Legal Proceedings*”, the Group is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or Group’s financial position or profitability.

## **Accounts**

1. The statutory independent joint auditors for the Issuer for the years ended 31 March 2023 and 31 March 2024 were M. P. Chitale & Co., and C N K & Associates LLP who audited the Issuer’s standalone and consolidated accounts, in accordance with generally accepted standards of auditing in India, for the years mentioned above. The audit report issued by the statutory independent joint auditors for the standalone and consolidated accounts for the years mentioned above did not contain any qualification.
2. The statutory independent joint auditors for the Issuer for the year ended 31 March 2025 and quarter and six months ended 30 September 2024 and 30 September 2025 are M M Nissim & Co LLP and KKC & Associates LLP who audited and reviewed the Issuer’s unaudited standalone accounts, in accordance with generally accepted standards of auditing in India, for the periods mentioned above. The review report issued by the statutory independent auditor for the standalone accounts for the period mentioned above did not contain any qualification.

## **Trustee’s Reliance on Certificates**

1. The Trust Deed provides that the Trustee may rely on certificates or reports from any person in accordance with the provisions of the Trust Deed as sufficient evidence of the facts stated therein whether or not called for by or addressed to the Trustee and whether or not any such certificate or report or engagement letter or other document entered into by the Trustee and such person in connection therewith contains a monetary or other limit on the liability of such person. However, the Trustee will have no recourse to such person in respect of such certificates or reports unless such person has agreed to address such certificates or reports to the Trustee.

## **Dealers transacting with the Issuer**

1. 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 services to the Issuer and its affiliates in the ordinary course of business.

## **Documents Available**

1. So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published, be available from the corporate office of the Issuer and (in respect of (c) to (e)) from the specified office of the Principal Paying Agent:
  - the audited financial statements of the Issuer as of and for the financial years ended 31 March 2023, 2024 and 2025, and the reviewed financial statements of the Issuer as of and for the three months ended 30 September 2025;
  - the most recently published audited annual financial statements of the Issuer and the most recently published unaudited standalone interim financial results of the Issuer (the Issuer currently prepares unaudited standalone interim results on a quarterly basis under Indian regulatory requirements);
  - the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
  - a copy of this Offering Circular;
  - 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 Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference; and
  - the Memorandum and Articles of Association of the Issuer.

## **Third Party Information**

1. Where information has been sourced from a third party, the source of such information (wherever available) has been identified in the relevant section of the Offering Circular and such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## AXIS BANK LIMITED

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