

IMPORTANT NOTICE

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

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

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE 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 OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR INTO THE UNITED STATES OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED IN WHOLE OR IN PART TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY SUCH DOWNLOADING, 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. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE APPLICABLE PRICING SUPPLEMENT AND TERMS AND CONDITIONS OF THE NOTES. 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 THE FOLLOWING OFFERING CIRCULAR.

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

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 jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

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

The 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 the Offering Circular), the Trustee (as defined in the Offering Circular) or the Agent (as defined in the Offering Circular) or any person who controls any of them or any of their respective

directors, officers, employees, representatives, affiliates, advisers or agents accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from any of the Dealers.

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

In accordance with the provisions of applicable Indian regulations, including the Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder, including the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 as amended, updated, modified, superseded, replaced or substituted from time to time, read together with the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016 issued by the RBI and any other applicable regulations, notifications, circulars or guidelines issued by the RBI or any other Indian governmental agency in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time (“**ECB Guidelines**”), only an investor (“**Recognised ECB Lender**”) that is: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in IFSC is permitted to acquire, own or sell the Notes issued by the Issuer through its Head Office (“**Eligibility Requirement**”). The proceeds of such Notes will not be used for purposes which are prohibited under the ECB Guidelines.

By purchasing the Rupee denominated Notes or any other currency as may be applicable, each investor shall be deemed to have acknowledged, represented and agreed that such investor is eligible to purchase Rupee denominated Notes or any other currency as may be applicable under applicable laws and regulations and is in compliance with the ECB Guidelines and is not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling Notes denominated in Rupee or any other currency as may be applicable and that so long as it holds any Notes, it will continue to be in compliance with the ECB Guidelines. Potential investors should seek independent advice and verify compliance with the Eligibility Requirements prior to any purchase of the Notes.

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

The Offering Circular has not been and will not be filed, registered, produced, published or made available to all as an offer document (whether a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended) in respect of a public offer or an information memorandum or placement memorandum or general information documents or key information documents or private placement offer letter or other offering material in respect of any private placement under the Companies Act, 2013, as amended from time to time or any other applicable Indian laws) with the Registrar of Companies of India (“**RoC**”), the Securities and Exchange Board of India (“**SEBI**”) or the Reserve Bank of India (“**RBI**”) or any Indian stock exchange or any other statutory, regulatory and adjudicatory body of like nature in India or International Financial Services Centres Authority, 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 from time to time (“**SEBI Insider Trading Regulations**”), and under the listing agreements with any stock exchanges pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI LODR Regulations**”), or the International Financial Services

Centres Authority (Listing) Regulations, 2024, as amended (“**IFSCA Listing Regulations**”), each or pursuant to the directives of any statutory, regulatory and adjudicatory body in India or the International Financial Services Centres Authority. The Offering Circular has not been and will not be reviewed or approved by any regulatory authority in India (including but not limited to SEBI, the International Financial Services Centres Authority and any RoC) or any Indian stock exchange. The Offering Circular is not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India and the Notes will not be offered or sold and have not been offered or sold in India by means of the Offering Circular or any other offering document or material relating to the Notes and will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India. Any failure to comply with these restrictions may result in a violation of the applicable securities laws of India and other jurisdictions.

In addition, holders and beneficial owners shall be responsible for compliance with the restrictions on the ownership of the Notes issued by the Issuer through the Head Office, as imposed from time to time by applicable laws or by any regulatory authority or otherwise. In this context, holders and beneficial owners of Notes issued by the Issuer through the Head Office shall be deemed to have acknowledged, represented and agreed that such holders and beneficial owners are eligible to purchase such Notes under applicable laws and regulations and are not prohibited under any applicable law or regulation from acquiring, owning or selling such Notes. Potential investors should seek independent advice and verify that they are in compliance with the Eligibility Requirement prior to any purchase of such Notes. The holders and beneficial owners of Notes issued by the Issuer through the Head Office shall be deemed to confirm that for so long as they hold any such Notes, they are Recognised ECB Lenders in all respects.

Offering Circular dated 14 August 2026



(a company incorporated with limited liability in the Republic of India)

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

Under this Programme, Kotak Mahindra Bank Limited (the “Bank” or the “Issuer”), acting through its Registered Office in India (“Head Office” or “Registered Office”), its International Financial Service Centre (“IFSC”) Banking Unit (“IFSC Banking Unit” or “GIFT-City Branch”) or any other foreign or India branch, as the case may be, may from time to time issue notes (the “Notes”, which expression shall include Senior Notes, Subordinated Notes and Additional Tier 1 Notes (as defined herein)) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined herein).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$1,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

Application has been made to the Global Securities Market (“GSM”) segment of the India International Exchange (IFSC) Limited (“India INX”) and/or Debt Securities Market of the NSE IFSC Limited (“NSE IX”) for the Programme and any subsequent Notes to be admitted for trading on the India INX and NSE IX. **The India INX and/or NSE IX has not approved or verified the contents of this Offering Circular.** Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes will be set out in a pricing supplement (the “Pricing Supplement”). Notes to be listed on the GSM segment of the India INX and/or Debt Securities Market of the NSE IX will be accepted for clearance through the clearing systems as defined below. 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 (the “Terms and Conditions of the Notes” or the “Conditions”), in which event (in the case of Notes intended to be listed on the India INX and/or 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.

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.

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

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

This Offering Circular has not been and will not be filed, registered, produced, published or made available as an offer document (whether as a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended) in respect of a public offer or an information memorandum or placement memorandum or general information document or key information document or private placement offer letter or other offering material in respect of a private placement under the Companies Act, 2013 (as amended) and the rules framed thereunder or any other applicable Indian laws for the time being in force, with the RoC, the RBI, the SEBI or any Indian stock exchange or any other statutory or regulatory body of like nature in India or the International Financial Services Centres Authority, save and except for any information from part of the Offering Circular which is mandatorily required to be disclosed or filed in India under any applicable Indian securities laws, including but not limited to, the SEBI Insider Trading Regulations, and under the listing agreement with any Indian stock exchange pursuant to the SEBI LODR Regulations or IFSCA Listing Regulations, or pursuant to the sanction of any regulatory and adjudicatory body in India or the International Financial Services Centres Authority. This Offering Circular has not been and will not be reviewed or approved by any statutory or regulatory authority in India, including, but not limited to SEBI, any RoC, the RBI, the International Financial Services Centres Authority any Indian stock exchange or any other body of like nature in India. The Notes will not be offered or sold and have not been offered or sold in India by means of this Offering Circular or any other offering document or material relating to the Notes and will not be circulated or distributed and have not been circulated or distributed, directly or indirectly, to any person or the public in India or otherwise generally distributed or circulated in India which would constitute an advertisement, invitation, offer, sale or solicitation of an offer to subscribe for or purchase any securities in violation of applicable Indian laws.

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”.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. The Notes are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”). See “Subscription and Sale”.

In accordance with the provisions of the ECB Guidelines, only investors that are in compliance with the Eligibility Requirement are eligible to purchase the Notes issued by the Issuer through its Head Office. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular, if you invest in Notes issued by the Issuer through its Head Office or an Indian branch, you shall be deemed to have represented to us that you are a Recognised ECB Lender. **Any Additional Tier 1 Notes issued under the Programme are not intended to be sold and should not be sold to retail clients (as defined in the rules set out in the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, as amended or replaced from time to time) in the European Economic Area (the “EEA”) or retail clients (as defined in the Financial Conduct Authority Conduct of Business Sourcebook (“COBS”)) in the United Kingdom (the “U.K.”), other than in circumstances that do not and will not give rise to a contravention of the relevant rules by any person. Prospective investors are referred to the section headed “Restrictions on Marketing and Sales to Retail Investors” on page vii of this Offering Circular for further information.**

Arranger and Dealer
HSBC

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything that would make the statements therein, in light of the circumstances under which they were made, misleading. The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the Programme and the Notes, that the information contained or incorporated in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on information presently available and on reasonable assumptions, and that there are no other facts the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. 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, the Arranger or any of the Dealers or the Trustee or the Agents (each as defined herein) or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them.

None of the Arranger, the Dealers, the Trustee nor the Agents (as defined in the Terms and Conditions of the Notes) or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them has separately verified all the information contained herein. No representation, warranty or undertaking, express or implied is made by the Arranger, the Dealers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them to the accuracy or completeness of any of the information contained in this Offering Circular, and none of the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them accept any responsibility for any acts or omissions of the Issuer or any other person in connection with the issue and offering of the Notes. To the fullest extent permitted by law, none of the Arranger, or the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arranger, the Dealers, the Trustee, the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them in connection with the Issuer or the issue and offering of the Notes. Each of the Arranger, the Dealers, the Trustee and the Agents and each of their respective directors, officers, employees, representatives, affiliates, advisers and agents and each person who controls any of them 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.

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, the Arranger or the Dealers or the Trustee or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or the Dealers or the Trustee or the Agents or any of their respective directors, officers,

employees, representatives, affiliates, advisers or agents or any person who controls any of them 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 at any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers, the Trustee and the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Offering Circular when deciding whether or not to purchase any Notes.

In accordance with applicable provisions of ECB Guidelines, the Notes issued by the Issuer through its Head Office can only be subscribed or acquired by a Recognised ECB Lender that is: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in IFSC is permitted to acquire, own or sell the Notes, subject to the Eligibility Requirement. The proceeds of such Notes will not be used for purposes which are prohibited under the ECB Guidelines.

By purchasing the Rupee-denominated Notes or any other currency as may be applicable, each investor shall be deemed to have acknowledged, represented and agreed that such investor is eligible to purchase Notes or Rupee denominated Notes or any other currency as may be applicable under applicable laws and regulations and is in compliance with the ECB Guidelines and is not otherwise prohibited under any applicable law or regulation from acquiring, owning or selling Notes or Notes denominated in Rupee or any other currency as may be applicable and that so long as it holds any Notes, it will continue to be in compliance with the ECB Guidelines. Potential investors should seek independent advice and verify compliance with the Eligibility Requirements prior to any purchase of the Notes.

In this Offering Circular, “**ECB Guidelines**” means the Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder, including the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 as amended, updated, modified, superseded, replaced or substituted from time to time, read together with the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016 issued by the RBI and any other applicable regulations, notifications, circulars or guidelines issued by the RBI or any other Indian governmental agency in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time.

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, as amended and the Treasury regulations promulgated thereunder.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. Each of the Issuer, the Arranger, the Dealers, the Trustee and the Agents and each of their respective directors, officers, employees, representatives, affiliates, advisers and agents and

each person who controls any of them 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, the Arranger or the Dealers or the Trustee or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them which would permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, the European Economic Area (including The Netherlands), India, Singapore, Hong Kong, Japan and Australia. See “*Subscription and Sale*”.

None of the Issuer, the Arranger, the Dealers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them make 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.

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

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

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

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

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

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 Arranger 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 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 Arranger nor the Dealer nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

PROHIBITION OF SALES TO 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 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.

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

For a description of other restrictions, see “*Subscription and Sale*”.

ENFORCEABILITY OF CIVIL LIABILITIES

The Bank is a public limited banking company that has been incorporated under the laws of India. A majority of our directors and executive officers of the Issuer reside in India, and a substantial portion of the assets of the Issuer and the assets of such directors and executive officers are located in India. As a result, it may be difficult for investors to effect service of process upon the Bank or such directors and executive officers outside India or to enforce judgments against them obtained in courts outside India predicated upon civil liabilities of the Issuer or such directors and executive officers under laws other than Indian law.

In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The Bank understands that in India the statutory basis for recognition of foreign judgments is stipulated in Section 13, 14 and 44A of the (Indian) Code of Civil Procedure, 1908, as amended from time to time (the “**Civil Code**”).

Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force in India. Section 14 of the Civil Code provides that a court in India will, 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 but such presumption may be displaced by proving want of jurisdiction. A foreign judgment which is conclusive under section 13 of the Civil Code may be enforced either by (i) a fresh suit upon the judgment; or (ii) instituting execution proceedings.

Under Section 14 of the Civil Code, a court in India will, 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, but such presumption may be displaced by proving want of jurisdiction.

Further, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (as defined in such section) in any country or territory outside India which the Government of India (“GOI”) has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, section 44A of the Civil Code is applicable only to monetary decrees not being in the 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 Code is also subject to the exceptions under Section 13 of the Civil Code, as mentioned above.

The United Kingdom, Singapore, Hong Kong and United Arab Emirates (amongst other countries) have each been declared by the GOI to be a ‘reciprocating territory’ for the purposes of section 44A of the Civil Code. Accordingly, a judgment of a superior court in the United Kingdom may be enforceable by proceedings in execution, and a judgment not of a superior court, by a new suit resulting in a judgment or order. A judgment of a superior court in the United Kingdom must be enforced in India, by following the process mentioned above. In the event, a decree holder in the United Kingdom decides to first enforce a judgment/decreed in the United Kingdom, then for the unsatisfied part of the decree, the execution proceedings in India must be initiated within three years of completion of the execution proceedings in the United Kingdom.

It is unlikely that an Indian court 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 public policy and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the FEMA, to execute such a judgment and/or to repatriate outside India any amounts recovered pursuant to execution and any such amounts may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the decree and not on the date of the payment. The Issuer cannot predict whether a suit brought in an Indian court will be disposed in a timely manner or be subject to considerable delays. The Issuer is not entitled to immunity based on sovereignty from any legal proceedings in India.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless the context otherwise requires:

- (i) all financial information relating to the Issuer provided as at or for the fiscal year ended 31 March 2024 contained in this Offering Circular has been derived from the audited standalone financial statements of the Issuer as at and for the year ended 31 March 2024 (the “**Fiscal 2024 Financial Statements**”);
- (ii) all financial information relating to the Issuer provided as at or for the fiscal year ended 31 March 2025 contained in this Offering Circular has been derived from the audited standalone financial statements of the Issuer as at and for the year ended 31 March 2025 (the “**Fiscal 2025 Financial Statements**”);
- (iii) all financial information relating to the Issuer provided as at or for the fiscal year ended 31 March 2026 contained in this Offering Circular has been derived from the audited standalone financial statements of the Issuer as at and for the year ended 31 March 2026 (the “**Fiscal 2026 Financial Statements**”, and together with the Fiscal 2024 Financial Statements and the Fiscal 2025 Financial Statements, the “**Audited Financial Statements**”); and
- (iv) all financial information relating to the Issuer provided as at or for the three months ended 30 June 2025 and as at or for the three months ended 30 June 2026 contained in this Offering Circular has been derived from the reviewed standalone financial results of the Issuer for the three months ended 30 June 2025 (the “**Q12026 Financial Results**”) and 30 June 2026 (the “**Q12027 Financial Results**”) respectively.

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

The Issuer’s Q12026 Financial Results and Q12027 Financial Results are prepared pursuant to the requirements under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Issuer maintains its financial books and records and prepares its Audited Financial Statements and Q12026 Financial Results and Q12027 Financial Results in Rupees in accordance with generally accepted accounting principles in the Republic of India as applicable to banks in India (“**Indian GAAP**”) which differ in certain important respects from International Financial Reporting Standards (“**IFRS**”). For a discussion of the principal differences between Indian GAAP and IFRS as they relate to the Issuer, see “*Summary of Significant Differences Between Indian GAAP and IFRS*”. Unless otherwise stated, all financial data relating to the Issuer contained herein is stated on a standalone basis. The financial statements have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated and are in accordance with Indian-GAAP, statutory requirements prescribed under the Third Schedule of the Banking Regulation Act, 1949, circulars and guidelines issued by the RBI from time to time, Accounting Standards specified under Section 133 of the Companies Act, 2013 read together with the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Rules, 2021, in so far as they apply to banks.

Unless otherwise specified, where financial information as at and for the three months ended 30 June 2026 has been translated into U.S. dollars, it has been so translated for information purposes only at the rate of Rs. 94.5975 equal to U.S.\$1.00, being the reference rate published by the Reserve Bank of India for 30 June 2026. No representation is made that the Rupee or U.S. dollar amounts referred herein could have been or could be converted into Rupees or U.S. dollars, as the case may be, at any particular rate or at all.

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 “*Terms and Conditions of the Notes*” or any other section of this Offering Circular.

In this Offering Circular, unless otherwise specified, all references to the “**Group**” are to the Bank and its consolidated subsidiaries and other consolidated entities. All references to “**India**” are to the Republic of India and all references to the “**Government**” are to the government of India. All references to “**fiscal**”, “**fiscal year**” or “**FY**” are to the year starting from 1 April and ending on 31 March.

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

References to “**lakhs**” and “**crores**” in the Bank’s Audited Financial Statements and Q12027 Financial Results 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 billion)

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

INDUSTRY AND MARKET DATA

Certain industry and market share data in this Offering Circular are derived from data of the RBI or the Director General of Commercial Intelligence and Statistics. Certain other information regarding market position, growth rates and other industry data pertaining to the Issuer’s business contained in this Offering Circular consists of estimates based on data reports compiled by professional organisations and analysts, on data from other external sources and on the Issuer’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 Issuer relies on internally developed estimates. While the Issuer has compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications, none of the Issuer, the Arranger, the Dealer, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them has independently verified that data and none of the Issuer, the Arranger, the Dealer, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them makes any representation regarding the accuracy of such data. Similarly, while the Issuer believes its internal estimates to be reasonable, such estimates have not been verified by any independent sources and none of the Issuer, the Arranger, the Dealers, the Trustee

or the Agents or any of their respective directors, officers, employees, representatives, affiliates, advisers or agents or any person who controls any of them can assure potential investors as to their accuracy.

FORWARD-LOOKING STATEMENTS

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

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Offering Circular include, but are not limited to general economic and political conditions in India, southeast Asia and 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 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.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation 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, *inter alia*, that upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event (each in the case of Additional Tier 1 Notes only), all or some of the rights of holders of Subordinated Notes and the Receipts relating to them shall be subject to Write-Down (as defined in the Terms and Conditions of the Notes) and the right to receive interest on any portion of nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. In addition, in respect of Additional Tier 1 Notes issued under this Program, (1) interest is payable solely at the Bank's discretion, and no amount of interest shall become due and payable to the extent that it has been cancelled by the Bank at its sole discretion and (2) a cancellation of interest (in whole or in part) in accordance with the terms and conditions of such Additional Tier 1 Notes shall not constitute a default in payment or otherwise under the terms thereof. Any interest cancelled (in whole or in part) in the circumstances described herein shall not be due and shall not accumulate or be payable at any time thereafter, and holders and beneficial owners shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. 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 U.K., the Financial Conduct Authority ("FCA") Conduct of Business Sourcebook ("COBS") requires, in summary, that the 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 U.K.

The Dealers are required to comply with COBS.

By purchasing, or making or accepting an offer to purchase, any Additional Tier 1 Notes issued under this Programme (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 U.K.; and
2. it will not sell or offer the Additional Tier 1 Notes (or any beneficial interest therein) to retail clients in the U.K. or communicate (including the distribution of the Offering Circular) 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 U.K.

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 U.K.) relating to the promotion, offering, distribution and/or sale of the Additional Tier 1 Notes issued under this Programme (or any beneficial interests therein), whether or not specifically mentioned in the Offering Circular, including (without limitation) any requirements under MiFID II or the U.K. 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 issued under this Programme (or any beneficial interests therein) from the Bank and/or the Dealers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

The offering of the Additional Tier 1 Notes issued under this Programme will be made entirely outside India. This Offering Circular may not be distributed, directly or indirectly, in India or to residents of India and the Additional Tier 1 Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in India or to, or for the account or benefit of, any resident of India.

Each purchaser of the Additional Tier 1 Notes will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Additional Tier 1 Notes may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the account of, such persons, unless determined otherwise in compliance with applicable law.

TABLE OF CONTENTS

	Page
DOCUMENTS INCORPORATED BY REFERENCE.....	1
GENERAL DESCRIPTION OF THE PROGRAMME	2
SUMMARY OF THE PROGRAMME	3
FORM OF THE NOTES	12
APPLICABLE PRICING SUPPLEMENT	14
TERMS AND CONDITIONS OF THE NOTES	33
USE OF PROCEEDS	105
CAPITALISATION	106
RISK FACTORS	107
DESCRIPTION OF THE BANK.....	165
DESCRIPTION OF THE BANK'S ASSETS AND LIABILITIES	197
DESCRIPTION OF THE BANK'S GIFT CITY BRANCH	207
MANAGEMENT	209
SIGNIFICANT SHAREHOLDERS.....	258
OVERVIEW OF THE INDIAN FINANCIAL SECTOR.....	259
SUPERVISION AND REGULATION.....	273
TAXATION	305
SUBSCRIPTION AND SALE	313
GENERAL INFORMATION	323
SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND INDIAN GAAP.....	326
INDEX TO FINANCIAL STATEMENTS AND FINANCIAL RESULTS.....	F-1

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the most recently published audited standalone annual financial statements and, if published later, the most recently published audited or reviewed, as the case may be, interim standalone financial results (if any) of the Issuer (see “*General Information*” for a description of the financial statements currently published by the Issuer); and
- (b) all supplements or amendments to this Offering Circular issued by the Issuer from time to time.

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

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular.

Copies of the audited standalone annual financial statements of the Issuer or audited or reviewed interim standalone financial results (if any) of the Issuer deemed to be incorporated by reference in this Offering Circular may be obtained without charge from the website of the India INX(<https://www.indiainx.com/>) and/or NSE IX (<https://www.nseix.com/>).

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, acting through its Head Office, IFSC Banking Unit, or any other foreign or India branch, as the case may be, may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under “*Form of the Notes*”.

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

- (a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) shall be determined, at the Company’s discretion, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Company on the relevant day of calculation;
- (b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) shall be calculated in the manner specified in the applicable Pricing Supplement; and
- (c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under “*Form of the Notes*”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by us for the relevant issue.

The offering of the Notes will be made entirely outside India. This Offering Circular may not be distributed directly or indirectly in India or to residents of India and the Notes are not being offered or sold and may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India in accordance with the ECB Guidelines.

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

The Issuer through its Head Office or any other Indian branch will issue Notes under the Programme in accordance with the ECB Guidelines.

All references in this Offering Circular to “**nominal amount**” will, in respect of Subordinated Notes, refer to Outstanding Nominal Amount or Issued Nominal Amount (each as defined in the Terms and Conditions of the Notes), as relevant and unless otherwise specified.

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	Kotak Mahindra Bank Limited, acting through its Registered Office in India, its IFSC Banking Unit or any other foreign or Indian (as specified in the relevant Pricing Supplement).
Description	Medium Term Note Programme.
Arranger	The Hongkong and Shanghai Banking Corporation Limited
Dealers	The Hongkong and Shanghai Banking Corporation Limited 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>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 “ <i>Subscription and Sale</i> ”.
Trustee	The Bank of New York Mellon, London Branch.
Principal Paying Agent and (where appointed) Calculation Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Programme Size	U.S.\$1,000,000,000 (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.
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> ”. 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.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
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. As per current regulations, Notes issued by the IFSC Banking Unit must have a Maturity Date that falls after the first anniversary of their Issue Date.
Issue Price	Notes may be issued on a fully paid or (in the case of Notes other than Subordinated Notes) a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of the Notes	The Notes may be in bearer form and/or registered form. Bearer Notes will be in bearer form and will on issue be represented by a temporary bearer global note (a “ Temporary Bearer Global Note ”) or a permanent bearer global note (a “ Permanent Bearer Global Note ” and together with the Temporary Bearer Global Note, the “ Bearer Global Notes ”) as indicated in the applicable Pricing Supplement. Temporary Bearer Global Notes will be exchangeable either for (i) interests in a Permanent Bearer Global Note or (ii) Bearer Notes in definitive form (“ Definitive Bearer Notes ”) as indicated in the applicable Pricing Supplement. Permanent Bearer Global Notes will be exchangeable for Definitive Bearer Notes upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described under “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes	Fixed interest will be payable at such rate or rates in arrear and on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 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); (ii) by reference to EURIBOR, SONIA Benchmark, SOFR Benchmark or SORA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin; or (iii) on such other basis as may be agreed between the Issuer, the Calculation Agent (as defined in the Terms and Conditions of the Notes) and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Index Linked Notes	Payments of principal in respect of Index Linked Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.
Other Provisions in relation to Floating Rate Notes and Index Linked Interest Notes	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Partly Paid Notes	The Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes.....	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Other Notes	The Issuer may agree with any Dealer, the Trustee and the Agents that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Redemption	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (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 always to the Conditions for Redemption as set forth in Condition 7) and/or

(except in the case of Subordinated Notes) the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as set forth in the Terms and Conditions of the Notes or may be agreed between the Issuer and the relevant Dealer. Notes may also be redeemed prior to their stated maturity (i) in specified installments, if applicable, (ii) for taxation reasons, (iii) in the case of Subordinated Notes, for certain regulatory reasons or (iv) following an Event of Default (as defined in Condition 11) in accordance with Condition 11. The Subordinated Notes shall not be redeemed at the initiative of the Noteholder or without the consent of the RBI.

The applicable Pricing Supplement may provide that Notes may be redeemable in separate instalments in such amounts and on such dates as are indicated in the applicable Pricing Supplement.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution. See “*Certain Restrictions – Notes having a maturity of less than one year*” above.

Notes issued by the IFSC Banking Unit may not be redeemed, repaid, purchased or cancelled prior to the first anniversary of their Issue Date.

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.

Notes issued by the IFSC Banking Unit may not be redeemed, repaid, purchased or cancelled prior to the first anniversary of their Issue Date.

See “*Certain Restrictions – Notes having a maturity of less than one year*” above.

Taxation

All payments in respect of the Notes will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by any Tax Jurisdiction (as defined in Condition 9), subject as provided in Condition 9. In the event that any such withholding or deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

Without prejudice to the Issuer’s obligation to pay additional amounts as described above, all payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to FATCA, as provided in Condition 6.2.

Negative Pledge	The terms of the Notes (other than Subordinated Notes) will contain a negative pledge provision as further described in Condition 4.
Cross Default	The terms of the Notes (other than Subordinated Notes) will contain a cross default provision as further described in Condition 11.
Status of the Senior Notes	The Senior Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 4, unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Status, Rights of Enforcement and Other Terms of or relating of 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 3.2 and Condition 3.3, respectively. The rights of enforcement relating to Subordinated Notes are set out in Condition 11.2. 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	The Trustee may only accelerate the Subordinated Notes in the circumstances set out in Condition 11.2. Neither the Terms and Conditions of the Subordinated Notes nor the Trust Deed 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 11.2; principally, the winding up or liquidation of the Issuer.
Additional Tier 1 Notes – Cancellation of Interest	The Issuer may, at its full discretion and as it deems fit, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid in respect of a Series of Additional Tier 1 Notes. Further, the Issuer will be required to cancel (in whole or, as the case may be, in part) the payment of any interest scheduled to be paid on an Interest Payment Date to the extent that such payment of interest is not permitted to be paid under the RBI Guidelines. Interest on the Additional Tier 1 Notes will be non-cumulative and any cancellation of interest on Additional Tier 1 Notes in accordance with Condition 5.8 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 <i>pari passu</i> with, such Additional Tier 1 Notes, as set out in Condition 5.8(d). See Condition 5.8 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 8.3. Any nominal amount Written-Down due to the occurrence of a PONV Trigger Event will not be restored in any circumstances. Further, Additional Tier 1 Notes will also be subject to interest cancellation and Write-Down upon the occurrence of a CET1 Trigger Event, with any Reinstatement (as defined in Condition 8.2(b)) being at the Issuer’s option and subject to regulation. See Condition 8 and “<i>Risk Factors – Risks Relating to the Subordinated Notes</i>” for further details.
Listing	Unless otherwise specified in the applicable Pricing Supplement, the Notes will be listed on the GSM segment of India International Exchange (IFSC) Limited and/or Debt Securities Market of the NSE IFSC Limited. 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. 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).
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, Condition 3.2 (in the case of Tier 2 Notes) and Condition 3.3 (in the case of Additional Tier 1 Notes) will be governed by Indian law.
Clearing Systems	Euroclear, Clearstream and/or any other clearing system, as specified in the applicable Pricing Supplement (see “<i>Form of the Notes</i>”).
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including The Netherlands), the United Kingdom, India, Hong Kong, Singapore and Japan 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. The Bearer Notes will be issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(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 (the “Code”)) (“TEFRA D”) unless (i) the applicable Pricing Supplement states that Notes are issued in compliance with U.S. Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (“TEFRA

C”) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the applicable Pricing Supplement as a transaction to which TEFRA is not applicable.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of either a Temporary Bearer Global note or a Permanent 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 and Clearstream. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, 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 which is 40 days after a Temporary Bearer Global Note is issued (the “**Exchange Date**”), 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 without receipts, interest coupons and talons attached or (ii) for Definitive Bearer Notes of the same series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive Definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

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

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to the Noteholders and the Trustee in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) or the Trustee may give notice to the Principal Paying Agent requesting exchange. Any such exchange following an Exchange Event shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

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

The following legend will appear on all Notes (other than Temporary Global Notes), receipts, interest coupons and talons 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 Notes, receipts, interest coupons and talons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts, interest coupons and talons.

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.

FORM OF THE NOTES

Words and expressions defined in “Terms and Conditions of the Notes” shall have the same meanings in this section.

The Notes of each Series will be in either bearer form, with or without interest coupons attached (“**Bearer Notes**”), or registered form, without interest coupons attached (“**Registered Notes**”). Bearer Notes will be issued outside the United States to non-U.S. persons in reliance on Regulation S. Registered Notes will be issued outside the United States in reliance on Regulation S.

Notes to be listed on the India INX and/or NSE IX will be accepted for clearance through Euroclear and/or Clearstream and/or any other clearing system as specified in the applicable Pricing Supplement.

Registered Notes

The Registered Notes of each Tranche will initially be represented by a global note in registered form (a “**Registered Global Note**”).

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

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 6.5) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar (each as defined under “*Terms and Conditions of the Notes*”) 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 Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. 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 alternative clearing system satisfactory to the Trustee is available. The Issuer will promptly give notice to Noteholders and the Trustee in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream or the Trustee (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, in each case to the extent applicable.

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 in reliance on Category 1 of Regulation S 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 the same common code and ISIN.

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

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

No Noteholder, Receiptholder or Couponholder (each as defined in “*Terms and Conditions of the Notes*”) 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.

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 5, 6, 7 (except Condition 7.2), 12, 13, 14, 15 (insofar as such Notes are not listed or admitted to trade on any stock exchange) or 19, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

APPLICABLE PRICING SUPPLEMENT

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

[Date]

Kotak Mahindra Bank Limited
acting through its [Registered Office in India]/
[IFSC Banking Unit]/[specify other foreign branch]
[Legal entity identifier (LEI): 335800E6GTTXKHXE2I75]

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

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 14 August 2026 [and the supplement[s] to it dated [●]] (the “**Offering Circular**”). This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with such Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

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

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of [Directive 2014/65/EU (as amended, “**MiFID II**”)]/[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.]

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

[In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SEA**”) 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).]¹

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [original date] [and the supplement dated [date]]. This Pricing Supplement constitutes the final terms of the Notes and must be read in conjunction with the Offering Circular dated [current date], save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[The following to be included for any issuance of Subordinated Notes]

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

¹ 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.

compensation as a result of such cancellation.] See “Risk Factors – Risks Relating to the Subordinated Notes” in the Offering Circular.]

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

[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: Kotak Mahindra Bank Limited, acting through its [Registered Office in India]/[IFSC Banking Unit]/*[specify other foreign branch]*
- 2 (b) Series Number: [●]
(c) Tranche Number: [●]
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
(d) 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 Series: Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [date]] [Not Applicable]
- 3 Specified Currency or Currencies: [●]
(In case of a denomination in INR, the below is to be included)
[The lawful currency of India (“**Indian Rupees**” or “**INR**”), provided that all payments in respect of the Notes will be made in United States Dollars (“**U.S.\$**”).]
- 4 Aggregate Nominal Amount:
(a) Series Number: [●]
(b) Tranche Number: [●]
- 5 (a) Issue Price: [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
(b) [Net proceeds: [●]]
- 6 (c) Specified Denominations: [●]
(N.B. Notes must have a minimum denomination of €100,000 or equivalent unless the issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Regulation)
(NB – Where Bearer Notes with multiple denominations above [€100,000] or equivalent are being issued, with

respect to Bearer Notes, the following sample wording should be followed:

“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above [€199,000].”)

(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)

(In case of a denomination in INR, the below is to be included)

[INR[●] and integral multiples thereof].

(d) Calculation Amount (in relation to calculation of interest in global form see Conditions):

[●] (If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations)

7 (a) Trade Date:
(b) Issue 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:

[Fixed rate 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 issued by Head Office will be subject to the guidelines issued by the RBI from time to time including ECB Guidelines. For the Notes issued by IFSC Banking Unit must have a minimum maturity of more than a year)

9 Interest Basis:

[[●] per cent. Fixed Rate]

[[Specify Reference Rate] +/- [●] per cent. Floating Rate]

[Zero Coupon]

[Index Linked Interest]

[Dual Currency Interest]

[specify other]

(further particulars specified below)

10 Redemption/Payment Basis:

[Redemption at par]

[Index Linked Redemption]

[Dual Currency Redemption]

[Partly Paid]

(Not applicable to Subordinated Notes)

[Instalment]

[specify other]

- (N.B. Not applicable for Additional Tier 1 Notes, the maturity of which shall be perpetual)
- 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 issued by Head Office will be subject to the guidelines issued by the RBI from time to time including ECB Guidelines. For the Notes issued by IFSC Banking Unit may only be redeemed after the first anniversary of the Issue Date.)
- 12 Put/Call Options: [Investor 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 issued by Head Office will be subject to the guidelines issued by the RBI from time to time including ECB Guidelines. For the Notes issued by IFSC Banking Unit, put/call options may only be exercised after the first anniversary of the Issue Date.)
[(further particulars specified below)]
[Not Applicable]
- 13 Status of the Notes: [Senior/Tier 2/Additional Tier 1]
(If “Subordinated”, specify either “Tier 2” or “Additional Tier 1”)
- 14 (a) Date of [Board] approval for issuance of Notes obtained: [●] [and [●], respectively]/[None required]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
- (b) Date of regulatory approval/consent for issuance of Notes obtained: [●]/[None required]
(N.B. Only relevant where regulatory (or similar) approval or consent is required for the particular tranche of Notes)
- 15 Listing: [India/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]
- 17 Calculation Agent: [●]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 18 Fixed Rate Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (a) Rate(s) of Interest: [●] per cent. per annum payable in arrears on each Interest Payment Date
- (b) Interest Payment Date(s): [●] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*), subject to adjustment, for [payment business day purposes only/both interest accrual and payment business day purposes], in accordance with the [*state business day convention*]
- (c) Fixed Coupon Amount(s) for Notes in definitive form and in relation to Notes in global form, see Conditions: [●] per Calculation Amount
(In case of a denomination in Rupee, the below is to be included)
The Fixed Coupon Amount per Calculation Amount will be payable in U.S.\$ and determined by the Calculation Agent on the Rate Fixing Date in respect of the Interest Payment Date, as follows:
Calculation Amount *divided* by the Reference Rate
Where “Calculation Agent”, “Rate Fixing Date” and “Reference Rate” shall have the respective meanings ascribed to them in item 26 below.
- (d) Broken Amount(s) for Notes in definitive form and in relation to Notes in global form, see Conditions: [●] [per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
- (e) Day Count Fraction: [Actual/Actual (ICMA)] [30/360] [Actual/365 (Fixed)] or [*specify other*]
[, [adjusted/unadjusted] for interest accrual purposes]
- (f) Determination Date(s): [●] [in each year]/[Not Applicable]
(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
(In case of a denomination in Rupee, the below is to be included)
The Interest Amount will be payable in U.S.\$ and determined by the Calculation Agent in the Rate Fixing Date in respect of the interest payment date, as follows:
Interest Amount *divided* by the Reference Rate
Where “Calculation Agent”, “Rate Fixing Date” and “Reference Rate” shall have the respective meanings ascribed to them in item 26 below.
- 19 Floating Rate Note Provisions: [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)

(N.B. Presently Additional Tier 1 Notes and Subordinated Notes with a floating rate of interest are required to be referenced to a market determined Rupee interest benchmarked rate, under the guidelines issued by the RBI)

(a)	Specified Period(s)/Specified Interest Payment Dates:	[●], subject to adjustment[, for interest accrual purposes only,] in accordance with the Business Day Convention set out in (b) below/not subject to any adjustment, as the Business Day Convention in (b) below is specified to be not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other] [Not Applicable]
(c)	Additional Business Centre(s):	[Not Applicable / give details] ² For the avoidance of doubt, “business day” for these Notes shall include the following: (a) [give details as per above if applicable] ³ ; (b) [New York City] ⁴ / [Singapore] ⁵ / [London] ⁶ / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)]. ⁷
(d)	Manner in which the Rates of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/specify other]
(e)	Screen Rate Determination:	[●]
	• Reference Rate:	[EURIBOR/SOFR Benchmark/SONIA Benchmark/SORA Benchmark/specify other Reference Rate]
	• Interest Determination Date(s):	(Second day on which T2 is open prior to the start of each Interest Period if EURIBOR)
	• 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)
	• SOFR:	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)

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

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

⁴ For USD denominated drawdowns

⁵ For SGD denominated drawdowns

⁶ For sterling denominated drawdowns

⁷ For euro denominated drawdowns

- (i) SOFR Benchmark: [Compounded Daily SOFR/SOFR Index/Term SOFR/specify other]
- (ii) Compounded Daily SOFR: [SOFR Lookback/Not Applicable/specify other]
(Only applicable in the case of Compounded Daily SOFR)
- (iii) 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.)
- (iv) SOFR Observation Shift Days: [5/specify other larger number] U.S. Government Securities Business Days
- (v) SOFR Index_{Start}: [Not Applicable/[●] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index)
- (vi) SOFR Index_{End}: [Not Applicable/[●] U.S. Government Securities Business Day(s)]
(Only applicable in the case of SOFR Index)
- (vii) 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)
- (viii) Interest Determination Date: [In accordance with the Condition 5.2(b)(iii)/specify other]
- (ix) Reference Time: [In accordance with the Condition 5.2(b)(iii)(C)/specify other]
- (x) Term SOFR Conventions: [●]
(Include any Term SOFR Conventions recommended by the ARRC or otherwise used by the market generally regarding the determination of the Term SOFR Rate)
- SONIA: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
 - (a) SONIA Benchmark: [Compounded Daily SONIA/specify other]
 - (xi) SONIA Observation Method: [SONIA Observation Lag/SONIA Observation Shift/Not Applicable/specify other]
(Only applicable where the Reference Rate is Compounded Daily SONIA)

	(xii) SONIA Observation Period (“x”):	[5/specify other larger number] London Business Days]
	• SORA:	[Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
	a. Calculation method:	[Lookback/specify other]
	(xiii) Observation Period (“p”):	[five Singapore Business Days/specify other]
	• Benchmark Discontinuation Provisions:	[Condition [5.7.1]/[5.7.2]/[5.7.3]/[5.7.4] shall apply/Not Applicable/specify other]
(f)	ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●] (in the case of a EURIBOR based option, the first day of the Interest Period)
(g)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
(h)	Margin(s):	[+/-][●] per cent. per annum
(i)	Minimum Rate of Interest:	[●] per cent. per annum
(j)	Maximum Rate of Interest:	[●] per cent. per annum
(k)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other] [, [adjusted/unadjusted] for interest accrual purposes only]
(l)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

- 20 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Accrual Yield: [●] per cent. per annum
- (b) Reference Price: [●]
- (c) Any other formula/basis of determining amount payable: [●]
- (d) Day Count Fraction in relation to Early Redemption Amounts: [30/360] [Actual/360] [Actual/365] *[specify other]*
- 21 Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Index/Formula: [give or annex details]
- (b) 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]*
- (c) Specified Period(s)/Specified Interest Payment Dates: [●]
- (d) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (e) Additional Business Centre(s): [Not Applicable / *give details*]⁸
- For the avoidance of doubt, “business day” for these Notes shall include the following:
- (a) *[give details as per above if applicable]*⁹;
- (b) [New York City]¹⁰ / [Singapore]¹¹ / [London]¹² / [TARGET Business Day (being any day on which T2 is open for the settlement of payments in euro)].¹³
- (f) Minimum Rate of Interest: [●] per cent. per annum
- (g) Maximum Rate of Interest: [●] per cent. per annum
- (h) Day Count Fraction: [●]

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

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

¹⁰ For USD denominated drawdowns

¹¹ For SGD denominated drawdowns

¹² For sterling denominated drawdowns

¹³ For euro denominated drawdowns

- 22 Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) 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]
- (c) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISION RELATING TO REDEMPTION

- 23 Notice periods for Condition 7.2: Minimum period: [30] days
Maximum period: [60] days
- 24 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): [●]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [●]
- (ii) Maximum Redemption Amount: [●]
- (d) Notice period (if other than as set out in the Conditions): Minimum period: [15] days
Maximum period: [30] days
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five 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)
- 25 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): $[\bullet]$ per Calculation Amount/specify other/see Appendix]
- (c) Notice period (if other than as set out in the Conditions): Minimum period: [15] days
Maximum period: [30] days

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 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)

26 Final Redemption Amount:

$[\bullet]$ per Calculation Amount/[specify other]

(In case of a denomination in INR, the below is to be included)

[The Final Redemption Amount per Calculation Amount will be payable in U.S.\$ and determined by the Calculation Agent on the Rate Fixing Date in respect of the Maturity Date, as follows:

Calculation Amount *divided by* the Reference Rate

Where:

Calculation Agent means $[\bullet]$.

"Reference Rate" means the rate used on each Rate Fixing Date which will be the U.S.\$/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, for settlement in two Fixing Business Days, reported by the Financial Benchmarks India Private Limited ("**FBIL**"), which is the last price displayed on Bloomberg page "**INRRATE Index**" (or any successor page) on each Rate Fixing Date. If a Price Source Disruption Event occurs on the Scheduled Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent in accordance with the Fallback Provisions set out below.

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

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

Business Day, subject to the Deferral Period for an Unscheduled Holiday set out below.

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

Adjustments to the Interest Payment Date and Maturity Date:

If a Scheduled Rate Fixing Date is adjusted for an Unscheduled Holiday or if Valuation Postponement applies, then the Interest Payment Date or Maturity Date relating to such Scheduled Rate Fixing Date shall be two Payment Business Days after the date on which the Reference Rate for such Interest Payment Date or Maturity Date is determined. If any Interest Payment Date or Maturity Date is adjusted in accordance with the preceding sentence, then such adjustment (and the corresponding payment obligations to be made on such dates) shall apply only to such Interest Payment Date or the Maturity Date, as applicable, and no further adjustment shall apply to the amount of interest payable. Fallback Provisions:

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

Applicable Price Source Disruption Fallbacks:

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

Valuation Postponement	(As defined below)
Fallback Reference Price	(As defined below)
Fallback Survey Valuation Postponement	(As defined below)

“Cumulative Events” has the following meaning:

Notwithstanding anything to the contrary, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate.

Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred

or be continuing on the day following such period that otherwise would have been a Fixing Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption Event shall have occurred or be continuing on the day following such period on which the Reference Rate otherwise would be determined, then Valuation Postponement shall not apply and the Reference Rate shall be determined in accordance with the next Price Source Disruption Fallback.

“Fallback Reference Price” means the U.S.\$/INR spot rate, expressed as the amount of Indian Rupees per one United States Dollar, reported by the FBIL on [●] and displayed on Bloomberg page **“INRRATE Index”** (or any successor page).

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

“Maximum Days of Postponement” means 14 calendar days.

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

“Payment Business Day” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Mumbai and in the financial centre of the payment currency.

“Fixing Business Day” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai and London.

“Deferral Period for an Unscheduled Holiday”: In the event that the Scheduled Rate Fixing Date is postponed due to the occurrence of an Unscheduled Holiday, and if the Rate Fixing Date has not occurred on or before the 14th calendar day after the Scheduled Rate Fixing Date (any such period being a “Deferral Period”), then the next day after the Deferral Period that would have been a Fixing Business Day but for the Unscheduled Holiday shall be deemed to be the Rate Fixing Date.]

- 27 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):

[[●] 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.)

(N.B. If Additional Tier 1 Notes, to specify (i) the Calculation Agent and (ii) Day Count Fraction for the purpose of the Make Whole Amount) (In case of a denomination in INR, the below is to be included)

[The Final Redemption Amount as determined in accordance with item 25 above; provided that, for the purposes of such determination, the Scheduled Rate Fixing Date shall be the date that is two Fixing Business Days prior to the date on which the Notes become due and payable.]

- 28 Regulatory Redemption Amount:

[Applicable/Not Applicable]

(Applicable only for Additional Tier 1 Notes) (if not applicable, delete the remaining sub-paragraphs of this paragraph)

- (a) Day Count Fraction (for Make Whole Amount):
(b) Applicable Spread (for Make Whole Amount):

[●]

[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29 Form of Notes:

[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]*
[Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]*

** (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 exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes.)]*

[Registered Notes:

Registered Global Note (U.S.\$[●] nominal amount) registered in the name of a nominee for a common depositary for Euroclear and Clearstream (specify nominal amounts)] (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves)

30 Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable / give details]¹⁴

For the avoidance of doubt, "business day" for these Notes shall include the following:

- (a) [give details as per above if applicable]¹⁵;
- (b) [New York City]¹⁶ / [Singapore]¹⁷ / [London]¹⁸ / [TARGET Business Day (being any day on which

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

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

¹⁶ For USD denominated drawdowns

¹⁷ For SGD denominated drawdowns

¹⁸ For sterling denominated drawdowns

T2 is open for the settlement of payments in euro)].¹⁹

31	Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
32	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	<i>(Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues)</i>
33	Details relating to Instalment Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Instalment Amount(s):	[give details]
	(b) Instalment Date(s):	[give details]
34	Redenomination applicable:	Redenomination [not] applicable <i>(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))</i>
35	Other terms or special conditions:	[Not Applicable/give details]
DISTRIBUTION		
36	(a) If syndicated, names of Managers:	[Not Applicable/give names]
	(b) Stabilisation Manager(s) (if any):	[Not Applicable/give name(s)]
37	If non-syndicated, name of relevant Dealer:	[Not Applicable/give name(s)]
38	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
39	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] <i>(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the</i>

¹⁹ For euro denominated drawdowns

- Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*
- 40 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)
- 41 Additional selling restrictions: [Not Applicable/give details]
- 42 Additional U.S. federal income tax considerations: [The Notes are [not] Specified Notes for purposes of Section 871(m) of the U.S. Internal Revenue Code of 1986. [Additional information regarding the application of Section 871(m) to the Notes will be available at [give name(s) and address(es) of Issuer contact].] *(If the Notes are issued on or after 1 January 2021 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 Specified Notes, include the “Additional information” sentence and provide the appropriate contact information at the Issuer.)*]

HONG KONG SFC CODE OF CONDUCT

- 43 Rebates: [A rebate of [●] bps is being offered by the Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
- 44 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]
- 45 Marketing and Investor Targeting Strategy: [As indicated in the Programme OC]/[Specify if different]

OPERATIONAL INFORMATION

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

- 48 Additional Paying Agent(s) (if any): [●]
- 49 Address of the Issuer if the Issuer is [●]
an overseas branch of the Bank that
is not the IFSC Banking Unit:
- ISIN: [●]
- Common Code: [●]

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$1,000,000,000 Medium Term Note Programme of Kotak Mahindra Bank Limited, [acting through its [Registered Office in India]/[IFSC Banking Unit]/*specify other foreign branch*].]

[INVESTMENT CONSIDERATIONS

There are significant risks associated with the Notes including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

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

The issuance of, and the Terms and Conditions in relation to, the Notes, once issued overseas by the Head Office, 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 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 such Notes prior to their stated original maturity will require the prior approval of the RBI or Authorised Dealer Banks, 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 Kotak Mahindra Bank Limited (the “**Issuer**”), acting through its Registered Office in India (“**Registered Office**” or “**Head Office**”), its International Finance Service Centre Banking Unit (“**IFSC Banking Unit**” or “**Gift-City Office**”) or other branch of the Issuer outside the Republic of India, as specified in the applicable Pricing Supplement, and constituted by a trust deed dated 14 August 2026, (such trust deed as 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 and shall mean:

- (i) in relation to any Notes represented by a global Note (a “**Global Note**”), units of each Specified Denomination in the currency specified herein or, if none is specified, the currency in which the Notes are denominated (the “**Specified Currency**”);
- (ii) any Global Note in bearer form (a “**Bearer Global Note**”);
- (iii) any Global Note in registered form (a “**Registered Global Note**”);
- (iv) definitive Notes in bearer form (“**Definitive Bearer Notes**”, and together with Bearer Global Notes, the “**Bearer Notes**”) issued in exchange (or part exchange) for a Bearer Global Note; and
- (v) definitive Notes in registered form (“**Definitive Registered Notes**”, and together with Registered Global Notes, the “**Registered Notes**”), whether or not issued in exchange for a Registered Global Note.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an issue and paying agency agreement dated 14 August 2026 (such issue and paying 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, together with any additional

paying agents appointed in accordance with the Agency Agreement, the **“Paying Agents”**, which expression shall, unless the context otherwise requires, include any successor paying agents) and (where appointed as contemplated herein) as calculation agent (the **“Calculation Agent”**) and The Bank of New York Mellon SA/NV, Dublin Branch as transfer agent (the **“Transfer Agent”**, which expression shall include any substitute or any additional transfer agents appointed in accordance with the Agency Agreement) and as registrar (the **“Registrar”**, which expression shall include any successor registrar). The Principal Paying Agent, the Paying Agents, the Registrar, the Transfer Agent, the Calculation Agent and any other agents appointed under the Agency Agreement from time to time are together referred to as the **“Agents”**.

Interest bearing Definitive Bearer Notes (unless otherwise indicated in the applicable Pricing Supplement) have interest coupons (**“Coupons”**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**“Talons”**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**“Receipts”**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Definitive Registered Notes do not have Receipts, Coupons or Talons attached on issue.

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

Any reference to **“Noteholders”** or **“holders”** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **“Receiptholders”** shall mean the holders of the Receipts and any reference herein to **“Couponholders”** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders, in accordance with the provisions of the Trust Deed.

As used herein, **“Tranche”** means Notes which are identical in all respects (including as to listing) and **“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 (i) are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. (London time) and 3:00 p.m. (London time) from Monday to Friday (other than public holidays) at the registered office for the time being of the Trustee being as at the date of issue of the Notes at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom and at the specified office of each of the Principal Paying Agent, or (ii) may be provided by email to any Noteholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent. Copies of the applicable Pricing Supplement are obtainable during normal business hours with prior written notice at the specified office of the Trustee and the Principal Paying Agent or by email save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the Principal Paying Agent, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, and are bound by, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

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

1 FORM, DENOMINATION AND TITLE

The Notes may be in bearer form and/or in registered form and, in the case of definitive Notes, will be serially numbered, in the currency (the “**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) specified in the applicable Pricing Supplement. Save as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

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

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

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

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

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

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

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

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

2 TRANSFERS OF REGISTERED NOTES

2.1 Transfers of Interests in Registered Global Notes

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

2.2 Transfers of Registered Notes Generally

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

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

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer: (i) the holder or holders must (a) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (b) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (ii) the Registrar or, as the case may be, 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 and subject to such reasonable regulations as the Issuer, the Trustee, the Registrar, or as the case may be, the relevant Transfer Agent may prescribe (such initial regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within seven business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of Transfer upon Partial Redemption

In the event of a partial redemption of Notes under Condition 7.3, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

In the event of a partial redemption of Notes under Condition 7.3, unless so directed by the Issuer, no transfer of Definitive Registered Notes (or parts of Definitive Registered Notes) or exchanges of interests in Registered Global Notes for Definitive Registered Notes will be registered or effected during the period beginning on the 45th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive).

2.4 Closed Periods

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

2.5 Costs of Registration

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

2.6 Definitions

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

- 2.6.1 “**Authorised Dealer Banks**” means any scheduled commercial bank as authorised by the Reserve Bank of India from time to time, as an authorised dealer under Section 10(1) of FEMA, as amended;
- 2.6.2 “**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
- 2.6.3 “**RBI**” or “**Reserve Bank of India**” means the Reserve Bank of India (being the apex central banking and monetary authority of India) and any successor entity having primary bank regulatory authority with respect to the Issuer.

3 STATUS

3.1 Status of the Senior Notes

Notes the status of which is specified in the applicable Pricing Supplement as Senior (the “**Senior Notes**”) and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsubordinated and unsecured obligations of the Issuer, from time to time outstanding, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.

3.2 Status of the Tier 2 Notes

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

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

(a) Status

The Tier 2 Notes and any relevant Receipt 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 Receipts and Coupons pursuant thereto are subordinated in the manner described in Condition 3.2(b).

(b) Subordination

Tier 2 Notes and any relative Receipts and Coupons are unsecured obligations of the Issuer and, in the event of the winding up, liquidation or dissolution of the Issuer as determined pursuant to the Companies Act, 2013, as amended (the “**Companies Act**”), the Reserve Bank of India Act, 1934, as amended (the “**RBI Act**”) and the Banking Regulation Act, 1949, as amended (the “**BR Act**”), 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 3.2:

“**RBI Guidelines**” means the Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 read together with Reserve Bank of India (Commercial Banks – Asset Liability Management) Directions, 2025, as may be amended, revised, modified, supplemented or updated from time to time, including without limitation, any relevant press releases, notifications, regulations, guidelines, circulars, directions, which may be issued by the RBI (in relation to the Reserve Bank of India’s Master Circular – Basel III Capital Regulations (RBI/2022-23/12 DOR.CAP.REC.3/21.06.201/2022-23) dated April 1, 2022 and capital charge for market risk for banks investing in debt mutual funds or exchange traded funds) from time to time, each as amended, revised, modified, supplemented or updated at any time prior to the earliest date on which any Note of such Series was issued.

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

3.3 Status of Additional Tier 1 Notes

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

(a) Status

The Additional Tier 1 Notes 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 3.3(b).

The Additional Tier 1 Notes are not deposits of the Issuer and are not guaranteed or insured by the Issuer or any party related to the Issuer and they may not be used as collateral for any loan made by the Issuer or any of its subsidiaries or affiliates. 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 7.1 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 7.2, 7.3, 7.4 and 7.5.

(b) Subordination

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

- (i) the indebtedness evidenced by the Additional Tier 1 Notes 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 rank senior to the Additional Tier 1 Notes.

In a winding up, liquidation or dissolution of the Issuer as determined pursuant to the Companies Act, RBI Act and the BR Act, the claims of the holders of the Additional Tier 1 Notes and any related Receipts or Coupons pursuant thereto will rank:

- (A) senior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Issuer, whether currently outstanding or issued at any time in the future;
- (B) subordinate to the claims of depositors, 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 (as defined under the RBI Guidelines) of the Issuer; and
- (C) *pari passu* and without preference among themselves and other subordinated debt classified as Additional Tier 1 Capital under the terms of the RBI Guidelines, at least *pari passu* with any subordinated obligation that was eligible for inclusion in hybrid Tier I capital under the Basel II guidelines of the RBI prevailing as at its Issue Date, whether currently outstanding or issued at any time in the future.

The principal of, and interest and any additional amounts payable on, the Additional Tier 1 Notes will be subordinated in right of payment upon the occurrence of any winding up, liquidation or dissolution 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 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 shall by virtue of its

subscription, purchase or holding of any Additional Tier 1 Note, be deemed to have waived all such rights of set-off to the fullest extent permitted by law.

The Additional Tier 1 Notes are neither secured nor covered by a guarantee of the Issuer nor related entity or other arrangement that legally or economically enhances the seniority of the claim of holders of such Additional Tier 1 Notes vis-à-vis 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. As used in these Conditions:

- (I) “**Additional Tier 1 Capital**” has the meaning given to it in the RBI Guidelines;
- (II) “**Common Equity Tier 1 Capital**” has the meaning given to it in the RBI Guidelines; and
- (III) “**Tier 1 Capital**” has the meaning given to it in the RBI Guidelines.

As a consequence of these subordination provisions, if a winding up proceeding should occur, the Noteholders may recover less rateably than the holders of deposit liabilities or the holders of other unsubordinated liabilities of the Issuer. Moreover, holders of Additional Tier 1 Notes would likely be required to pursue their claims on the Additional Tier 1 Notes in proceedings in India as further described in Condition 11.3.

Holders of the Additional Tier 1 Notes will not be entitled to receive notice of, or attend or vote at, any meeting of shareholders of the Issuer or participate in the management of the Issuer.

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

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

For the avoidance of doubt, if the Issuer goes into winding up, liquidation or dissolution (as determined pursuant to the Companies Act, RBI Act and the BR Act) before any Write-Down under Condition 8, the Additional Tier 1 Notes will absorb losses in accordance with Condition 3.3(b). If the Issuer goes into liquidation after the Additional Tier 1 Notes have been written down, the Noteholders will have no claim on the proceeds of liquidation.

The provisions of this Condition 3 (other than Condition 3.1) apply only to the principal and interest in respect of the Subordinated Notes and nothing in this Condition 3 or in Condition 8 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

4 NEGATIVE PLEDGE

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

So long as any of the Senior Notes remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to be outstanding any mortgage, charge, pledge or other security interest upon the whole or any part of its present or future properties, assets or revenues to secure any External Obligations without according to the Senior Notes and any relative Receipts and Coupons before or at the same time as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Senior Notes.

For the purposes of these Conditions, “**External Obligations**” means all present or future obligations, including guarantees, of the Issuer in respect of bonds, debentures, notes or other debt securities which by their terms (i) 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 (ii) which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange or over-the-counter or other securities market outside India.

5 INTEREST

5.1 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) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

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

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

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

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up or, if they are Subordinated Notes, the Outstanding Nominal Amount); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount (as modified, in the case of Subordinated Notes, pursuant to any Write-Downs or Restatements);

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

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if **Actual/Actual (ICMA)** is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such

Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; or
- (b) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

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

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

5.2 Interest on Floating Rate Notes and Index Linked Interest Notes

(a) Interest Payment Dates

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

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

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

(b) Rate of Interest

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

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this subparagraph (i), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 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 (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Pricing Supplement;
- (B) the Designated Maturity is a period specified in the applicable Pricing Supplement;
and
- (C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (i), “**Floating Rate**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the 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, SONIA Benchmark or SORA 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 the rate

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

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

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than EURIBOR, SOFR Benchmark, SONIA Benchmark or SORA Benchmark, the Rate of Interest in respect of such Notes will be determined in accordance with the applicable Pricing Supplement as agreed between the Issuer and the Calculation Agent.

(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 Accrual Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 5.2(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 5.7):

- (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 Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period.

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

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

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 Accrual Period;

“**d_o**” means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

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

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual 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_i**”, for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business

Day(i) up to (but excluding) the following U.S. Government Securities Business Day(i); and

“**SOFR_{i-xUSBD}**”, for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual 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 5.2(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 (1) 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 (1) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5.7 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 Accrual 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:

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

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

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

- (1) 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 Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5.2(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 5.7 shall apply as specified hereon;

“**SOFR Index_{End}**” means, in respect of an Interest Accrual 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 Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

“**SOFR Index_{Start}**” means, in respect of an Interest Accrual 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 Accrual 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 Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual 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

“**d_c**” 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 5.2(b)(iii)(B):

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual 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 Accrual 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 5.2(b)(iii)(C):

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual 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 5.7, that a Benchmark Transition Event or Benchmark Event (as applicable) and its related Benchmark Replacement Date have occurred, the time as agreed between the Issuer and the Calculation Agent after giving effect to the Benchmark Replacement Conforming Changes in accordance with Condition 5.7;

“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 Accrual Period”, timing and frequency of determining the Term SOFR Rate with respect to each Interest Accrual 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 Accrual 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 5.2(b)(iii)(B)) with respect to an Interest Accrual Period, in accordance with the SOFR Index formula described above in Condition 5.2(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 5.7 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 Accrual 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 5.7, 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 5.7.

Absent manifest error, the Calculation Agent’s determination of the Rate of Interest above for an Interest Accrual 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 Accrual 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 5.7) where “**Compounded Daily SONIA**” means, with respect to an Interest Accrual 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 Accrual Period:

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

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

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

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

“SONIA Determination Date” means, in respect of any London Business Day “i”:

- (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 Accrual Period, the period from (and including) the date falling “x” London Business Days prior to the first day of such Interest Accrual Period (and the first Interest Accrual 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 Accrual 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 5.7, 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 5.7.1, 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 5.2(b)(iv) by the Calculation Agent, subject to Condition 5.7, 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 Accrual Period from that which applied to the last preceding Interest Accrual 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 Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual 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 Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual 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 Accrual Period).

If the relevant Series of Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the 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.

- (i) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SORA Benchmark (“SORA Notes”)*

- (A) In the case of Floating Rate Notes which are specified hereon as being SORA Notes, the Rate of Interest for each Interest Accrual Period will be Compounded Daily SORA (as defined below) plus or minus the Margin.

“**Compounded Daily SORA**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

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

where:

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

“**d_o**”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

“*i*”, for the relevant Interest Accrual Period, is a series of whole numbers from one to *d_o*, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period (each a “**Singapore Business Day “i”**”);

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period;

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

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

“*p*” means five Singapore Business Days (or such other larger number of Singapore Business Days as specified in the applicable Pricing Supplement);

“**Singapore Business Day**” or “**SBD**” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “*i*”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <http://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day “*i*”; and

“**SORA_{i-p SBD}**” means, in respect of any Singapore Business Day “*i*” falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling “*p*” Singapore Business Days prior to the relevant Singapore Business Day “*i*”.

- (B) Subject to Condition 5.7, if, by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Day “*i*”, SORA in respect of such Singapore Business Day “*i*” has not been published and a Benchmark Event has not occurred, then SORA for that Singapore Business Day “*i*” will be SORA as published in respect of the Singapore Business Day first preceding that Singapore Business Day “*i*” for which SORA was published.

- (C) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(b)(v) by the Calculation Agent, subject to Condition 5.7, the Rate of Interest shall be:
- (1) 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 Accrual Period from that which applied to the last preceding Interest Accrual 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 Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or
 - (2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such SORA Notes for the first Interest Accrual Period had the SORA Notes been in issue for a period equal in duration to the scheduled first Interest Accrual 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 Accrual Period).
- (D) If the SORA Notes become due and payable in accordance with Condition 11, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such SORA Notes became due and payable (with corresponding adjustments being deemed to be made to the Compounded Daily SORA formula) and the Rate of Interest on such SORA Notes shall, for so long as any such SORA Note remains outstanding, be that determined on such date.

(c) *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 5.2 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.

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

The 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. The Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount (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 Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if “**Actual/Actual (ISDA)**” or “**Actual/Actual**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

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

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case **D₁** will be 30; and

“**D₂**” 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 **D₁** is greater than 29, in which case **D₂** 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:

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

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D₁** will be 30; and

“**D₂**” 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 **D₂** 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:

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

where:

“**Y_i**” is the year, expressed as a number, in which the first day of the Interest Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“**M_i**” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case **D₂** will be 30;

“**Interest Accrual Period**” means, in this Condition 5.2, 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 5.2, each Interest Payment Date unless otherwise specified hereon.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(f) 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 notice thereof to be published by the Issuer in

accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Issuer to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(g) Interest Rate Not Determined

If for any reason at any relevant time the Calculation Agent is unable to determine, or has, in its opinion, uncertainty as to the calculation of, the Rate of Interest or the Principal Paying Agent is unable to determine, or has, in its opinion, uncertainty as to the calculation of, any Interest Amount under this Condition 5 or as otherwise specified in the applicable Pricing Supplement, the Calculation Agent or the Principal Paying Agent (as applicable) shall notify the Issuer thereof as soon as reasonably practicable and the Issuer shall direct the Calculation Agent or the Principal Paying Agent (as applicable) in writing as to the way of determination or calculation. If the Calculation Agent or the Principal Paying Agent is not promptly provided with such direction or is otherwise unable to make the relevant calculation or determination, it shall notify the Issuer thereof and the Calculation Agent and the Principal Paying 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.

(h) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, notifications and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, the Trustee or the Independent Adviser, and all quotations given or obtained for such purposes, whether by the Issuer or, if applicable, the Independent Adviser, shall (in the absence of manifest error) be binding on the Issuer, the Trustee, the Principal Paying Agent, the Registrar, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent, the Trustee or the Independent Adviser in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Dual Currency Interest Notes

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

5.4 Interest on Partly Paid Notes

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

5.5 Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of

principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

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

5.6 Definitions

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

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a) (ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

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

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre (other than T2 (as defined below)) specified in the applicable Pricing Supplement;
- (b) if T2 is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the real time gross settlement system operated by the Eurosystem, or any successor system (“**T2**”) is open; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which T2 is open.

5.7 Benchmark Discontinuation

5.7.1 Benchmark Discontinuation (General)

Where the applicable Pricing Supplement specifies this Condition 5.7.1 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 5.7.1(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5.7.1(D)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5.7 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 5.7.

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 5.7.1(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 Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual 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 Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual 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 Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.7.1(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 5.7);
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 5.7).

(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 5.7 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 5.7.1(E), without any requirement for the consent or approval of 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 in English signed by an Authorised Officer (as defined in the Trust Deed) of the Issuer pursuant to Condition 5.7.1(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.

In connection with any such variation in accordance with this Condition 5.7.1(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 5.7, 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 5.7 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, or would be operationally infeasible to the Trustee or the relevant Agent.

Notwithstanding any other provision of these Conditions, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any Successor Rate, Alternative Rate or other substitute or successor rate for the Original Reference Rate, or for making any adjustments to any such rate, the applicable Adjustment Spread, the business day convention, Interest Determination Dates or any other relevant methodology for calculating any such substitute or successor rate. In connection with the foregoing, the Trustee and the Agents shall be entitled to rely conclusively on any determinations made by the Independent Adviser pursuant to this Condition 5.7 and shall have no liability for any action taken, or omitted to be taken, at the direction of the Issuer or the Independent Adviser.

Notwithstanding any other provision of these Conditions, none of the Trustee or the Agents shall be required to determine what Benchmark Amendments (if any) are necessary to give effect to any Successor Rate or Alternative Rate under this Condition 5.7. Such determination shall be made by the Issuer or the Independent Adviser appointed by the Issuer for that purpose.

Notwithstanding any other provision of this Condition 5.7, 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 5.7, 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 5.7 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 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee 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 5.7; 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 5.7.1(A), 5.7.1(B), 5.7.1(C) and 5.7.1(D), the Original Reference Rate and the fallback provisions provided for in Condition 5.2 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 5.7.1(E).

(G) *Definitions*

As used in this Condition 5.7.1:

“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 5.7.1(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 5.7.1(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 5.7.1(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.

5.7.2 Benchmark Discontinuation (ARRC)

This Condition 5.7.2 shall only apply to U.S. dollar-denominated Notes where so specified in the applicable Pricing Supplement.

Where the Pricing Supplement specifies this Condition 5.7.2 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 in English 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 5.7.2; 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 5.7.2(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 Registrar 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.

Notwithstanding any other provision of these Conditions, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any Benchmark Replacement or other substitute or successor rate for the Benchmark, or for making any Benchmark Replacement Adjustment or any Benchmark Replacement Conforming Changes, the business day convention, Reference Time or any other relevant methodology for calculating any such substitute or successor rate. In connection with the foregoing, the Trustee and the Agents shall be entitled to rely conclusively on any determinations made by the Issuer or its designee pursuant to this Condition 5.7.2 and shall have no liability for any action taken, or omitted to be taken, at the direction of the Issuer or its designee.

Notwithstanding any other provision of these Conditions, none of the Trustee or the Agents shall be required to determine what Benchmark Replacement Conforming Changes (if any) are necessary to give effect to any Benchmark Replacement under this Condition 5.7.2. Such determination shall be made by the Issuer or its designee.

(C) Decisions and Determinations

Any determination, decision or election of Benchmark Replacement Conforming Changes that may be made by the Issuer or its designee pursuant to this Condition 5.7.2, 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.

(D) *Definitions*

As used in this Condition 5.7.2:

“**Benchmark**” means, initially, SOFR; provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR 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” or “Interest Accrual 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 Accrual 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.

5.7.3 Benchmark Discontinuation (SOFR)

This Condition 5.7.3 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 in English 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 5.7.3; 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, upon receipt of such certificate and (subject to the immediately succeeding paragraph) at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5.7.3(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 doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee, or as the case may be, the relevant Agent in these Conditions or the Agency Agreement (including, for the avoidance of doubt, any 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 to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be

responsible or liable to the Issuer, the Noteholders, the Couponholders or any other person for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. No such determination, decision or election shall be binding on the Trustee and the Agents and none of the Trustee and the Agents shall be obliged to concur in any consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5.7.3 if in the opinion of the Trustee or the relevant Agent (as the case may be) it would impose more onerous obligations upon the Trustee or, as the case may be, the relevant Agent or expose the Trustee or, as the case may be, the relevant Agent to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) (as the case may be) or if they impact the operational feasibility of the Agents in any way.

Notwithstanding any other provision of these Conditions, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any Benchmark Replacement or other substitute or successor rate for the Benchmark, or for making any Benchmark Replacement Adjustment or any Benchmark Replacement Conforming Changes, the business day convention, Reference Time or any other relevant methodology for calculating any such substitute or successor rate. In connection with the foregoing, the Trustee and the Agents shall be entitled to rely conclusively on any determinations made by the Issuer or its designee pursuant to this Condition 5.7.3 and shall have no liability for any action taken, or omitted to be taken, at the direction of the Issuer or its designee.

Notwithstanding any other provision of these Conditions, none of the Trustee or the Agents shall be required to determine what Benchmark Replacement Conforming Changes (if any) are necessary to give effect to any Benchmark Replacement under this Condition 5.7.3. Such determination shall be made by the Issuer or its designee.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5.7.3, 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.

(D) Definitions

The following defined terms shall have the meanings set out below for purpose of this Condition 5.7.3:

“**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, including the 2021 ISDA Interest Rate Derivatives Definitions (as amended or supplemented from time to time);

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

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark

(including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where Compounded 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.

5.7.4 Benchmark Discontinuation (SORA)

This Condition 5.7.4 shall only apply to Singapore dollar-denominated Notes where so specified in the applicable Pricing Supplement.

Where the applicable Pricing Supplement specifies this Condition 5.7.4 as applicable:

(A) Independent Adviser

If a SORA Index Cessation Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, or failing which, an Alternative Rate (in accordance with Condition 5.7.4(B) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5.7.4(D)) by the date falling 10 Singapore Business Days (as defined below) prior to the relevant Interest Determination Date. For the purposes of this Condition 5.7.4, **“Singapore Business Day”** means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore.

In making such determination, the Independent Adviser appointed pursuant to this Condition 5.7.4 shall act in good faith as an expert and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents or the Noteholders for any determination made by it, pursuant to this Condition 5.7.4.

If:

- (i) the Issuer is unable to appoint an Independent Adviser; or
- (ii) the Independent Adviser fails to determine a Successor Rate or, failing which, an Alternative Rate, in accordance with this Condition 5.7.4(A) by the date falling 10 Singapore Business Days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest which would have been applicable to the Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest

Commencement Date. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual 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 Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5.7.4(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (i) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.7.4); or
- (ii) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5.7.4).

(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 (in consultation with the Issuer) 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 Amendments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5.7.4 and the Independent Adviser (in consultation with the Issuer) determines:

- (i) that amendments to these Conditions 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
- (ii) the terms of the Benchmark Amendments,

then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.7.4(E), without any requirement for the consent or approval of Noteholders, the Trustee or the Agents, 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 in English signed by an Authorised Officer of the Issuer pursuant to Condition 5.7.4(E), the Trustee and the Agents shall (at the expense and direction 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) or if they impact the operational feasibility of the Agents 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 5.7.4(D), 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 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 and the Agents in these Conditions, the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) or if they impact the operational feasibility of the Agents in any way. Noteholders' consent shall not be required in connection with effecting of the Successor Rate or the Alternative Rate (as applicable) or such other changes, including for the execution of any documents or any steps by the Trustee or the Agents (if required). Further, none of the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable for any determinations or certifications made by the Issuer or 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.

Notwithstanding any other provision of these Conditions, in no event shall the Trustee or any Agent be responsible for exercising discretion in determining any Successor Rate, Alternative Rate or other substitute or successor rate for the Original Reference Rate, or for making any adjustments to any such rate, the applicable Adjustment Spread, the business day convention, Interest Determination Dates or any other relevant methodology for calculating any such substitute or successor rate.

Notwithstanding any other provision of these Conditions, none of the Trustee or the Agents shall be required to determine what Benchmark Amendments (if any) are necessary to give effect to any Successor Rate or Alternative Rate under this Condition 5.7.4. Such determination shall be made by the Independent Adviser (in consultation with the Issuer).

In connection with any such variation in accordance with this Condition 5.7.4(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.

(E) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5.7.4 will be notified promptly and at least 10 Singapore Business Days prior to the relevant Interest Determination Date by the Issuer to the Trustee, the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Noteholders and the Couponholders. 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 SORA Index Cessation 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 5.7.4; 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 an Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the Calculation Agent, the Paying Agents and the Noteholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5.7.4(A), 5.7.4(B), 5.7.4(C) and 5.7.4(D), the Original Reference Rate and the fallback provisions provided for in Condition 5.2 will continue to apply unless and until a Benchmark Event has occurred.

(G) Definitions

As used in this Condition 5.7.4:

“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:
 - (i) 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
 - (ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines as being customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied); or
 - (iii) the Independent Adviser (in consultation with the Issuer) determines, and which 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 5.7.4(B) as being customarily applied in market usage in debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in Singapore Dollars;

“Benchmark Amendments” has the meaning given to it in Condition 5.7.4(D);

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 5.7.4(A);

“Original Reference Rate” means, initially, SORA (being the originally-specified benchmark rate used to determine Compounded Daily SORA and the Rate of Interest), provided that if a SORA Index Cessation Event has occurred with respect to SORA or the then-current Original Reference Rate, then **“Original Reference Rate”** means the applicable Successor Rate or Alternative Rate (as the case may be);

“Relevant Nominating Body” means:

- (i) the Monetary Authority of Singapore (or any successor administrator of the Original Reference Rate); or
- (ii) any working group or committee officially sponsored or endorsed by, chaired or co-chaired by or constituted at the request of the Monetary Authority of Singapore (or any successor administrator of the Original Reference Rate);

“SORA Index Cessation Event” means the occurrence of one or more of the following events:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or
- (ii) the making of a public statement or publication of information by or on behalf of the Monetary Authority of Singapore (or a successor administrator of the Original Reference Rate), the regulatory supervisor for the administrator of the Original Reference Rate, the central bank for the currency of the Original Reference Rate, an insolvency official with jurisdiction over the administrator of the Original Reference Rate, a resolution authority with jurisdiction over the administrator of the Original Reference Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the Original Reference Rate, announcing that the administrator of the Original Reference Rate has ceased or will cease to provide the Original Reference Rate permanently or indefinitely, and such cessation is reasonably expected by the Issuer to occur prior to the Maturity Date, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Original Reference Rate; or
- (iii) the making of a public statement or publication of information by the regulatory supervisor for the administrator of the Original Reference Rate announcing that the Original Reference Rate has been or will be permanently or indefinitely discontinued and such discontinuation is reasonably expected by the Issuer to occur prior to the Maturity Date; or
- (iv) the making of a public statement or publication of information by or on behalf of the Monetary Authority of Singapore (or the supervisor of a successor 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, and such prohibition is reasonably expected by the Issuer to occur prior to the Maturity Date; or

- (v) the making of a public statement by or on behalf of the Monetary Authority of Singapore (or the supervisor of a successor 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; or
- (vi) it has become unlawful for the Principal 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
- (vii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following quarter and six months, be deemed to be no longer representative,

provided that the SORA Index Cessation Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, 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, not the date of the relevant public statement;

The occurrence of a SORA Index Cessation Event shall be determined by the Issuer and promptly notified to the Trustee, the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Trustee, the Calculation Agent nor any other Agent shall have any responsibility for making such determination or for monitoring or determining whether or not a Benchmark Event has occurred or may occur and none of them shall be liable to the Issuer, the Noteholders, the Couponholders or any other person for not doing so; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement of the Original Reference Rate (which rate may be produced by the Monetary Authority of Singapore or such other administrator).

5.8 Payment limitation – Additional Tier 1 Notes

This Condition 5.8 applies only to Additional Tier 1 Notes.

- (a) The Issuer may, at its full discretion and as it deems fit, in accordance with the RBI Guidelines, elect at any time to cancel (in whole or in part) interest otherwise scheduled to be paid on an Interest Payment Date. The Issuer shall have full access to cancelled payments to meet its obligations as they fall due.

Further, the Issuer will cancel (in whole or, as the case may be, in part) the payment of any interest otherwise scheduled to be paid on an Interest Payment Date to the extent that such payment of interest on the Additional Tier 1 Notes is not permitted to be paid under the RBI Guidelines.

Pursuant to the RBI Guidelines, coupons on all Additional Tier 1 instruments (such as the Additional Tier 1 Notes) will 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 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

reserves created for specific purposes (including but not limited to, 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) above to arrive at the available balances for payment of coupon. In the event the aggregate of: (a) profits in the current year; (b) profits brought forward from the previous years and (c) permissible reserves as at sub-paragraph (ii) above, excluding statutory reserves, net of accumulated losses and deferred revenue expenditure are less than the amount of coupon, then the Issuer shall make the appropriation from the statutory reserves. In such cases, the Issuer is required to report to the RBI within 21 days from the date of such appropriation in compliance with Section 17(2) of the BR Act.

However, payment of interests on Additional Tier 1 Notes from the revenue reserves is subject to the Issuer meeting minimum regulatory requirements for CET 1, Tier 1 and Total Capital ratios (each as defined and calculated in accordance with the RBI Guidelines) including the additional capital requirements for Domestic Systemically Important Banks at all times and subject to the requirements of the capital buffer frameworks (i.e. capital conservation buffer and counter cyclical capital buffer as referred to in the RBI Guidelines).

- (b) Interest on the Additional Tier 1 Notes will be non-cumulative. If interest is not paid in whole or in part on an Interest Payment Date pursuant to and in accordance with this Condition 5.8, or is cancelled pursuant to Condition 8, such interest will not be due and payable and the right of Noteholders, Receiptholders and Couponholders to receive interest in respect of the Interest Period ending on such Interest Payment Date will be lost and the Issuer will have no further obligation in respect of the interest for such Interest Period, whether or not any amount of interest is paid for any future Interest Period. Non-Payment of interest in accordance with this Condition 5.8 will not constitute an event of default in respect of the Additional Tier 1 Notes. For the avoidance of doubt, no Noteholder shall have any claim in respect of any interest or part thereof cancelled pursuant to this Condition 5.8. Accordingly, such interest shall not accumulate for the benefit of Noteholders or entitle the Noteholders to any claim in respect thereof against the Issuer. Noteholders may claim in a winding-up, liquidation or dissolution of the Issuer for the Outstanding Nominal Amount of their Additional Tier 1 Notes plus any accrued but unpaid interest (for the avoidance of doubt, excluding any interest that has been cancelled by the Issuer).
- (c) In the event that the Issuer determines that it shall not, or is not permitted to, make a payment of interest on Additional Tier 1 Notes in accordance with this Condition 5.8, the Issuer shall 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 and the Paying Agents (in a certificate in English signed by two Authorised Officers of the Issuer), the relevant stock exchange(s) (if any) on which the Additional Tier 1 Notes are for the time being listed and the holders of the Additional Tier 1 Notes (in accordance with Condition 15) of that fact and of the amount that shall not be paid provided that failure to give such notice shall not affect the cancellation of any interest payment (in whole or, as the case may be, in part) and shall not constitute a default.

For the avoidance of doubt, the cancellation of any interest will not impose any restrictions on the Issuer except in relation to distributions to common stakeholders as described in Condition 5.8(d) below.

- (d) If for any reason any payment of interest is not paid in full on an Interest Payment Date then, from the date of which such cancellation has first been notified to any of the Trustee, the Principal

Paying Agent or the Noteholders (a Dividend Stopper Date), the Issuer will not, so long as any of the Additional Tier 1 Notes are outstanding:

- (i) declare or pay any discretionary distribution or dividend or make any other payment on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire its Common Equity Tier 1 Capital (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or
- (ii) pay discretionary interest or any other distribution on, or directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire, any of its instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, *pari passu* with or junior to the Additional Tier 1 Notes (excluding securities the terms of which stipulate a mandatory redemption),

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

- (e) Nothing in Condition 5.8(d) will:
 - (i) stop payment on another instrument where the payments on such an instrument are not fully discretionary;
 - (ii) prevent distribution to shareholders for a period that extends beyond the point in time at which interest on the Additional Tier 1 Notes is resumed;
 - (iii) impede the normal operation of the Issuer, including actions in connection with employee share plans or any restructuring activity, including acquisitions and disposals; or
 - (iv) impede the full discretion that the Issuer has, at all times, to cancel distributions or payments on the Additional Tier 1 Notes nor act in a way that could hinder the recapitalisation of the Issuer.

6 PAYMENTS

6.1 Method of Payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

6.2 Payments Subject to Fiscal and Other Laws

Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9, (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the

“Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or (without prejudice to the provisions of Condition 9) law implementing an intergovernmental approach thereto (“FATCA”) and (iii) any withholding or deduction imposed pursuant to Section 871(m) of the Code.

6.3 Presentation of 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 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America and its possessions).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against presentation and surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 9.2) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Coupons and 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 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.

6.4 Payments in respect of Bearer Global Notes

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

6.5 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**”) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the 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. 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 to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a Business Day) 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.

None of the Issuer, the Trustee, the Registrar or any Paying Agent 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.

6.6 General Provisions Applicable to Payments

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

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

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

6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day which (subject to Condition 10) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (ii) each Additional Financial Centre (other than T2) specified in the applicable Pricing Supplement; and
- (b) if T2 is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which T2 is open; and
- (c) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general

business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which T2 is open.

6.8 Interpretation of Principal and Interest

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

- (a) any additional amounts which may be payable with respect to principal under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.6); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7 REDEMPTION AND PURCHASE

For the avoidance of doubt, any redemption or repurchase of Tier 2 Notes or Additional Tier 1 Notes under this Condition 7 shall be subject to regulatory preconditions, including the prior approval of the RBI. The RBI, while considering the request of the Issuer to so redeem the securities, may take into consideration, amongst other things, the Issuer's capital adequacy position both at the time of the proposed redemption and thereafter.

As per the ECB Master Directions, any redemption of Notes, issued by Head Office, 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.

7.1 Redemption at Maturity

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

The Additional Tier 1 Notes are perpetual with no scheduled maturity date and may only be redeemed in accordance with Conditions 7.2, 7.3 or 7.4 and subject to the conditions and limitations set forth therein.

7.2 Redemption or Variation for Tax Reasons

In the case of Senior Notes or Tier 2 Notes with no Optional Redemption Date (as provided under the Pricing Supplement), at any time prior to the applicable Maturity Date (as provided under the Pricing Supplement), 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, except in the case of Notes issued from the Issuer's IFSC Banking Unit ("**IFSC Notes**"), at any time following the first anniversary of the Issue Date and prior to the applicable Maturity Date, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 15, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 8 in respect of Subordinated Notes, be irrevocable), if the Issuer satisfies the Trustee (in its absolute discretion) immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or (in the case of Subordinated Notes only) will, having been entitled to claim a deduction, no longer be entitled to claim a deduction in respect of computing its taxation liabilities with respect to interest on the Notes, in each case as a result of any change in, or amendment to, the laws, regulations or rulings of India or any political subdivision or any authority thereof or therein having power to tax, or any change in (i) the official application of such laws, regulations or rulings or (ii) the official interpretation of existing or new provisions contained in such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes for such Series (or, in the case of Subordinated Notes, the Issue Date of such Notes); and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it ((i) and (ii) together, a "**Tax Event**"),

provided that (a) in the case of Subordinated Notes, the Conditions for Redemption have been satisfied, (b) in the case of IFSC Notes, no such notice of redemption shall be given prior to the first anniversary of the Issue Date of such Notes and (c) 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.

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. 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 7.2, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (1) a Redemption Certificate, and (2) an opinion of independent legal advisors 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 Redemption Certificate and the opinion as conclusive and sufficient evidence of the satisfaction of the conditions precedent set out above in which event they shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders without further enquiry.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at 100 per cent. of their Outstanding Nominal Amount together with interest accrued to (but excluding) the date of redemption. Any notice of

redemption will be irrevocable and will provide details of the date of redemption. If the redemption price in respect of any Notes is improperly withheld or refused and is not paid by the Issuer, interest on the outstanding principal amount of such Notes will continue to be payable as provided in the Trust Deed until the redemption price is actually paid.

The Trustee shall concur in and execute any necessary documentation to implement a variation permitted pursuant to this Condition without any consent of the Noteholders, provided that the Trustee shall not be obliged to participate in or assist with any such variation if the terms of the proposed Notes or the participation in or assistance with such variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections.

As used in this Condition 7,

“Qualifying Subordinated Notes” means instruments issued by the Issuer 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 variations 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 Officer 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;
- (v) rank, on a winding-up, liquidation or dissolution (as determined pursuant to the Companies Act and the BR Act) of the Issuer, at least *pari passu* with the obligations of the Issuer in respect of other Additional Tier 1 Capital (in the case of variations 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 variations 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; and

“Redemption Certificate” means a certificate signed by an Authorised Officer of the Issuer confirming that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the Conditions for Redemption have been satisfied and whether any consent of the RBI is required and, if so required under this Condition 7.2 or 7.4, attaching thereto a copy of such consent as well as a certificate as to the solvency of the Issuer executed by an Authorised Officer of the Issuer. Such certificates shall be made available for inspection by the Noteholders. The Trustee shall be entitled without further action or enquiry to accept the certificate as conclusive and sufficient evidence of the contents and matters set forth therein in which event they shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

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

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, (1) in the case of the Subordinated Notes, at its sole discretion but only upon the expiry of five years from the Issue Date and subject to the Conditions for Redemption, (2) in the case of IFSC Notes, at any time following the first anniversary of the Issue Date and (3) in the case of any Note having given:

- (a) not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 15; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar,

(which notices shall specify the date fixed for redemption), and which shall, subject to Condition 8 in respect of Subordinated Notes, be irrevocable), redeem all or (except in the case of Subordinated Notes) some only of the Notes then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate (and subject to Condition 5.7 in respect of Subordinated Notes), with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and/or not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement.

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.

7.4 Redemption or Variation for Regulatory Reasons

Subject to the Conditions for Redemption having been satisfied, the Issuer may at its sole discretion, redeem the Subordinated Notes in whole, but not in part, at any time in accordance with the RBI Guidelines, on giving not less than 30 nor more than 60 days’ notice to the Trustee, the Principal Paying Agent and, in accordance with Condition 15, the Noteholders (which notice shall specify the date fixed for redemption and which shall, subject to Condition 8, be irrevocable), if a Regulatory Event has occurred and is continuing.

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

A **“Regulatory Event”** occurs if, as a result of 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 Tier 2 Capital of the Issuer or, in the case of Additional Tier 1 Notes, the Tier 1 Capital of the Issuer.

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 7.4, the Issuer shall deliver to the Trustee and to the Principal Paying Agent to make available at its specified office to the Noteholders, a Redemption Certificate.

Any Subordinated Notes redeemed pursuant to this Condition 7.4 will be redeemed at 100 per cent. of their Outstanding Nominal Amount together with interest accrued to (but excluding) the date of redemption. If the redemption price in respect of any Subordinated Notes is improperly withheld or refused and is not paid by the Issuer, interest on the outstanding principal amount of such Subordinated Notes will continue to be payable as provided in the Trust Deed until the redemption price is actually paid.

The Trustee shall concur in and execute any necessary documentation to implement a variation permitted pursuant to this Condition without any consent of the Noteholders, provided that the Trustee shall not be obliged to participate in or assist with any such variation if the terms of the proposed Notes or the participation in or assistance with such variation would impose, in the Trustee's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections.

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

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

If Investor Put is specified as being applicable in the relevant Pricing Supplement (1) with respect to IFSC Notes, only following the first anniversary of the Issue Date and (2) with respect to Senior Notes only, upon the holder of any Senior Note giving to the Issuer in accordance with Condition 15 not less than 30 nor more than 60 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, such Senior Note on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

(b) Put Option Exercise Procedures

To exercise the right to require redemption of a Senior Note, the holder of such Senior Note must:

- (i) if the Senior Note is in definitive form, deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, Transfer Agent or the Registrar (a "**Put Notice**") accompanied by the definitive Senior Note, to the specified office of any Paying Agent in the case of Bearer Notes, or of any Transfer Agent or the Registrar in the case of Registered Notes; or
- (ii) if the Senior Note is represented by a Global Note held on behalf of Euroclear or Clearstream, give a Put Notice in accordance with the standard procedures of Euroclear or Clearstream (which may include notice being given on his instruction by electronic means),

at any time within the notice period during normal business hours of such Paying Agent, Transfer Agent or the Registrar. In the Put Notice the holder must specify a bank account to which payment is to be made under this Condition, and in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2. If this Note is in definitive

bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

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.

7.6 Early Redemption Amounts

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

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

Early Redemption Amount = $RP \times (1 + AY)^y$ where:

“**RP**” means the Reference Price;

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

“**y**” is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (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); and

- (c) each Subordinated Note will be redeemed at its Outstanding Nominal Amount together with any accrued (subject to Condition 5.8) but unpaid interest relating to the then current Interest Period up to (and excluding) the date on which the Subordinated Note is redeemed or on such other calculation basis as may be specified in the applicable Pricing Supplement.

7.7 Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 7.6 above.

7.8 Partly Paid Notes

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

7.9 Purchases

The Issuer or any of its Subsidiaries (as defined in the Trust Deed) or Affiliates may (1) in the case of IFSC Notes, at any time following the first anniversary of the Issue Date and (2) in the case of any other Notes, at any time, purchase (i) Senior Notes and (ii) (subject to the Conditions for Redemption) Subordinated Notes

(provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

Notes held by the Issuer and its Subsidiaries are not “outstanding” for the purpose of Condition 16. “Affiliate” means, in relation to the Issuer, any company that controls, directly or indirectly, the Issuer or any company directly or indirectly under common control with the Issuer. For this purpose, “control” of any company or the Issuer means ownership of a majority of the voting power of the companies or the Issuer, as the case may be.

7.10 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.9 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent (which shall notify the Registrar of such cancelled Notes in the case of Registered Notes) and may not be reissued or resold.

7.11 Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Conditions 7.1, 7.2, 7.3 or 7.5 above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.6(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Trustee or the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

7.12 Conditions for Redemption and Purchase of Subordinated Notes

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

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

(collectively, the “**Conditions for Redemption**”). Prior to any redemption of Subordinated Notes under this Condition 7, the Issuer shall deliver to the Trustee a Redemption Certificate.

8 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 8.

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

8.1 Non-Viability (PONV) loss absorption – permanent write-down

This Condition 8.1 is applicable only to Subordinated Notes.

If a PONV Trigger Event occurs, the Issuer will, without the need for the consent of Noteholders or the Trustee:

- (i) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent within three Business Days of the occurrence of such PONV Trigger Event;
- (ii) cancel any interest which is accrued and unpaid up to the relevant Loss Absorption Effective Date; and
- (iii) 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 reduce the Outstanding Nominal Amount of each Note by the relevant Write-Down Amount (such reduction being referred to as a “**Write-Down**” and “**Written Down**” being construed accordingly),

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

If a Write-Down occurs in respect of less than the full Outstanding Nominal Amount of the Subordinated Notes, one or more further Write-Downs may occur in respect of one or more subsequent PONV Trigger Events. Once the Outstanding Nominal Amount of a Note has been Written Down pursuant to this Condition 8.1, the relevant Write-Down Amount will not be restored in any circumstances, including where the PONV Trigger Event has ceased to continue.

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

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

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

If the Issuer is amalgamated with any other bank pursuant to Section 44A of the BR Act before the Notes have been Written Down, the Notes will become, if Additional Tier 1 Notes, part of the Additional Tier 1 capital of the new bank emerging after the merger or, if Tier 2 Notes, part of the Tier 2 capital of the amalgamated bank.

If the Issuer is amalgamated with any other bank after the Notes have been Written Down temporarily, the amalgamated entity can write-up these instruments as per its discretion.

For the avoidance of doubt, if the Issuer is amalgamated with any other bank after the Subordinated Notes have been Written Down pursuant to a PONV Trigger Event, these cannot be reinstated by the new bank emerging after the merger. If the RBI or other relevant authority decides to reconstitute the Issuer or amalgamate the Issuer with any other bank, pursuant to Section 45 of the BR Act, the Issuer will be deemed as non-viable or approaching non-viability and both the pre-specified trigger and the PONV Trigger Event will be activated. Accordingly, the Subordinated 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:

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

8.2 CET1 Trigger Event loss absorption – temporary write-down

This Condition 8.2 is applicable only to Additional Tier 1 Notes.

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

If a CET1 Trigger Event occurs, the Issuer will, without the need for any consent from the Noteholders or the Trustee:

- (i) deliver a Loss Absorption Event Notice to Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent within three Business Days of the occurrence of such 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 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.

The write-down of any CET1 capital pursuant to a CET1 Trigger Event shall not be required before a write-down of any AT1 instruments (including the Additional Tier 1 Notes). The write-down will generate CET1 under applicable Indian Accounting Standards (i.e. net of contingent liability recognised under the Indian Accounting Standards, potential tax liabilities, etc., if any).

When the Issuer breaches a pre-specified trigger level (as set out in Annexure 16 of the RBI Guidelines) and the equity is replenished through write-down, 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 capital conservation buffer. However, once the Issuer has attained a total Common Equity Tier 1 Ratio of 8 per cent. without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.

The Issuer shall have the discretion to write-down the Additional Tier 1 Notes multiple times in case the Issuer hits pre-specified trigger level subsequent to the first write-down which was partial. The Additional Tier 1 Notes which have been written off can be written up (partially or fully) at the absolute discretion of the Issuer and subject to compliance with RBI conditions (including permission, consent if any).

A Write-Down may occur on more than one occasion and (if applicable) the Additional Tier 1 Notes may be Written Down following one or more Reinstatements pursuant to Condition 8.2(b). Once the nominal amount of an Additional Tier 1 Note has been Written Down pursuant to this Condition 8.2, it may only be restored in accordance with Condition 8.2(b).

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

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

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

As per the RBI Guidelines, the Issuer must obtain a certificate from the statutory auditors clearly stating that the write-down mechanism chosen by the Issuer for the Additional Tier 1 Notes issuance is able to generate CET1 under the prevailing accounting standards.

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 per cent. without counting the replenished equity capital, from that point onwards, the Issuer may include the replenished equity capital for all purposes.

(b) Reinstatement

Following a temporary Write-Down pursuant to Condition 8.2(a), the Outstanding Nominal Amount of the Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (a “**Reinstatement**”) at the Issuer’s option and subject to any conditions specified in the RBI Guidelines, or as are otherwise notified to the Issuer by the RBI, from time to time. The Additional Tier 1 Notes may be subject to more than one Reinstatement. The Issuer will not reinstate the principal amount of any Tier 1 Loss Absorbing Instrument that has been written down (and which is capable under its terms of being reinstated) unless it does so on a *pro rata* basis with a Reinstatement on the Additional Tier 1 Notes.

The Issuer must give notice of any Reinstatement to Noteholders in accordance with Condition 15 and to the Trustee and the Principal Paying Agent at least 10 Business Days prior to such Reinstatement. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such notice without further enquiry and without liability to the Issuer, any Noteholder or any other person, which notice shall be conclusive evidence of the occurrence of a Reinstatement and shall be binding upon all Noteholders, Receiptholders and Couponholders.

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

8.3 Interpretation

In these Conditions:

- (a) “**CET1 Trigger Event**” means that the Issuer’s Common Equity Tier 1 Ratio is at or below the CET1 Trigger Event Threshold;
- (b) “**CET1 Trigger Event Threshold**” means 6.125 per cent.;

- (c) **“Common Equity Tier 1 Ratio”** means the Common Equity Tier 1 Capital (as defined and calculated in accordance with the applicable RBI Guidelines) of the Issuer expressed as a percentage of the total risk weighted assets (as defined and calculated in accordance with the applicable RBI Guidelines) of the Issuer;
- (d) **“Loss Absorption Effective Date”** means the date that will be specified as such in the Loss Absorption Event Notice;
- (e) **“Loss Absorption Event Notice”** means a notice which specifies that a PONV Trigger Event or CET1 Trigger Event (as applicable) has occurred, the Write-Down Amount and the date on which the Write-Down will take effect. Any Loss Absorption Event Notice must be accompanied by a certificate signed by an Authorised Officer of the Issuer stating that the PONV Trigger Event or CET1 Trigger Event, as relevant, has occurred. The Trustee and Principal Paying Agent shall be entitled to rely absolutely on such certificate and notice without further enquiry and without liability to any Noteholder or any other person, which notice shall be conclusive evidence of the occurrence of a PONV Trigger Event or, as the case may be, a CET1 Trigger Event and shall be binding upon all Noteholders;
- (f) **“Maximum Reinstatement Amount”**, in respect of an Additional Tier 1 Note, means the Issued Nominal Amount of such Additional Tier 1 Note as reduced pursuant to: (i) any Write-Down pursuant to a PONV Trigger Event; and (ii) any Write-Down pursuant to a CET1 Trigger Event if such Write-Down has been made permanent due to a subsequent PONV Trigger Event;
- (g) **“Ordinary Share”** means an ordinary share of the Issuer;
- (h) **“PONV Trigger Event”**, in respect of the Issuer, 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;
- (i) **“Tier 1 Loss Absorbing Instrument”** means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Additional Tier 1 Notes, which (a) is eligible to qualify as Additional Tier 1 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied;
- (j) **“Tier 2 Loss Absorbing Instrument”** means, at any time, any instrument issued directly or indirectly by the Issuer, other than the Ordinary Shares and the Notes, which (a) is eligible to qualify as Tier 2 Capital pursuant to the RBI Guidelines; and (b) contains provisions relating to a write down or conversion into Ordinary Shares of the nominal amount of such instrument on the occurrence, or as a result, of a PONV Trigger Event or CET1 Trigger Event and in respect of which the conditions (if any) to the operation of such provisions are (or with the giving of any certificate or notice which is capable of being given by the Issuer, would be) satisfied; and

- (k) **“Write-Down Amount”** means the amount by which the then Outstanding Nominal Amount of each Note is to be Written Down pursuant to a Write-Down, being the minimum of:
- (i) the amount (together with the Write-Down of the other Subordinated Notes and the write-down or conversion into equity of, in the case of a Write-Down of Additional Tier 1 Notes, any Tier 1 Loss Absorbing Instrument 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 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 per cent.; and
 - (ii) the amount necessary to reduce the Outstanding Nominal Amount to zero.

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

8.4 Notwithstanding anything to the contrary that may be set out in these Conditions, the Trust Deed and the Agency Agreement:

- (i) 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;
- (ii) neither the Trustee nor any Agents shall be: (1) 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, (2) 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, (3) responsible for preparing any Loss Absorption Event Notice, (4) 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
- (iii) each of the Trustee, the Agents, Euroclear and/or Clearstream 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 Euroclear and/or Clearstream not more than three 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 Euroclear and/or Clearstream are notified of the occurrence of the relevant Trigger Event through their 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.

9 TAXATION

9.1 Payment without Withholding

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined in Condition 9.2) unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction (the “**Additional Amounts**”); except that no such Additional Amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a holder who 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
- (b) presented for payment more than 30 days after the Relevant Date (as defined in Condition 9.2) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7); or
- (c) presented for payment by or on behalf of a holder of such Note, Receipt or Coupon who, at the time of such presentation, is able to avoid such withholding or deduction by making a declaration of non-residence or other similar claim for exemption and does not make such declaration or claim; or
- (d) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof; or
- (e) where such withholding or deduction is imposed pursuant to Section 871(m) of the Code.

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

9.2 Interpretation

As used herein:

- (iv) Tax Jurisdiction means:
 - (A) where the Issuer is acting through its Registered Office in India, its IFSC Banking Unit, India or any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; or
 - (B) where the Issuer is acting through any other branch outside India as specified in the applicable Pricing Supplement, (x) India or any political subdivision or any authority thereof or therein having power to tax and (y) the tax jurisdiction applicable to such branch or any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; and
- (v) “**Relevant Date**” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Principal Paying Agent or, as the case may be, the Registrar on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15.

10 PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9.2) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.3 or any Talon which would be void pursuant to Condition 6.3.

11 EVENTS OF DEFAULT AND ENFORCEMENT

11.1 Events of Default relating to Senior Notes

The Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent. 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, secured and/or prefunded to its satisfaction), give notice in writing to the Issuer that each Senior Note is, and each Senior Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an “**Event of Default**”) shall occur:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and, in the case of interest, the default continues for a period of 14 days; or
- (b) if the Issuer fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- (c) if (i) any other present or future Indebtedness for Borrowed Money of the Issuer or any of its Subsidiaries becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer or the relevant Subsidiary, or (ii) any such Indebtedness for Borrowed Money is not paid when due or, as the case may be, within any applicable grace period, or (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; or (iv) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness for Borrowed Money other than in circumstances where the Issuer or the relevant Subsidiary is prohibited from making payment of any such amount by the order of a court having appropriate jurisdiction, provided that the aggregate amount outstanding of the relevant Indebtedness for Borrowed Money or amounts payable under the guarantees and/or indemnities or subject to the security in respect of one or more events mentioned above in this subparagraph (c) exceeds U.S.\$20,000,000 or its equivalent in other currencies; or
- (d) if any order of a competent court or other authority is made for the winding up or liquidation of the Issuer or any of its Subsidiaries, save for the purposes of reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (e) if the Issuer or any of its Subsidiaries ceases or threatens to cease to carry on the whole or substantially all of its business, except (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, consolidation or disposal (A) on terms approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or (B) in the case of a Subsidiary of the Issuer, (x) whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer or (y) any disposal or sale of a Subsidiary of the Issuer to any other person on arms' length terms for market consideration, where the proceeds resulting from such disposal or sale are transferred to or otherwise vested in the Issuer or another Subsidiary of the Issuer; or (ii) a members' voluntary solvent winding-up of any Subsidiary of the Issuer, or the Issuer or any of its Subsidiaries stops or threatens to stop or suspends 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 (or any class of its debts) pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (f) other than as permitted by sub-paragraphs (e)(i) and (ii) above, if the Issuer (or its directors) or any of its Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (g) if a moratorium is agreed or declared by the Issuer in respect of any Indebtedness for Borrowed Money (including any obligation arising under any guarantee) of the Issuer or any of its Subsidiaries; or
- (h) if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Receipts, the Coupons, the Agency Agreement or the Trust Deed; or

- (i) if any governmental authority or agency seizes, compulsorily purchases or expropriates all or any material part of the assets or shares of the Issuer or any of its Subsidiaries without fair compensation; or
- (j) if (i) proceedings are initiated against the Issuer or any of its Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Subsidiaries or, as the case may be, in relation to the whole or any part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 14 days; or
- (k) if any event occurs, which has, under the law or any relevant jurisdiction, an analogous effect to any of the events referred to in subparagraphs (e) to (g) inclusive, (i) and (j).

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

11.2 Rights of enforcement relating to Subordinated Notes

If any order of the Government is made for the winding up, liquidation or dissolution of the Issuer (as determined pursuant to the Companies Act, RBI Act and the BR Act), 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 25 per cent. 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, secured and/or prefunded to its satisfaction) give notice to the Issuer that the Subordinated Notes are, and they shall, subject to the prior approval of the RBI having been obtained, thereupon immediately become, due or repayable at their Outstanding Nominal Amount, together with accrued but unpaid interest as provided in the Trust Deed.

Pursuant to Section 37 and Section 38 of the BR Act, 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.

11.3 Enforcement

The Trustee may at any time, at its discretion and without notice, take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit or as instructed by the Noteholders to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any steps and/or actions and/or institute any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least 25 per cent. in outstanding nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

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

12 REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

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

13 PRINCIPAL PAYING AGENT, REGISTRAR, PAYING AND TRANSFER AGENTS

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

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

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

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the second paragraph of Condition 6.6. Any appointment, variation, termination or change shall only take effect (other than in the case of insolvency or in the case of a Paying Agent, to the extent that it is an FFI, failing to become or ceasing to be, in respect of a payment due on or after the relevant implementation date of FATCA withholding on any Note to which FATCA withholding applies able to receive such payment without any withholding or deduction imposed pursuant to FATCA, 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 15.

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

14 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15 NOTICES

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

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading daily newspaper of general circulation in Asia or such other English language daily newspaper with general circulation in Asia as the Trustee may approve. 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 Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If, in the opinion of the Trustee, publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

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

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

Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition 15.

16 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing more 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 shall be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed or the Agency Agreement, or may (but shall not be obliged to) agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of laws. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 9 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 9 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, Couponholders or Receiptholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) (any such substitute, the “**Substitute**”) 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 completing “know-your-client” and other internal procedural checks, (c) the Substitute expressly assuming, by a deed supplemental to the Trust Deed (a “**supplemental deed**”), executed and delivered to the Trustee, all the obligations of the Issuer (or the previous Substitute) under the Trust Deed and the Notes, (d) the Issuer’s delivery to the Trustee of a certificate in English signed by an Authorised Officer of the Issuer and an Opinion of Counsel confirming that such substitution will have no adverse effect on the Noteholders, ratings (where applicable), tax treatment and listing status (where applicable), enforceability of the supplemental deed and that no default under these Conditions shall have occurred and (e) certain other conditions set out in the Trust Deed being complied with. The Issuer (or the

previous substitute) shall give notice to the Trustee and the Principal Paying Agent and, in accordance with Condition 15, the Noteholders of any such substitution pursuant to these Conditions.

The Trustee may rely conclusively on the translation of any documents referred to in this Condition 16 without further investigation or enquiry and without liability to the Issuer, the Noteholders or any other persons.

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, waiver, authorisation, determination or substitution shall be promptly notified to Noteholders by the Issuer in accordance with Condition 15.

Any modification, substitution or redirection undertaken in accordance with this Condition 16 may be subject to the prior approval of the RBI.

17 INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforcement payment or repayment unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any of the Issuer's Subsidiaries 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.

The Trustee shall have no responsibility for, or liability or obligation in respect of, any loss, claim or demand incurred as a result of or in connection with a Loss Absorption Event or Write-Down or any consequent cancellation of the Subordinated Notes pursuant to Condition 8, and shall have no responsibility to (i) monitor whether any Reinstatement has been undertaken or completed or (ii) ensure that any Reinstatement, once undertaken, is completed in each case pursuant to Condition 8. Furthermore, the Trustee shall not be responsible for any calculation or the verification of any calculation in respect of the foregoing.

18 FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes. It is hereby clarified that Issuer will not require any consent from any person including the Noteholders to incur any indebtedness including by way of any notes or instruments issued pursuant to any programme by any branch of the Issuer.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Trust Deed, the Agency Agreement, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with 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 for the mandatory provisions of Indian Law which are applicable for any issuance by the Issuer, Clause 2.7 of the Trust Deed, (in the case of Tier 2 Notes) Condition 3.2, and (in the case of Additional Tier 1 Notes) Condition 3.3 which shall be governed by, and shall be construed in accordance with, Indian law.

20.2 Submission to Jurisdiction

- (a) Subject to Condition 20.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or Coupons (a “**Dispute**”) and the Issuer in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 20.2, the Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Condition 20.2(c) is for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders only. To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

20.3 Appointment of Process Agent

The Issuer has irrevocably and unconditionally appointed Kotak Mahindra (UK) Limited at its specified office for the time being in London as its agent for service of process in England in respect of any proceedings in relation to any Dispute, and agrees that, in the event of such agent being unable or unwilling for any reason so to act, it will immediately appoint another person as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20.4 Waiver of immunity

The Issuer irrevocably and unconditionally with respect to any Dispute (i) waives any right to claim sovereign or other immunity from jurisdiction, recognition or enforcement and any similar argument in any jurisdiction, (ii) submits to the jurisdiction of the English courts and the courts of any other jurisdiction in relation to the recognition of any judgment or order of the English courts or the courts of any competent jurisdiction in relation to any Dispute and (iii) consents to the giving of any relief (whether by way of injunction, attachment, specific performance or other relief) or the issue of any related process, in any jurisdiction, whether before or after final judgment, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment in connection with any Dispute.

USE OF PROCEEDS

The net proceeds from each issue of Notes, in accordance with applicable laws, rules, regulations and guidelines will be used to diversify its funding sources and meet the Issuer's general corporate purposes.

CAPITALISATION

The following table sets forth the standalone indebtedness and capitalisation of the Bank as at 30 June 2026. This table should be read in conjunction with the Bank's unaudited standalone Financial Results as at 30 June 2026 and the notes presented elsewhere herein, which have been subjected to review by the statutory auditors of the Bank.

	As at 30 June 2026	
	<i>(Rs. in crores)</i>	<i>(U.S.\$ in millions)⁽¹⁾</i>
Indebtedness		
Deposits	5,72,820.18	60,553.42
Borrowings excluding subordinated debt and perpetual debt.....	25,840.40	2,731.62
Subordinated debt.....	—	—
Perpetual debt.....	—	—
Total indebtedness (A).....	5,98,660.58	63,285.04
Shareholders' Funds		
Capital ⁽²⁾	994.67	105.15
Reserves and surplus	1,39,929.09	14,792.05
Total shareholders' funds (B)	1,40,923.76	14,897.20
Total Capitalisation (A+B).....	7,39,584.34	78,182.23
Capital Adequacy Ratio (percentage)		
Tier I	22.38%	22.38%
Tier II.....	0.40%	0.40%
Capital adequacy ratio (Basel III) (%).....	22.78%	22.78%

Notes:

- (1) The U.S. dollar amounts herein have been translated using the exchange rate of U.S.\$1.00 = Rs. 94.5975, being the reference rate published by the Reserve Bank of India as at 30 June 2026.
- (2) As at 30 June 2026, there were 994,67,09,153 equity shares of par value Rs. 1 each outstanding.

There has been no material adverse change to the standalone indebtedness and capitalisation of the Bank since 30 June 2026.

RISK FACTORS

Investors should carefully consider the following risk factors as well as the other information contained in this Offering Circular prior to making an investment in the Notes. In making an investment decision, each investor must rely on its own examination of the Bank and the terms of the offering of the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Bank or that the Bank currently deems immaterial may also impair the Bank's business operations.

Risks Relating to the Bank's Business

The Bank is subject to global financial and political instability which impacts the Bank's business, cash flows, results of the operations and financial condition

The Indian market and the Indian economy are influenced by the economic and market conditions in other countries, particularly the emerging market countries in Asia and major global economies like the United States and Eurozone economies. India's economy and markets are deeply intertwined with global conditions, especially from major economies (US, Eurozone) and other Asian emerging markets, through trade, investment, commodity prices (like oil), capital flows, and supply chains, meaning global slowdowns or booms significantly impact Indian growth, inflation, and investor sentiment, while India's own growth also affects the world. Financial turmoil in Sri Lanka, Russia and elsewhere in the world in recent years has affected the Indian financial market as investor sentiment took a hit during such episodes. In 2023, several factors influenced investors' sentiment, such as the stress in the U.S. regional banking sector, the last-minute revision in the U.S. debt ceiling, and the U.S. sovereign credit rating downgrade. In 2024, the continuing conflict between Russia and Ukraine, the conflict between Israel and Hamas and lingering stress in the property sector in China were the key factors affecting investor sentiment. Additionally, geopolitical tensions, such as the imposition of tariffs by the United States, continue to heighten trade uncertainties, particularly between major economies like the United States and India. More recently, the escalation in conflict involving Iran has further contributed to global instability, with potential repercussions on energy prices and international supply chains. While the full impact of these trade tensions and regional conflicts remains uncertain, they could disrupt commodity prices, drive inflation, and destabilise the domestic economies of both developed and emerging markets, including India. The continued evolution of global trade policy, including the possibility of further changes in bilateral and multilateral trade agreements between major economies, could significantly impact investors' confidence.

Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other markets may cause increased volatility in the Indian financial market and, more generally, in the Indian economy. Any financial instability or disruptions could also have a negative impact on the Indian economy and could harm the Bank's business, its future financial performance and the trading price of the Notes. In particular, prolonged global uncertainty could adversely affect the Bank's ability to raise capital or refinance its borrowings at favourable terms, increase its cost of funds, reduce the market value of its investment portfolio, and lead to deposit outflows or a shift in deposit mix towards higher-cost term deposits.

In fiscal years 2025 and 2026, global political uncertainty remained elevated. This was driven by a combination of electoral transitions, trade policy shifts, and geopolitical conflicts. Further, elections were held in the United Kingdom in 2024 and in Germany in 2025, which resulted in changes in ruling party/coalition, while in Canada there has been a change in leadership, though the same party has returned to power in the elections held in May 2025. Between February 2025 and April 2025, the U.S. administration announced a new round of import tariffs across countries, as well as on some specific products. In February 2026, India and the United States announced a framework for an interim trade agreement, reducing reciprocal tariffs on Indian

goods from approximately 50% to 18%. However, the U.S. Supreme Court subsequently ruled against certain elements of the U.S. tariff regime, leading to renewed uncertainty and further rounds of bilateral trade negotiations which remain ongoing. Broader agreements have yet to be reached between the United States and China, and the possibility of further changes in bilateral and multilateral trade agreements between major economies could significantly impact investors' confidence. The heightened uncertainty around trade policies in the United States and changes in policy rates of major central banks could increase volatility in the Indian financial market.

An escalation of political risks could also have consequences both for the financial system and the greater economy, potentially leading to declines in business levels, write-downs of assets and losses across businesses in the United Kingdom, Switzerland and the European Union, which could lead to adverse consequences for global financial and foreign exchange markets. Acts of violence or war, such as the Russia-Ukraine conflict, the U.S.-Iran conflict, Israel-Hamas conflict, Israel-Iran conflict or India's ongoing geopolitical tensions with its neighbouring states, Pakistan and China, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations. These conflicts continue to affect energy markets, complicate trade routes and have led to elevated defence spending across countries. In Europe, political fragmentation within the European Union has slowed progress on key economic and climate initiatives. Elevated energy costs and ongoing debates over fiscal consolidation may continue to strain macroeconomic coordination.

Events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumours about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on 10 March 2023, Silicon Valley Bank ("**SVB**") was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation ("**FDIC**") as receiver. In connection therewith, in March 2023, HSBC UK Bank Plc ("**HSBC**") acquired Silicon Valley Bank UK Limited ("**SVBUK**"), the UK subsidiary of SVB. Similarly, in March 2023, Signature Bank ("**Signature**") and Silvergate Capital Corp. ("**Silvergate**"), and in May 2023, First Republic Bank ("**First Republic**") (now part of JPMorgan Chase), were each swept into receivership. Furthermore, on 15 March 2023, Credit Suisse's share price dropped nearly 25.0 per cent. and investors and customers withdrew money out of Credit Suisse, with outflows topping 10 billion Swiss francs. As a result, on 19 March 2023, the Swiss National Bank and the Swiss government announced the fast-track acquisition of Credit Suisse by UBS. Defaults by these banks led to disruption and volatility, including deposit outflows and an increased need for liquidity at certain banks.

Although the Bank did not have a material exposure to SVB, SVBUK, Signature, First Republic or Credit Suisse at the time each was placed into receivership or closed (or, in the case of SVBUK and Credit Suisse, purchased), the spread or potential spread of these or other issues to the broader financial sector could have a limited adverse effect on the Bank's financial condition and prospects. While the Bank's business, balance sheet and depositor profile differ substantially from banking institutions such as SVB, Signature and Silvergate, the operating environment and public trading prices of financial services sector securities can be highly correlated, in particular in times of stress, which may adversely affect the trading price of its securities and potentially the Bank's results of operations. In addition, if any of its lenders or counterparties to any financial instruments were to be placed into receivership or a similar proceeding, the Bank may be unable to access funds pursuant to such instruments.

Moving forward, uncertainty arising out of tariff wars, prolonged geopolitical tensions across the globe, recurrent or future waves of contagious diseases, such as COVID-19, or similar health crises across the globe, and the continuation or widening of China's property sector crisis adversely affect global financial markets

leading to adverse follow-on consequences in India. The extent and timing of rate cuts by major central banks could have adverse implications for global growth and consumer spending and potentially negative implications for the Bank's performance, including through increased impairment allowances. In response to these developments as well as past financial and liquidity crises in these markets, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects. In the event of any significant financial disruption, there could be an increase in volatility in the Indian financial market which could have an adverse effect on the Bank's business, future financial performance and the trading price of the Notes.

The Bank has grown rapidly in the past, and there is no assurance that its growth will continue at a similar rate or that it will be able to manage its rapid growth.

The Bank has grown rapidly in the past. As of 30 June 2026, the Bank expanded to 2,301 domestic branches and 2,734 ATMs (including cash recyclers). Its standalone customer assets (comprising advances (gross of IBPC & BRDS) and credit substitutes) as of 31 March 2026 were Rs.545,715.68 crore and Rs. 477,855.04 crore as of 31 March 2025 (Rs. 570,901.04 crore as of 30 June 2026). On a standalone basis, the Bank's (net) advances as of 31 March 2026, 2025 and 2024 were Rs. 496,009.16 crore, Rs. 426,909.20 crore and Rs. 376,075.27 crore, respectively (Rs. 512,248.59 crore as of 30 June 2026). The growth in its business is attributable to its organic growth which includes the expansion of its branch network, and the expansion of its digital channels, in particular, the popularity of the Bank's Kotak811 mobile application.

As part of its growth plan, the Bank has invested heavily in various digital channels to increase customer acquisition, enhance customer experience, increase the efficiency of internal operations, increase sales of its products and services and enhance cybersecurity and its data protection framework. In FY2026, Kotak811 savings account balances grew 32.4 per cent. year-on-year and contributed 12.2 per cent. of the Bank's total savings account balances, reflecting continued momentum in customer acquisition through the digital platform. The Bank incurs the cost of acquiring these customers upfront for the technology and KYC requirements linked to each such customers. Its inability to sell services effectively to these customers may impact its business and profitability, while incurring increased costs.

As part of its growth plan the Bank also increases its branch network with new branches across India. Newly added branches operate at a lower efficiency level compared with its established branches. While the Bank believes that there are growth opportunities for these newly added branches and these branches will improve their operating efficiency levels over time, the success will depend on various internal and external factors, some of which are not under its control. The sub-optimal performance of the newly added branches, if continued over an extended period of time, would have a material adverse effect on its profitability. The Bank routinely undertakes a branch rationalisation and relocation exercise and there can be no assurance that it will be successful in these efforts.

The Bank's rapid growth has placed and will continue to place significant demands on its operational, credit, financial and other internal risk controls including:

- preserving its asset quality as its geographical presence increases and its customer profile changes;
- developing and improving its products and delivery channels;
- recruiting, training and retaining sufficient skilled personnel;
- upgrading, expanding and securing its technology platform;
- integrating newly-acquired businesses;

- complying with regulatory requirements including Know Your Customer (“KYC”) norms, FEMA and FATCA; and
- maintaining high levels of customer satisfaction.

If the Bank is not successful in implementing or executing these operational measures and risk controls, it may not be able to expand its business as it has in the past, which may lead to a decline in its growth rate. The Bank may not be able to manage its new operations effectively or efficiently, thereby adversely affecting its cash flows, operations, performance and financial results.

The Bank's business is highly competitive, which creates significant pricing pressures for the Bank to retain existing customers and solicit new business, and its strategy depends on its ability to compete effectively.

The Indian banking, insurance, asset management and capital markets (advisory/broking) industries are highly competitive. The Bank faces strong competition in all its lines of business from much larger Indian and foreign commercial banks, non-banking financial companies, insurance companies, mutual funds, financial service firms and other entities operating in the Indian banking and financial sector. The Bank competes directly with large Government-controlled public sector banks, major private sector banks and foreign banks with operations in India. Public sector banks, which generally have a much larger customer and deposit base, larger branch networks and Government support for capital augmentation, pose strong competition to the Bank. Any failure of a cooperative bank, private sector bank or small finance bank could lead to deposits moving away from these sub-segments to public sector banks. Mergers among public sector banks, including because of Government efforts to encourage and facilitate such mergers, may result in enhanced competitive strengths in pricing and delivery channels for the merged entities. The Government announced a series of mergers in the period 2017-2020, which resulted in a reduction in the number of public sector banks to 12 in April 2020 from 27 in 2017. With effect from 1 April 2020, six public sector banks have been merged into, and consolidated with four public sector banks, being, Punjab National Bank, Union Bank, Canara Bank and Indian Bank. Further, a number of the private sector banks in India have a larger customer base and greater financial resources than the Bank, giving them a substantial advantage by enabling economies of scale and improving organisational efficiencies.

The RBI has liberalised the licensing regime for banks in India and intends to issue licences on an ongoing basis, subject to meeting the criteria laid down by RBI. The RBI is supportive of creating more specialised banks and granting differentiated banking licenses such as for payment banks and small finance banks. The RBI also has plans to create wholesale and long-term finance banks in the near future. Further, in terms of the Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025 dated 28 November 2025, domestic scheduled commercial banks (other than regional rural banks) are permitted to open, unless specifically restricted, banking outlets in Tier 1 to Tier 6 centres, without prior permission from RBI, subject to the conditions laid down by RBI. For details, please see the section entitled “*Supervision and Regulation*”. The Bank believes that this will further continue to intensify the competition in the banking sector.

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

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. Further, the increasing competition from fintech companies could result in disintermediation and profitability erosion, which may have a material adverse effect on its business and financial condition.

In addition, the Bank's subsidiaries Kotak Mahindra General Insurance Company Limited and Kotak Mahindra Life Insurance Company Limited also face competition from other players in the insurance industry. New entrants and mergers among existing insurance companies may result in increased competition, which may have an adverse effect on the Bank's business.

The Bank's subsidiary Kotak Mahindra Asset Management Company Limited also faces competition from players and mutual funds in the asset management industry and increased competition in this field may have an adverse effect on the Bank's business.

Further, the Bank's subsidiaries Kotak Securities Limited and Kotak Mahindra Capital Company Limited face competition from players in the broking and capital markets advisory industries. New entrants and mergers and acquisitions amongst these existing players could lead to increased competition, which may have an adverse effect on the Bank's business.

If the level of non-performing assets in the Bank's portfolio increases, it will be required to increase its provisions, which would negatively impact its profits.

The Bank's management of credit risk involves having appropriate credit policies, underwriting standards, approval processes, loan portfolio monitoring, remedial management and overall architecture for managing credit risk. Its risk mitigation and risk monitoring techniques may not be accurate or appropriately implemented and it may not be able to anticipate future economic and financial events, leading to an increase in its NPAs.

Any such increase in NPAs might require the Bank to increase its provisions, which could materially adversely affect its net profits and financial position.

Provisions for NPAs are created by a charge to Profit and Loss account, and are currently subject to minimum provision requirements, linked to ageing of NPAs. Besides the regulatory minimum, the Bank also considers its internal estimate for loan losses and risks inherent in the credit portfolio while deciding on the level of provisions. The determination of an appropriate level of loan losses and provisions 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 risks may result in its provisions not being adequate to cover any further increase in the amount of NPAs or any further deterioration in its NPA portfolio.

A number of factors outside of the Bank's control affect its ability to control and reduce NPAs. These factors include developments in the Indian and global economy, domestic or global turmoil, loss or disruptions caused by epidemics or pandemics, competition, industry level arrangements or amendments based on recommendations by IBA or otherwise, changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring it to lend to certain sectors identified by the RBI. These factors coupled with other factors such as volatility in commodity markets and declining business and consumer confidence and decreases in business and consumer spending could impact the operations of its customers and in turn impact their ability to fulfil their obligations under the loans granted to them by the Bank. In addition, the expansion of its business may cause its NPAs to increase and the overall quality of its loan portfolio to deteriorate. If its NPAs increase, the Bank will be required to increase its provisions, which would result in its net profit being less than it otherwise would be and could materially adversely affect its financial condition.

Further, the RBI, on account of the disruptions caused to businesses on account of COVID-19 and to ensure the continuity of viable businesses, had permitted all lending institutions including commercial banks to grant a moratorium of six months on payment of all instalments falling due between 1 March 2020 and 31 August 2020,

the Moratorium Period, in respect of all term loans and working capital facilities sanctioned in the form of cash credit/overdraft. There can be no assurance that the instalments due on such term loans will be paid or these term loans will not be classified as NPAs going forward. The provisioning measures imposed by the RBI may also have an adverse effect on the Bank's business, cash flows, financial condition and results of operations.

The Bank may be unable to foreclose on collateral in a timely fashion or at all when borrowers default on their obligations to it, or the value of collateral may decrease, any of which may result in failure to recover the expected value of collateral security, increased losses and a decline in net profits.

Among other factors, the Bank considers a mix of cash flow and availability of collateral while taking lending decisions. Many of its loans to corporate customers are secured by various assets, including property, plant and equipment. Loans to corporate customers also include working capital credit facilities that are typically secured by a first charge on inventory, receivables and other current assets. In some cases, the Bank may have taken further security of a first or second charge on fixed assets and a pledge of financial assets including marketable securities, corporate guarantees and personal guarantees. A significant portion of its loans to retail customers is also secured by the underlying assets financed, mainly property and vehicles.

As per the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, which took effect on 28 November 2025 (“**IRACP Directions**”), an exposure is considered as secured if the realisable value of the security is more than 10 per cent. of the outstanding exposure. As of 31 March 2026, 80.09 per cent. of the Bank's advances were secured by tangible assets or covered by the Bank/Government guarantees. The Bank may not be able to realise the full value of the collateral, due to, among other things, economic downturn, fall in the values of relevant collateral, stock market volatility, changes in economic policies of the Indian 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. In the event that a specialised regulatory agency gains jurisdiction over the borrower, creditor actions can be further delayed. In addition, the value of collateral may be less than the Bank expects or may decline. If the Bank is unable to foreclose on its collateral or realise adequate value, its losses will increase and its net profits will decline.

The SARFAESI Act, 2002, the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, Insolvency and Bankruptcy Code, 2016, the Reserve Bank of India (Commercial Banks – Resolution of Stressed Assets) Directions, 2025 (“**Stressed Assets Directions**”) together with the Banking Regulation Act, (which gives the RBI wide-ranging powers for the recovery of bad loans and resolution of stressed assets) have strengthened the ability of lenders to recover NPAs by granting lenders greater rights to enforce security and recover amounts owed from secured borrowers. While the Bank believes that such legislations have contributed to strengthening enforcement efforts, there can be no assurance that these legislations will continue to be effective in resolving NPAs. A failure to recover the expected value of collateral security could expose the Bank to potential losses and may adversely affect its business, cash flows and financial condition.

The Bank is exposed to borrower and industry concentrations, and a default by any large borrower or a deterioration in the performance of any of the industry sectors to which it has significant exposure would adversely affect the quality of its portfolio, and its ability to meet capital requirements could be jeopardized.

The Bank calculates exposure in accordance with the policies established by RBI. In the case of customer exposures, it aggregates the higher of the outstanding balances of, or limits on, funded and non-funded exposures. As of 31 March 2026, the Bank's aggregate credit exposure including derivatives and investments exposure to its twenty largest borrowers/customers amounted to Rs. 73,116.07 crore, representing 7.95 per cent. of its total exposure on borrowers/customers. None of the Bank's twenty largest customer exposures were

classified as non-performing as of 30 June 2026; if any of them were to become non-performing, it could have a material adverse effect on its business, cash flows, financial condition and results of operations.

As of 31 March 2026, based on the Bank's outstanding gross advances of Rs. 500,767.90 crore, the largest industry concentrations included Wholesale Trade (approximately 9.62 per cent., combining priority and non-priority exposures), Infrastructure (approximately 3.45 per cent.), NBFC (approximately 2.09 per cent.) and Real Estate (approximately 1.80 per cent.). Commercial Real Estate exposure (fund and non-fund based) stood at approximately Rs. 29,611.22 crore.

Industry-specific difficulties in these or other sectors may increase the Bank's level of non-performing customer assets. If the Bank experiences a downturn in an industry in which it has concentrated exposure, its net profits will likely decline significantly and its financial condition may be materially adversely affected.

The Bank may not be able to secure funding for its operations when it needs it, and funding shortages or maturity mismatches or increases in funding costs could materially and adversely affect its business, cash flows, financial condition and results of operations.

The Bank meets most of its funding requirements through short-term and medium-term funding sources, primarily in the form of customer deposits. Short-term deposits are those with a maturity not exceeding one year. Medium-term deposits are those with a maturity of greater than one year but not exceeding three years. A portion of its assets has long-term maturities, which sometimes causes funding mismatches. In the past, a substantial portion of its customer term deposits has been rolled over upon maturity and has been, over time, a stable source of funding. However, if a substantial number of its depositors do not roll over term deposits upon maturity, its liquidity position will be adversely affected. The Bank may also face a concentration of deposits by its larger depositors. Any sudden or large withdrawals by such large depositors or group of large depositors may impact its liquidity position. As such, the Bank may be required to seek more expensive sources of funding to finance its operations, which would result in a decline in its net profits and have a material adverse effect on its business, cash flows, financial condition, results of operations, and prospects.

Apart from the above short-term and medium-term funding sources, the Bank's other sources of funding (other than equity capital and share premium) are primarily institutional and inter-bank borrowings, long-term Tier II debt, perpetual non-convertible preference shares and foreign currency borrowings. Failure to obtain these sources of funding or replace them with fresh borrowings or deposits at competitive rates may materially and adversely affect its business, cash flows, financial condition and results of operations.

The Bank faces pre-payment risk on its loans, which may result in losing future interest and reduced cash flow if the proceeds are reinvested at lower interest rates. In certain products, the Bank may not be able to collect prepayment charges. The Bank is not permitted to charge foreclosure charges or pre-payment penalties on all floating rate term loans sanctioned to individual borrowers.

The Bank's cost of funds is sensitive to interest rate fluctuations, which exposes it to the risk of reduction in spreads, which is the difference between the returns that it earns on its advances as well as its investments and the amounts that it must pay to fund them, on account of changing interest rates.

The pricing on the Bank's issuances of debt will also be negatively impacted by any downgrade or potential downgrade in its credit ratings. This would increase its financing costs, and adversely affect its future issuances of debt and its ability to raise new capital on a competitive basis.

In addition, any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may have a similar effect on the Bank's ability to raise additional financing and the terms at which such financing is available. In addition, attracting customer deposits in the Indian market is competitive. If the Bank fails to sustain or achieve the growth rate of its deposit base, including its Current Account and Savings Accountn ("CASA") base, its business may be adversely affected.

The Bank's businesses are particularly vulnerable to interest rate risk and volatility in interest rates could materially adversely affect its net interest margin, pension liabilities and financial performance.

The Bank's results depend to a great extent on its net interest income whose primary revenue source is interest income. During fiscal year 2026, 2025 and 2024, interest earned for the Bank represented approximately 82.70 per cent., 77.96 per cent. and 81.68 per cent. of its total income (interest earned plus other income) on a standalone basis. Changes in market interest rates affect the interest rates charged on the Bank's interest-earning assets differently from the interest rates paid on its interest-bearing liabilities and also affect the value of its investments. An increase in interest rates could result in an increase in interest expense relative to interest income if the Bank is not able to increase the rates charged on its advances, which would lead to a reduction in its net interest income and net interest margin. Further, an increase in interest rates could negatively affect demand for its loans and credit substitutes and the Bank may not be able to achieve its volume growth, which could materially adversely affect its net profits. A decrease in interest rates could result in a decrease in interest income relative to interest expense due to the repricing of its loans at a pace faster than the rates it pays on its interest bearing liabilities. The quantum of the changes in interest rates for its assets and liabilities may also be different. If the interest rate were to fluctuate, this could materially and adversely affect its net interest margin.

The Bank also has a defined benefit pension scheme in respect of pensions payable to certain employees of ING Vysya Bank Limited ("IVBL") under the IBA structure. If interest rates were to fall, its liabilities under the pension plan will increase, which would impact its profits.

Moreover, changes in interest rates could affect the Bank's fixed income portfolio and treasury income. Please see the section entitled "*Risk Factors - The Bank's treasury income, debt investment portfolio and derivatives portfolio is exposed to risks relating to mark-to-market valuation, illiquidity, credit risk and income volatility*" for a discussion of risks relating to its treasury income and fixed income portfolio.

Life Insurance is a long term business and therefore exposed to risk of future interest rate changes. Some of the Bank's key products have guaranteed or semi-guaranteed benefits, any fall in future interest rates could reduce its investment returns and spread and thus materially and adversely affect its insurance businesses and investment returns, which in turn could have a material adverse effect on its business, cash flows, financial condition, results of operations and prospects.

A decline in interest rates could not only result in an increase in the value of the Bank's existing fixed income assets calculated based on fair value, but could also result in reduced returns on investment from its newly added fixed income assets and thus materially reduce its profitability. During periods of declining interest rates, its average investment yield may be affected as its maturing investments and bonds that are redeemed or prepaid to take advantage of the lower interest rate environment may have to be replaced with new investments carrying lower yields, thus reducing its investment margins and investment income.

An increase in interest rates could also negatively affect the Bank's profitability. An increase in interest rates could not only result in an increase in investment returns on its newly added fixed income assets, but could also result in reduced value of its existing fixed income assets calculated based on fair value. While the increased investment yield will increase the returns on investment from newly added assets in its investment portfolios, surrenders and withdrawals of existing insurance policies may increase as policyholders may seek to buy products with perceived higher returns. These surrenders and withdrawals may result in payments by the Bank requiring the sale of invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, potentially resulting in realised investment losses. These payments to policyholders would result in a decrease in total invested assets and a potential decrease in net income.

The Bank could experience a decline in its revenue generated from activities in the equity capital markets if there is a prolonged or significant downturn on the Indian stock exchanges, or it may face

difficulties in procuring required regulatory approvals for its business if it fails to meet regulatory limits on capital market exposures.

The Bank and a number of the Bank's Subsidiaries, such as its broking, asset management and investment banking subsidiaries, provide a variety of services and products to participants involved with the Indian stock exchanges. The Bank offers working capital funding and margin guarantees to share brokers, personal loans secured by shares, initial public offering finance for retail customers, stock exchange clearing services, collecting bankers to various public issues, and depository accounts. Similarly, through its Subsidiaries, the Bank offers capital markets financing, broking services, distribution of initial public offerings, Gold ETFs and mutual funds, and investment banking services. If there is a prolonged or significant downturn or extreme volatility on the Indian stock exchanges, the Bank's revenue generated from these products and services may decrease, which would have a material adverse effect on its financial condition. In its insurance subsidiary, a portion of investment returns comes from investments in the equity markets in India. Any decline in stock prices or dividends from stocks could negatively affect the Bank's net investment income and fund management fees. Further, in relation to its asset management business, any illiquidity or fluctuation in the debt capital markets could also adversely affect its business, cash flows, financial conditions and results of operations.

The Bank is required to maintain its exposure to capital markets within the regulatory limits prescribed by the RBI. Its capital markets exposures consist primarily of investments in equity shares, loans to share brokers and financial guarantees issued to stock exchanges on behalf of share brokers.

As per RBI norms, a bank's capital market exposure (both fund-based and non-fund-based) is limited to 40.0 per cent. of its last audited net worth under Indian GAAP, both on a consolidated and standalone basis. The Bank's capital market exposure as of 31 March 2026 was Rs. 15,800.18 crore and was within the prescribed limits. In the future, if the Bank breaches these regulatory limits, it may face regulatory actions that may have a material adverse effect on its business, cash flows, operations and reputation.

The Bank's treasury income, debt investment portfolio and derivatives portfolio are exposed to risks relating to mark-to-market valuation, illiquidity, credit risk and income volatility.

The Bank had a debt investment portfolio (comprising Government Securities, Shares, Debentures and Bonds, and other investments) available for sale and held for trading of a total of Rs. 172,535.43 crore as of 31 March 2026, comprising Rs. 122,406.03 crore of Government Securities in India, Rs. 10,471.01 crore of Shares, Rs. 9,402.69 crore of Debentures and Bonds, Rs. 3,348.83 crore of investments in Subsidiaries, Associates and Joint Ventures, Rs. 26,612.01 crore of Other investments (Units, Certificates of Deposit, Commercial Paper, Security Receipts, Pass Through Certificates and Alternate Assets Funds), and Rs. 294.86 crore invested outside India, all per Schedule 8 to the Bank's standalone financial statements. The Bank runs value-at-risk tests to manage risks in its investments, but in the event interest rates rise, its portfolio will be exposed to the adverse impact of the mark-to-market valuation of such bonds. Any rise in interest rates leading to a fall in the market value of such debentures or bonds may materially and adversely affect its business, cash flows, financial condition and results of operations. The Bank faces income volatility due to the illiquid market for the disposal of some of debt investment portfolio.

Profit/(Loss) from the Bank's sale of investments comprised 1.22 per cent., 9.19 per cent. and (1.54) per cent. of the Bank's total net income (which comprises net interest income (comprising interest earned minus interest expenses) plus other income) on a standalone basis for fiscal year 2026, 2025 and 2024.

The Group's income from treasury operations at both the Bank and certain Subsidiaries, (including Kotak Life), is subject to volatility due to, among other things, changes in interest rates and foreign currency exchange rates as well as other market fluctuations. For example, an increase in interest rates may have a negative impact on the value of certain investments such as Government securities and corporate bonds and may require the Bank to mark down the value of these investments on its balance sheet and recognize a loss on its income statement.

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

The Bank faces the threat of fraud and cyber attacks, such as hacking, phishing, trojans and advanced persistency threats, attempting to exploit its network to disrupt services to customers and/or theft of sensitive internal Bank data or customer information. This may cause damage to its reputation and adversely impact its business, cash flows and financial results.

The Bank offers online banking services to its customers. Its online banking channel includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting cheque books. Its systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, its mobile and internet-based customer applications and interfaces, such as Kotak 811, may be open to being hacked or compromised by third parties, resulting in thefts and losses to its customers and to the Bank. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting the Bank's customers, wherein fraudsters send unsolicited mails to its customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into the Bank's website with the primary intention of causing reputational damage to the Bank by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into the Bank's network with the intention of stealing its data or information; (d) ransomware – a malware which threatens to block or publish data unless a ransom is paid; (e) advanced persistency threat – network attack in which an unauthorized person gains access to the Bank's network and remains undetected for a long period of time; and (f) AI-enabled attacks, including deepfake-based social engineering, automated vulnerability scanning and AI-generated phishing communications that are increasingly sophisticated and difficult to detect. The rapid growth in digital banking transactions, mobile banking adoption and the expansion of digital channels, including third party integrations and API-based services, has significantly increased the volume and surface area of potential cyber attacks. The intention of these attacks is to steal the Bank's data or information, or to shut down its systems and only release them for a fee. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency. For example, the Bank has had an instance where credit cards were fabricated by fraudsters and used outside India. It was able to detect this and recover part (but not all) of the withdrawn amounts through insurance. It has also had an instance where a payment aggregator had processed a few transactions even when they were declined by the Bank. However, there was no loss to the Bank as the issue was at the aggregator's system. Not only is the Bank exposed to such risks from its own actions or those of its employees, but from actions of its third party service providers, over whom it does not have full control. If the Bank suffers from any of such cyber threats, it could materially and adversely affect its business, cash flows, financial condition and results of operations.

A significant system breakdown or system failure caused due to intentional or unintentional acts would have an adverse impact on the Bank's revenue-generating activities and lead to financial loss.

There is also the risk of the Bank's customers blaming the Bank and terminating their accounts with it for a cyber-incident that might have occurred on their own system or with that of an unrelated third party. The Reserve Bank of India (Commercial Banks – Cybersecurity, Technology: Risk, Resilience and Assurance

Framework) Directions, 2026 dated 31 July 2026 applicable to the Issuer establish a comprehensive framework for cybersecurity, technology risk management, operational resilience and information systems assurance for commercial banks. Any cyber-security breach could also subject the Bank to additional regulatory scrutiny and expose it to civil litigation and related financial liability.

Although the Bank has established a geographically remote disaster recovery site to support critical applications, it is possible the disaster recovery site may also fail or it may take considerable time to make the system fully operational and achieve complete business resumption using the alternate site. Therefore, in such a scenario, where the primary site is completely unavailable, there may be significant disruption to its operations, which would materially adversely affect its reputation and financial condition.

The Bank's reputation could be adversely affected by fraud committed by employees, customers or outsiders, or by its perceived inability to properly manage fraud-related risks. Its inability or perceived inability to manage these risks could lead to enhanced regulatory oversight and scrutiny. In fiscal year 2026, the Bank reported 95 fraud cases (previous year: 306 cases) involving fraud amount of ₹one lakh and above during the financial year ended 31 March 2026, amounting to Rs. 97.04 crore (previous year Rs. 69.96 crore). The Bank has recovered/expensed off/provided the entire amount where necessary.

Differences between the Bank's actual benefits and claim payments and those assumptions and estimates used in the pricing of, and setting reserves for, its insurance products could have a material adverse effect on its business, cash flows, financial condition, results of operations and prospects.

The Bank prices its insurance products based on assumptions for benefits and claim patterns. Its insurance earnings depend significantly upon the extent to which actual claims and benefits are consistent with the assumptions used in pricing its insurance products and determining the appropriate amount of policy reserves. Such assumptions include future mortality and morbidity rates. Although its annuity portfolio is small, the Bank is exposed to longevity risk for this portfolio. If actual mortality rates are lower than those expected for annuitants, it could have a material adverse effect on its profitability. In respect of its products that offer death and morbidity related benefits, actual mortality and morbidity rates that are higher than those projected could have a material adverse effect on its business, cash flows, financial condition, results of operations and prospects. Mortality risk, i.e., the risk of higher mortality than expected, is more significant for its pure protection products as compared to its other products which offer both protection benefits as well as savings. Its pure protection portfolio currently represents a small proportion of its product portfolio. However, the Bank has been increasingly focusing on protection business in recent years. Although the Bank transfers a significant proportion of its mortality risk exposure to reinsurers, if its protection portfolio grows significantly, it would still have a significant exposure to mortality risk. Further, in recent years, the Bank has released various new insurance products. The assumptions used in pricing such products involve an elevated degree of uncertainty, as they are often based on limited experience when compared to assumptions used for existing products. In addition to the assumptions mentioned above, the Bank uses policyholder data and various other third-party data as inputs to its models, which could be inaccurate or incomplete. Also, the models it uses to value its expected benefits and claim payments themselves could be incorrect. As the Bank increases the number and complexity of products it offers, the likelihood of an inaccuracy in its models may also increase. Therefore, if the Bank's actual benefits and claim payments experience are worse than its assumptions used in the pricing of its products or if it relies on inaccurate internal or third-party data or models, it could have a material adverse effect on its business, cash flows, financial condition, results of operations and prospects.

The Bank establishes liabilities to provide for future obligations under its insurance products. However, reserves do not represent an exact calculation of liability, but are estimates of expected net future policy benefits and claims payments. The assumptions used to set its reserves and its estimates require significant judgement and, therefore, are inherently uncertain. The Bank cannot determine with precision the ultimate amounts that it will

pay for actual benefit and claim payments, the timing of those payments, or whether the assets supporting its liabilities will increase to the levels it estimates before payment of benefits or claims.

Further, the occurrence of unusual events that have significant or lasting impact, such as sharp declines in income of customers, changes in applicable government policies, loss of customer confidence in the insurance industry, may trigger mass surrenders, withdrawals and lapses of insurance policies, thus reducing the Bank's persistency. Increased volatility in the capital markets could trigger mass surrenders in unit linked portfolio, thus reducing its persistency.

In addition, if mass surrenders were to occur, the Bank would have to sell its investment assets to cover the significant amount of surrender payments. There can be no assurance that the Bank will be able to sell its investment assets at favourable prices in a timely manner or at all, to cover the significant level of surrender payments, which could have a material adverse effect on its business, cash flows, financial condition, results of operations and prospects.

The Bank has undertaken, and may continue to undertake, strategic investments, acquisitions and joint ventures, which may not perform in line with its expectations.

Since fiscal year 2016, the Bank has undertaken a merger with IVBL, acquired the remaining shareholding in its Life Insurance business (such that it now owns 100 per cent. shareholding in the subsidiary) and acquired BSS Microfinance Limited (since renamed BSS Sonata Microcredit Limited following the merger of Sonata Finance Private Limited with BSS Microfinance Limited with effect from 11 October 2025). In June 2024, the Bank completed the divestment of a 70 per cent. stake in Kotak Mahindra General Insurance Company Limited (since renamed Zurich Kotak General Insurance Company (India) Limited) to Zurich Insurance Company Limited, with the Bank continuing to hold a 30 per cent. stake. On 24 March 2026, Kotak Mahindra Capital Company Limited, a wholly-owned subsidiary of the Bank, divested 30.99 per cent. out of its total stake of 49.99 per cent. in Infina Finance Private Limited for a consideration of Rs. 1,293.91 crore; following the divestment, Infina ceased to be an associate company of the Bank. More recently, on 30 June 2026, the Bank executed a business transfer agreement with Deutsche Bank Aktiengesellschaft, acting through its branch in India, for the acquisition of Deutsche Bank Aktiengesellschaft's retail banking, private banking and wealth management business in India (the “**DBAG Business Undertaking**”), as a going concern on a slump sale basis, for cash consideration of approximately Rs. 281.7 crore (inclusive of non-compete consideration) plus an amount equal to the net funding position of that business as at completion, in each case subject to adjustment. As at 31 March 2026, that business comprised approximately Rs. 29,000 crore of advances, approximately Rs. 16,000 crore of deposits and approximately Rs. 10,500 crore of assets under management, served approximately 150,000 customers and involved approximately 1,000 employees of Deutsche Bank Aktiengesellschaft. Completion of this acquisition is subject to, among other things, approval from the Competition Commission of India, approval from the National Securities Depository Limited and the Central Depository Services (India) Limited for transfer of the depository business, and other regulatory approvals, and is expected to occur by September 2027; there can be no assurance that these approvals will be obtained in a timely manner or at all, or that the acquisition will be completed on the terms currently contemplated or at all. In addition, pursuant to the Reserve Bank of India (Commercial Banks – Undertaking of Financial Services) Directions, 2025 and as part of the Bank's simplification and operational synergies, the business activities of Kotak Mahindra Investments Limited, a wholly-owned subsidiary of the Bank, are being conducted departmentally within the Bank with effect from 1 April 2026, with KMIL having ceased sanctioning new loans while continuing to service its existing obligations. The Bank may, depending on its management's view and market conditions, pursue additional strategic investments, undertake acquisitions and enter into joint ventures. There can be no assurance that it will be able to undertake such 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. Moreover, the Bank requires regulatory approval for acquisitions, and it cannot guarantee that it will receive such approvals

in a timely manner, or subject to any conditions, or at all. Any inability to identify suitable acquisition targets or investments or failure to complete such transactions may adversely affect its competitiveness or growth prospects.

The Bank regularly conducts feasibility studies and evaluates the commercial risks of any planned acquisition, investment and joint venture arrangement to ensure that such a transaction is in line with its strategy and business plan. It has historically entered into partnerships and joint ventures to expand its service offering. However, there can be no assurance that its strategy or related evaluative processes will be successful in ensuring that the expected strategic benefits of its current or future acquisitions, investments or joint ventures will be realised or that its profitability will not be adversely affected.

Acquisitions, joint ventures or strategic investments may involve a number of special risks, including, but not limited to:

- the obligation to maintain the Bank's shareholding level or to comply with maximum or minimum shareholding levels, which could require it to infuse funds/capital through a purchase of shares in rights issues or other capital raising activities and to seek RBI approval or that of other regulatory authorities, which it cannot guarantee will be forthcoming;
- higher provisioning, impacting the Bank's overall asset quality and leading to adverse effects on its reported operating results;
- difficulties in retaining customers or certain contracts;
- recruitment, training and retention of management;
- operational and financial systems and controls to handle the increased complexity and expanded breadth and geographic area of the Bank's newly acquired operations;
- satisfactory performance by the Bank's joint venture partners of their contractual obligations, and any disagreement or deadlock with them;
- difficulties assimilating and integrating the Bank's operations with that of the acquired entity or investment or joint venture partner;
- difficulties determining, evaluating and managing the risks and uncertainties in entering new markets and acquiring new businesses;
- difficulties in evaluating the contractual, financial, regulatory, environmental and other obligations and liabilities associated with the Bank's acquisitions, joint ventures and investments, including the appropriate implementation of financial oversight and internal controls and the timely preparation of financial statements that are in conformity with its accounting policies;
- unanticipated liabilities or contingencies relating to the acquired entity, investment or joint venture partner;
- accurately judging market dynamics, demographics, growth potential and competitive environment; and
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, licences and approvals from governmental and regulatory authorities and agencies.

If the Bank is unable to manage one or more of the events or challenges listed above, it could have a material adverse effect on its ability to successfully complete its acquisitions, investments or joint ventures and could prevent it from achieving its strategic and financial goals and operational synergies, or could result in it not

achieving the objective of such acquisitions, investments or joint ventures, which in turn could have a material adverse effect on its business, results of operation, prospects and financial condition.

The Bank may fail to successfully integrate acquired businesses, including the DBAG Business Undertaking, which could prevent it from realising the anticipated benefits of such acquisitions and may adversely affect its business.

On 30 June 2026, the Bank executed a business transfer agreement with DBAG for the acquisition of the DBAG Business Undertaking as a going concern on a slump sale basis. Completion of this acquisition is subject to the receipt of applicable regulatory approvals, including from the Competition Commission of India, and other customary conditions, and is currently expected to occur by September 2027. See “Risk Factors – The Bank has undertaken, and may continue to undertake, strategic investments, acquisitions and joint ventures, which may not perform in line with its expectations” above. Following completion, the Bank will be required to integrate the DBAG Business Undertaking's customers, employees, products, technology platforms and operations into its own business, in addition to integrating any other businesses that it may acquire from time to time.

The successful integration of any acquired business, including the DBAG Acquisition, involves significant risks and uncertainties, including, but not limited to: (i) retaining the customers, assets under management and key relationship managers or other personnel of the acquired business, particularly given that attrition of customers and assets can be significant following a change of ownership in the banking and wealth management sector; (ii) integrating the acquired business's information technology platforms, management information and financial control systems, products, sales channels and customer service functions with those of the Bank in a timely and cost-effective manner; (iii) aligning different organisational and management cultures; (iv) obtaining any additional regulatory approvals required for the transfer or onward operation of the acquired business, including in relation to depository, custody or other regulated services; (v) managing legal, regulatory, contractual, tax, labour and other liabilities associated with the acquired business, including liabilities that only become apparent after completion; (vi) diversion of the Bank's management attention and resources away from its existing operations during the integration process; and (vii) higher than anticipated integration costs, including in relation to severance, technology migration and rebranding.

There can be no assurance that the Bank will be able to integrate the DBAG Business Undertaking, or any other business it may acquire, successfully or within the timeframe or budget currently anticipated, or that it will realise the growth, cost, revenue or other synergies expected from such acquisitions. If the Bank is unable to retain the customers, assets under management, deposits or key personnel associated with an acquired business, it may not achieve the revenue growth or profitability it anticipated at the time of entering into the relevant acquisition, and it may need to expend significant financial and management resources on retention efforts without assurance of success. Any failure to integrate an acquired business effectively could also result in operational disruptions, control weaknesses, customer dissatisfaction or reputational harm, including in respect of the Bank's existing business. The occurrence of any of the foregoing could have a material adverse effect on the Bank's business, cash flows, financial condition, results of operations and prospects.

The Bank depends on its brand recognition, and failure to maintain and enhance awareness of its brand would adversely affect its ability to retain and expand its base of customers.

The Bank believes that the strong reputation of the “Kotak” and “Kotak Mahindra” brand names are essential to its business. As such, any damage to its reputation and that of the “Kotak” or “Kotak Mahindra” brand names could substantially impair its ability to maintain or grow its business. In addition, any action on the part of its promoter or any of the companies in the Kotak Mahindra group that negatively impacts the “Kotak” or “Kotak Mahindra” brand names could have a material adverse effect on its business, cash flows, financial condition and results of operations.

If the Bank fails to maintain this brand recognition with its target customers due to any issues with its product offerings, a deterioration in service quality resulting in dissatisfaction, or otherwise, or if any premium in value attributed to its business or to the brands under which its services are provided declines, market perception and customer acceptance of its brands may also decline. In such an event, the Bank may not be able to compete for customers effectively, and its business, financial condition and growth prospects may be materially and adversely affected.

In addition, any unauthorized or inappropriate use of the Bank's brand, trademarks and other related intellectual property rights by others, including its Subsidiaries or third party distributors of its products, in their corporate names or product brands or otherwise could harm its brand image, competitive advantages and business and dilute or harm its reputation and brand recognition. Further, if a dispute arises with respect to any of its intellectual property rights or proprietary information, the Bank will be required to produce evidence to defend or enforce its claims, and it may become party to litigation, which may strain its resources and divert the attention of its management. The Bank cannot assure you that any infringement claims that are material will not arise in the future or that it will be successful in defending any such claims when they arise.

The Bank's efforts to protect its intellectual property or proprietary information and the measures it takes to identify potential infringement of its intellectual property may not be adequate to detect or prevent infringement, misappropriation or unauthorized use. The misappropriation or duplication of its intellectual property or proprietary information may disrupt its business, distract management and employees, reduce revenues and increase expenses. In addition, the Bank may also become subject to infringement claims. Even if claims against the Bank are not meritorious, any legal, arbitral or administrative proceedings that it may be required to initiate or defend in this regard may be time-consuming, costly and harmful to its reputation, and there is no assurance that such proceedings will ultimately be determined in its favour. Furthermore, the application of laws governing intellectual property rights in India is continuously evolving and there may be instances of infringement or passing-off of its brand in Indian markets.

The Bank's failure to adequately protect its brand, trademarks and other related intellectual property rights may adversely affect its business, cash flows, financial condition and results of operations.

The Bank's business is subject to various risks, including on account of its products or clients or agents which may subject it to substantial losses or affect its capital.

The Bank offers various financial products to clients, which exposes it to various financial and non-financial risks. For example, as part of its broking business the Bank allows clients to take positions on the markets, basis their margins placed with it. In the event of a volatile stock market or adverse movements in stock prices or commodity prices, the collateral securing the position may have decreased significantly in value, resulting in defaults by its customers. Similarly, with a decline in market trading volumes, its profitability will be adversely affected because its revenues will be reduced.

In many of the Bank's businesses, it relies on third parties to deliver products and services to customers. Any termination of its agreements with such third parties may result in loss of business for the Bank from such parties. For example in Kotak Securities, the Bank uses services of franchises or referral co-ordinators and in Kotak AMC it uses distributors to deliver its products and services to its customers. The Bank may suffer reputational damage if such third parties were not to conduct business in accordance with good practices.

In the Bank's broking business it engages in arbitrage and trading opportunities using its own capital. Any error in judgment or assessment of risk, or any other mala fide representation of trade positions by its proprietary traders, or any other human or mechanical errors may result in erosion of its capital and affect its financial conditions.

The Bank's income and profit from its asset management business depend on the total value and composition of assets under its management. Any decrease in the value or composition of assets under management will cause a decline in its income and profit. The assets under management may decline or fluctuate for various reasons, many of which are outside its control. In respect of its mutual funds business, many of its funds invest in fixed income securities, the value of which may decline as a result of changes in interest rates, an issuer's actual or perceived creditworthiness or an issuer's ability to meet its obligations. This may, accordingly, adversely affect its business, financial condition and results of operation.

Certain of the Bank's Subsidiaries, Associates and entities in which it has equity investments have incurred losses, which may affect its profitability and may lead to an erosion of the value of its investments.

Certain of the Bank's Subsidiaries, Associates and entities in which it has equity investments have incurred losses in recent years. Any adverse impact on the business and revenue of its Subsidiaries or Associates will affect its profitability on a consolidated basis and could place the capital invested by it at risk, thereby affecting its consolidated business, cash flows, profitability, financial condition and results of operation.

Any volatility in housing or real estate prices may have an adverse impact on the Bank's business and its growth strategy.

The Bank has exposure to the real estate sector, including through home loans, loan against property, lease rental discounting, loans to developers and commercial real estate loans. Accordingly, it is exposed to the effects of volatility in real estate prices. Any sudden or sharp movement in housing or commercial real estate prices may adversely affect the demand and the quality of its portfolio which may have an adverse impact on its business and growth strategy. Any adverse impact on the real estate sector due to changing regulations may diminish the value of its collateral which may affect its business, cash flows and results of operations in the event of a default in repayment by borrowers. Also, if any of the projects which form part of its collateral are stalled for any reason for any length of time, the same may affect its ability to enforce its security, thereby effectively diminishing the value of such security.

Any adverse developments in the asset backed financing industry could adversely affect the Bank's business and results of operations.

The Bank has a significant portfolio in asset backed financing for cars, commercial vehicles, construction equipment and tractors. The success of this business depends on various factors that affect demand for such assets, including the demand for transportation services in India, changes in Indian regulations and policies affecting utility vehicles, tractors, commercial vehicles and cars, natural disasters, calamities, fuel prices, monsoons and other macroeconomic conditions in India and globally. This may result in a decline in the sales or value of vehicles. Such factors may also affect the business of its customers, which in turn will affect their ability to perform their obligations under the existing financing agreements. Any decline in sales of, or in demand for financing for, utility vehicles, tractors, cars or commercial vehicles or non-performance of the existing financing agreements could adversely affect the Bank's business, cash flows and results of operations.

In the event customers use loans for purposes other than those stated on the loan application, it may result in customers being unable to repay such loans to the Bank, which may have an adverse effect on its financial condition, results of operations and cash flows.

With respect to some of the Bank's loans, it does not have any direct control over how the customer actually utilizes the loan proceeds. Although its credit appraisal system conducts a due diligence during its underwriting process and exercises caution in its lending, any use of loan proceeds for purposes outside those stated on the application may negatively affect the repayment capacity of the borrowers to repay the loan. Any failure to repay such loans could have an adverse effect on the Bank's financial condition, results of operations and cash flows.

The Bank may engage in new businesses that may not be successful and may not meet its expectations.

The Bank is involved in and in the future may have further plans to be involved in new businesses, including complementary businesses, technologies, services and products.

These new businesses subject the Bank to many risks, and it can provide no assurances that any such ventures will be successful or meet its expectations. In addition, these new ventures may require regulatory approvals, and the Bank cannot assure you that it will be able to procure such approvals, either in a timely manner or at all. In addition, changes in regulations or restrictions imposed by regulators may also impact its ability to successfully execute new ventures. If these new ventures are not successful, the Bank may suffer losses, dilute value to shareholders or may not be able to take advantage of appropriate investment opportunities or conclude transactions on terms commercially acceptable to it. These ventures may require significant investments of capital and it may not realize its expected (or any) returns on these investments. Its management may also need to divert its attention from its operations in order to integrate such new businesses, which may affect the quality of operational standards and its ability to retain the business of its existing customers. The Bank could also have difficulty in integrating the acquired products, services, solutions, technologies, management and employees into its operations. The Bank may face litigation or other claims arising out of its new businesses, including disputes with regard to additional payments or other closing adjustments. These difficulties could disrupt its ongoing business, distract its management and employees, and increase its expenses. As such, its business, cash flows, financial condition and results of operations could be materially adversely affected.

The Bank continues to expand into new overseas jurisdictions which would involve a number of unknown factors that could materially and adversely affect its business, cash flows, financial condition and results of operations

The Bank continues to expand its business internationally. Its international operations are subject to risks that are specific to each country and region in which it operates as well as risks associated with international operations in general. These risks included:

- unfamiliar and potentially complex regulations and regulatory frame works and environments in the new jurisdictions;
- changes in laws, regulations and policies of India and of each particular country in which we will operate in:
- trade restrictions (including foreign trade and investment);
- currency exchange controls and currency fluctuations;
- cultural and language barriers and customer behaviour and preferences that are different from those in India and that the Bank may not understand or be able to address;
- political and macro-economic risks;
- interest rates and the availability of credit;
- property and contractual rights;
- where and to whom products may be sold;
- taxes;
- regulations associated with financial product liability;
- volatility in the industries and markets in which the Bank operates;

- varying and unpredictable requirements and preferences of customers;
- the behaviour of our competitors;
- labour disruptions;
- natural disasters;
- administrative difficulties, including difficulties in management of international partners;
- difficulty in understanding local business and regulatory environments;
- government instability and corruption; and
- war, civil unrest, other military action and terrorism.

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

The Bank relies extensively on its information technology systems and the telecommunications network in India, which require significant investment and expenditure for regular maintenance, upgrades and improvements. Failure to its system may materially and adversely affect its business, cash flows, financial condition and results of operations.

The Bank's information technology systems are a critical part of its business that help it manage, among other things, its risk management, deposit servicing and loan origination functions, as well as its increasing portfolio of products and services. It is heavily reliant on its technology systems in connection with customer acquisition, customer interaction, financial controls, risk management and transaction processing. In addition, its delivery channels include artificial intelligence programmes and applications, ATMs, call centres, mobile applications and the internet. Its offline and online business channel networks are dependent on a dense, comprehensive telecommunications network in India. While deregulation and liberalisation of telecommunications laws have prompted the steady improvement in local and long-distance telephone services, telephone network coverage and accessibility is still intermittent in many parts of India. Failure by the Indian telecommunications industry to improve network coverage to meet the demands of the rapidly growing economy may affect the Bank's ability to expand its customer base, acquire new customers or service existing customers by limiting access to its services and products. This may materially and adversely affect its business, cash flows, financial condition and results of operations.

In addition, the Bank's digital platform provides both internet and mobile application based banking services which includes multiple services such as electronic funds transfer, bill payment services, usage of credit cards on-line, requesting account statements, and requesting cheque books. These services are highly dependent on its ability to efficiently and reliably process a high volume of transactions across numerous locations and delivery channels. The Bank places heavy reliance on its technology infrastructure for processing this data; therefore, ensuring system security and availability is of paramount importance.

The Bank's success will depend, in part, on its ability to respond to new technological advances and emerging banking, capital markets, and other financial services industry standards and practices on a cost-effective and timely basis. The Bank is focused on expanding its digital channels, in particular the Bank's Kotak 811 mobile application. Any disruption to the continuation and maintenance of these digital services could have a material adverse effect on its business and financial condition.

The development and implementation of such technology entails significant technical and business risks. There can be no assurance that the Bank will successfully implement new technologies or adapt its transaction processing systems to customer requirements or improving market standards.

The Bank uses its information systems and the internet to deliver services to, and perform transactions on behalf of, its customers and it may need to regularly upgrade its systems, including its software, back-up systems and disaster recovery operations, at substantial cost so that it remains competitive. Its hardware and software systems are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet service providers. There is no warranty under its information technology licence agreements that the relevant software or system is free of interruptions, will meet its requirements or be suitable for use in any particular condition. So far, the Bank has not experienced widespread disruptions of service to its customers, but there can be no assurance that it will not encounter disruptions in the future due to substantially increased numbers of customers and transactions, or for other reasons. Any inability to maintain the reliability and efficiency of its systems could adversely affect its reputation, and its ability to attract and retain customers. In the event the Bank experiences system interruptions, errors or downtime (which could result from a variety of causes, including changes in customer use patterns, technological failure, changes to systems, linkages with third-party systems and power failures), it is unable to develop necessary technology or any other failure occurs in its systems, this may materially and adversely affect its business, cash flows, financial condition and results of operations.

The Bank may not adequately assess, monitor and manage risks inherent in its business, and any failure to manage risks could adversely affect its business, cash flows, financial position or results of operations.

The Bank is exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk (including fraud), regulatory risk, legal risk (including actions taken by its own employees) and reputational risk. 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, the Bank's 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 its ordinary decision making-process, the Bank relies 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 its 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 its 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. Although the Bank believes it has established such policies and procedures, they may not be fully effective and it cannot guarantee that its employees will follow these policies and procedures in all circumstances. Unexpected shortcomings in these policies and procedures or a failure to follow them may have a materially adverse effect on its business, cash flows, financial position or results of operations.

The Bank's success depends, in large part, upon its management team and skilled personnel and on its ability to attract and retain such persons. Inability to attract and retain such persons may restrict its ability to grow, to execute its strategy, to raise the profile of its brand, to raise funding, to make strategic

decisions and to manage the overall running of its operations, which would have a material adverse impact on its business, cash flows, results of operations and financial position.

The Bank is highly dependent on the continued services of its management team, including the efforts of its Chairperson, Managing Director & Chief Executive Officer, Joint Managing Director and Whole Time Directors. The Bank complies with the RBI guidelines on Fit & Proper Criteria for Directors, relevant provisions of the Banking Regulation Act, 1949 regarding Board composition, and other applicable provisions of the Companies Act, 2013.

For instance, Mr. Ashok Vaswani, Managing Director & CEO, has decided not to seek re-appointment upon completion of his current term on 31 December 2026. The Board has initiated the process for the appointment of a new Managing Director & CEO. However, there can be no assurance that the Bank will be able to appoint a new Managing Director & CEO in a timely manner or that any successor will be able to effectively lead the Bank and implement its strategic objectives. A delay or failure in appointing a suitable successor, or an extended period of transition, could create uncertainty among stakeholders, employees and customers, and may adversely affect the Bank's ability to execute its business strategy, maintain relationships with key counterparties and regulators, and could have a material adverse effect on its business, financial condition, cash flows and results of operations.

The Bank is also dependent on its experienced members of the Group Management Council and Key Management Personnel. For further details, please see the section "*Management*". Its future performance is dependent on the continued service of these persons. Its internal retirement policy mandates a retirement age of 60 years old, which will require several current members of its Group Management Council to retire within the next few years. The Bank may not be able to replace these Executive Board members with similarly experienced professionals, which could materially and adversely impact the quality of its management and leadership team.

The Bank's employment agreements with its management team do not contain non-compete or non-solicitation clauses in the event of termination of employment. Further, the Bank does not maintain any "key man" insurance. If one or more of these key personnel are unwilling or unable to continue in their present positions, the Bank may not be able to replace them with persons of comparable skills and expertise.

The Bank also faces a continuing challenge to hire and assimilate a number of skilled personnel. Competition for management and other skilled personnel in the industry is intense, and the Bank may not be able to attract and retain the personnel it needs in the future. The loss of key personnel or its inability to replace key personnel may restrict its ability to grow, to execute its strategy, to raise the profile of its brand, to raise funding, to make strategic decisions and to manage the overall running of its operations, which would have a material adverse impact on its business, cash flows, results of operations and financial position.

In addition, the Bank may face attrition and difficulties in hiring at senior management and other levels due to competition from existing banking and financial services entities, as well as new banks and financial services entities entering the market. Due to such intense competition, the Bank may be unable to execute its growth strategy successfully and offer competitive products and services, which would have a material adverse effect on its business, cash flows, financial condition and results of operations.

The Bank could be subject to claims by its customers and/or regulators for alleged mis-selling of its products.

The Bank sells insurance through Kotak Mahindra Life Insurance Company Limited and Zurich Kotak General Insurance Company (India) Limited (formerly known as Kotak Mahindra General Insurance Company Limited) (in which the Bank holds a 30% stake following the divestment of 70% to Zurich Insurance Company Limited in June 2024) and their intermediaries, including individual agents, corporate agents, brokers and bancassurance partners, as well as certain of its employees. Intermediaries aid the customer in choosing the correct product by

advising on appropriate benefits and affordable premiums, disclosing product features and advising on whether to continue with a particular product or switch products.

The Bank also sells investment products. Its investment advisory unit, which is a part of Kotak Alternate Asset Managers Limited (formerly known as Kotak Investment Advisors Limited) (“KAAML”), introduces and advises its customer as to the different types of products available for their investments and aids the customer in choosing appropriate products which suits their risk profile. Its investment advisory unit has received customer complaints previously but has not been involved in any material legal disputes with its customers. The Bank's Treasury group also deals with foreign currency and derivative products and offers them to customers.

Under certain circumstances, customers may claim that the Bank's sales process is inadequate or that there was misconduct on the part of its employees or intermediaries at the time of signing of the policy contract or during the course of customer service. Such misconduct could include activities such as making non-compliant or fraudulent promises of high returns on investments and recommending inappropriate products and fund management strategies. The Bank may be subject to claims by customers for such alleged instances of mis-selling. In some instances, it may also have paid a commission to the intermediary prior to a claim of mis-selling by its customers, and if it has to refund the customer but is unable to recover such commission, it might face significant losses. In addition, regulators may attribute the mis-selling activities of intermediaries to the Bank and impose penalties on it for non-compliance with relevant laws and regulations.

It is also possible that a third party aggregates a number of individual complaints against the Bank with the intention of obtaining increased negotiating power. This could result in significant financial losses to the Bank as well as loss of its reputation. Further, persons may also misrepresent themselves as agents of the Bank to defraud customers and such aggrieved customers, have filed and, in the future, may file complaints against the Bank.

Cases of mis-selling, or recurring cases of mis-selling which are sub judice or initiated against the Bank, could result in substantial claims and fines and could have a material adverse effect on its business, cash flows, financial condition, results of operations and reputation.

The Bank's business and financial results could be impacted materially by adverse results in legal proceedings.

There are outstanding legal proceedings involving the Bank and some of its Subsidiaries which are primarily incidental to the Bank's business and operations. These proceedings are pending at different levels before various courts, tribunals, quasi-judicial authorities and appellate tribunals. Any adverse decision in any of these cases may adversely affect its reputation and financial condition. No assurance can be given as to whether these proceedings will be settled in its favour or against it. If any new developments arise, for example, rulings against the Bank by the appellate courts or tribunals, it may face losses and may have to make provisions in its financial statements, which could increase its expenses and its liabilities. If a claim is determined against the Bank and it is required to pay all or a portion of the disputed amount, it could have an adverse effect on its results of operations and cash flows. Further, the Bank may incur significant expenses and management time in such proceedings and may have to make provisions in its financial statements, which could increase its expenses and liabilities.

The Bank establishes provisions for legal claims when payments associated with claims become probable and the costs can be reasonably estimated. It may still incur legal costs for a matter even if it has not established a provision. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts provisioned for that matter. The final outcome of any pending or future legal proceeding, depending on the remedy sought and granted, could affect its results of operations, cash flows and financial condition.

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

Reputational risk, or the risk to the Bank's business, earnings and capital from negative publicity, is inherent in its business. The reputation of the banking and financial services industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the banking and financial services industry generally or the Bank specifically could materially adversely affect its ability to attract and retain customers, and may expose it to litigation and regulatory action. While the Bank has developed its brand and reputation over its history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in it, particularly if such incidents receive widespread adverse mainstream and social media publicity, or attract regulatory investigations. Negative publicity can result from its own or its third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological 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 organisations in response to that conduct. Although the Bank takes steps to minimise reputational risk in dealing with customers and other constituencies, the Bank, as a large financial services organisation with a high industry profile, is inherently exposed to this risk.

Further, a failure of a cooperative bank, private sector bank or small finance bank could also affect the sentiment towards the banking industry in general and lead to deposits moving away from the segments to public sector banks. Any damage to the Bank's brand or its reputation may result in withdrawal of business by its existing customers, loss of new business from potential customers.

The Bank may breach third-party intellectual property rights which may have a material adverse effect on its business, cash flows, prospects, reputation, results of operations and financial condition.

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 that are of a similar nature to the intellectual property these third parties may have registered or are using. The Bank might also be in breach of such third-party intellectual property rights due to accidental or purposeful actions by its employees where it may also be subjected to claims by such third parties.

Any legal proceedings that 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 stop using the relevant intellectual property (including by way of temporary or permanent injunction) or make changes to its marketing strategies or to the brand names of its products, any of which may have a material adverse effect on its business, cash flows, prospects, reputation, results of operations and financial condition.

The Bank relies on third-party service providers who may not perform their obligations satisfactorily or in compliance with law.

The Bank enters into outsourcing arrangements with third party vendors, in compliance with the RBI guidelines on outsourcing. These vendors provide services which include, among others, cash management services, software services, client sourcing, debt recovery services and call centre services. However, the Bank cannot guarantee that there will be no disruptions in the provision of such services or that these third parties will adhere to their contractual obligation. If there is a disruption in the third-party services, or if the third-party service providers discontinue their service agreement with the Bank, its business, cash flows, financial condition and results of operations will be adversely affected. Given the increasing use of technology, the Bank is required to work with a number of interconnected service providers such as aggregators, merchants and payment systems to provide solutions to customers. Any weaknesses in the systems, processes or robustness of security in any

part of this network exposes the Bank to potential losses due to transactional errors, cyber events and other technical errors. In case of any dispute, the Bank cannot assure you that the terms of such agreements will not be breached, which may result in litigation costs. Such additional cost, in addition to the cost of entering into agreements with third parties in the same industry, may materially and adversely affect its business, cash flows, financial condition and results of operations. The Bank may also suffer from reputational and legal risks if its third-party service providers act unethically or unlawfully, which could materially and adversely affect its business, cash flows, financial condition and results of operations.

The Bank has entered into, and will continue to enter into, related party transactions.

The Bank has entered into and may in the course of its business continue to enter into transactions with related parties that include its Promoter. There can be no assurance that the Bank could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Bank may enter into related party transactions in the future. The Companies Act, 2013 contains specific compliance requirements such as obtaining prior approval from audit committee, the board of directors and shareholders for certain related party transactions. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between the Bank and such related parties. There can be no assurance that any dispute that arises between the Bank and related parties will be resolved in its favour. Additionally, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on its cash flows, financial condition and results of operations.

The Bank does not own a majority of its branches, delivery centres or office premises from which it operates, which may materially and adversely affect its business, cash flows, financial condition and results of operations in respect of such defaulting premises.

The Bank does not own a majority of the premises in which its branches, delivery centres and other office premises are situated. The Bank cannot assure you that it will have the right to occupy its leased premises in the future, which may impair its operations and could materially and adversely affect its business, cash flows, results of operations and financial condition.

Furthermore, some of the Bank's lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, shall not be admitted as evidence in any Indian court or may attract a penalty as prescribed under applicable law, which could adversely affect the continuance of its operations and business.

The majority of the Bank's offices, branches, ATMs and marketing outlets are located on premises leased from third parties, which require renewal or escalations in rentals from time to time during the lease period. If the Bank is unable to renew the relevant lease agreements, or if such agreements are renewed on unfavourable terms and conditions, it may be required to relocate operations and incur additional costs in such relocation. It may also face the risk of being evicted in the event that its landlords allege a breach on its part of any terms under these lease agreements. This may cause a disruption in its operations or result in increased costs, or both, which may materially and adversely affect its business, cash flows, financial condition and results of operations in respect of such defaulting premises.

The Bank's insurance coverage may not be adequate to protect it against all potential losses, which may have a material adverse effect on its business, cash flows, financial condition and results of operations.

The Bank's operations are subject to various risks inherent in the banking industry, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other *force majeure* events. Its insurance cover includes, among other things, professional indemnity, banker indemnity, personnel accident (including accidental death), directors' and officers' liability and general commercial liability. The Bank maintains insurance for its operations in India

largely through third party insurers in India. None of its insurance policies are assigned in favour of any third party.

The Bank may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in its policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm its financial condition, cash flows and future results of operations. There can be no assurance that any claims filed will be honoured fully or timely under its insurance policies. Also, its financial condition may be affected to the extent it suffers any loss or damage that is not covered by insurance or which exceeds its insurance coverage. In addition, the Bank may not be able to renew certain of its insurance policies upon their expiration, either on commercially acceptable terms or at all.

Deficiencies in the accuracy and completeness of information about the Bank's customers and counterparties may adversely impact it.

The Bank relies on the accuracy and completeness of information about its customers and counterparties, and on representations by them or third parties as to the accuracy and completeness of such information, while carrying out transactions with these entities or on their behalf. For example, when deciding whether or not to extend credit to a customer, the Bank may rely on reports of independent auditors with respect to the financial statements of the customer. It also relies on credit ratings assigned to its customers. Its business, cash flows, financial condition and results of operations could be negatively impacted by such reliance on information that is inaccurate or materially misleading. This may affect the quality of information available to the Bank about the credit history of its borrowers, especially individuals and small businesses. As a consequence, its ability to effectively manage its credit risk may be adversely affected.

Any failure or material weakness of the Bank's internal control system could cause significant operational errors, which would materially and adversely affect its profitability and reputation.

The Bank is responsible for establishing and maintaining adequate internal measures commensurate with the size of the Bank and group companies and complexity of operations. Its internal or concurrent audit functions are equipped to make an independent and objective evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to its policies, compliance requirements and internal circular guidelines. While the Bank periodically tests and updates, as necessary, its internal control systems, it is exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and its actions may not be sufficient to guarantee effective internal controls in all circumstances. Given its high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Its management information systems and internal control procedures that are designed to monitor its operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. Further, due to the scale of its operations, its management may not be able to exercise adequate oversight on its internal controls or compliance functions. If internal control weaknesses are identified, its actions may not be sufficient to fully correct such internal control weakness. The Bank faces operational risks in its various businesses within the group and there may be losses due to, amongst others, deal errors, errors made by back office teams, settlement problems, errors in computation of NAV, pricing errors, inaccurate financial reporting, fraud and failure of mission critical systems and infrastructure. In addition, certain processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, the Bank may suffer material monetary losses. Such instances may also adversely affect its reputation.

The Bank's financial performance may be materially and adversely affected by an inability to generate and sustain other income.

The Bank generates a majority of its other income from the Bank and life insurance, finance, investment and stock broking subsidiaries. It is facing various pressures in these industries that may result in reduced margins going forward. In particular, the premiums and fee structures that the Bank uses in its business may be limited by existing and upcoming regulations, which may result in it being paid less overall for its services and products. Moreover, the Indian financial services sector is facing increasing competition, which might further reduce the income that the Bank generates out of its subsidiaries. There can be no assurance that it will be able to sustain current levels of income from, or effectively manage the risks associated with, its subsidiaries' businesses in the future.

Further, as part of the Bank's growth strategy, it has been diversifying and expanding its product and service offerings to retail customers in order to build a more balanced portfolio. New initiatives, products and services entail a number of risks and challenges, including risks relating to execution, the failure to identify new segments, the inability to attract customers and the inability to make competitive offerings. If the Bank is unable to successfully diversify its products and services while managing the related risks and challenges, returns on such products and services may be less than anticipated, which may materially and adversely affect its business, cash flows, financial condition and results of operations.

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

As of 31 March 2026, the Bank has over 74,000 employees on a standalone basis. In addition, the Bank also depends on third parties to deliver products and services to customers. The Bank may not be able to prevent its large employee base or third parties acting on its behalf from engaging in conduct that could qualify as corruption, fraud or other misconduct. Such conduct could lead to fines or other regulatory sanctions. Any such instance could adversely affect its reputation, business, cash flows, financial condition and results of operations.

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

The Bank's 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, future bilateral trade relations between the US and China). As of the date of this Offering Circular, India is also in an adjustment period, having been impacted by three consecutive shocks over the past three years, namely demonetization, GST implementation, and financial sector stress.

Inflationary pressures in emerging markets and Asia are likely to ease on the back of slower global growth. 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 the Bank's 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 its 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. The Bank remains 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 its control. The Bank also remains subject to counterparty risk arising from financial institutions that can fail or are otherwise unable to meet their obligations under their contractual commitment to the Bank.

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 the Bank operates, including the United States, the United Kingdom, the United Arab Emirates and Singapore. While legislators and financial regulators across the globe including in the United States, the United Kingdom, 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 globalisation 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 our business, cash flows, financial condition, results of operations and the trading price of the Notes.

Transactions with counterparties in countries designated as state sponsors of terrorism by the U.S. State Department, the Government or other countries, or with persons targeted by U.S., Indian, EU or other economic sanctions may cause potential customers and investors to avoid doing business with the Bank or investing in its securities, harm its reputation or result in regulatory action which could materially and adversely affect its business.

The Bank engages in business with customers and counterparties from diverse backgrounds. In light of U.S., Indian, EU and other sanctions, it cannot be ruled out that some of its customers or counterparties are or 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. In addition, the association with such individuals or countries may damage its reputation or result in significant fines and regulatory restrictions being placed on it. This could have a material adverse effect on its business, cash flows, financial results and the prices of its securities.

These laws, regulations and sanctions or similar legislative or regulatory developments may further limit the Bank's business operations. If the Bank was 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 socio-political developments, even though it takes measures designed to ensure compliance with applicable laws and regulations, its reputation may suffer due to its association with certain restricted targets. The above circumstances could have a material adverse effect on its business, cash flows, financial results and the prices of its securities.

Any failure of a bank in India or one of the Bank's key overseas correspondent banks would materially and adversely affect its business.

The Bank's business relies heavily on its overseas correspondent banks to facilitate its international transactions. In India, the banking industry is also inter-dependent to facilitate domestic transactions. There is no assurance that the Bank's overseas correspondent banks or its domestic banking partners will not fail or face financial

problems. If any bank in India, especially a private bank, or any of its key overseas correspondent banks were to fail, this would materially and adversely affect the Bank's business, cash flows, financial condition and results of operations.

The Bank's hedging strategies may not be successful in preventing all risk of losses.

The Bank may utilize a variety of financial instruments, such as derivatives, options, interest rate swaps, caps and floors, futures and forward contracts to seek to hedge against any decline in value of its assets as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging transactions may also limit the opportunity for gain if the value of the hedged positions should increase, it may not be possible for the Bank to hedge against a change or event at a price sufficient to fully protect its assets from the decline in value of the positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain changes or events at all. While the Bank may enter into such transactions to seek to reduce currency exchange rate and interest rate risks, or the risks of a decline in the equity markets generally or one or more sectors of the equity markets in particular, or the risks posed by the occurrence of certain other events, unanticipated changes in currency or interest rates or increases or smaller than expected decreases in the equity markets or sectors being hedged or the non-occurrence of other events being hedged may result in a poorer overall performance for the Bank than if it had not engaged in any such hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the position being hedged may vary. Moreover, for a variety of reasons, the Bank may not seek to establish a perfect correlation between such hedging instruments and the positions being hedged. Such imperfect correlation may prevent the Bank from achieving the intended hedge or expose the Bank to additional risk of loss.

The Bank's ability to resolve its loans and NPAs and enforce collateral and security is subject to inter-creditor arrangements with other lenders, various regulations and multiple regulators with concurrent jurisdiction, which may impact the timing of its enforcement actions as well as the total amount it recovers.

The Bank's total standard restructured advances (comprising Covid-related resolution frameworks and MSME resolution frameworks) as at 31 March 2026 were a total of Rs. 132.25 crore (Covid: Rs. 74.77 crore; MSME: Rs. 57.48 crore), as at 31 March 2025 were a total of Rs. 200.49 crore (Covid: Rs. 91.16 crore; MSME: Rs. 109.33 crore), and as at 31 March 2024 were a total of Rs. 382.66 crore (Covid: Rs. 154.14 crore; MSME: Rs. 228.52 crore), all on a standalone basis. The Bank restructures assets based on a borrower's potential to restore its financial health. However, there can be no assurance that borrowers will be able to meet their obligations under restructured advances as per regulatory requirements and certain assets classified as restructured may turn delinquent. Any resulting increase in delinquency levels from restructured standard assets may adversely impact the Bank's business, cash flows, financial condition and results of operations. The Bank also has investments in security receipts arising from the sale of non-performing assets to asset reconstruction companies. There can be no assurance that asset reconstruction companies will be able to recover these assets and redeem its investments in security receipts and that there will be no reduction in the value of these investments.

In addition to the debt recovery and security enforcement mechanisms available to lenders under DRT Act and the SARFAESI Act, in 2016, the Indian parliament enacted the Insolvency and Bankruptcy Code, 2016 to provide a consolidated framework to address the concerns of lenders and to provide corporate debtors with an exit mechanism. Additionally, The Banking Regulation Act, was amended and consequently, two new sections were added to the Banking Regulation Act, being Section 35AA and Section 35AB. These sections enable the RBI to direct banks to commence an insolvency resolution process against a defaulting company under the Insolvency and Bankruptcy Code, 2016.

However, there can be no assurance that these regulatory measures will have a favourable impact on the Bank's efforts to recover NPAs. Any failure to recover the expected value of collateral would expose the Bank to potential loss. Banks in India are also required to share data with each other on certain categories of special mention accounts, and formulate action plans for resolution of these accounts.

In February 2018, the RBI scrapped all the past restructuring mechanisms such as Corporate Debt Restructuring (“CDR”) and Strategic Debt Restructuring (“SDR”). Further, the RBI issued directions in relation to the ‘Prudential Framework for Resolution of Stressed Assets’ dated 7 June 2019 with a view to provide a framework for the early recognition, reporting and time bound resolution of stressed assets. The Prudential Framework was later subsumed in the Stressed Assets Directions, the lenders shall recognize incipient stress in loan accounts, immediately on default, by classifying such accounts as SMAs, based on the number of days for which the interest or the principal payment or any other amount has been partly or wholly overdue. The RBI has also identified a list of financial difficulty signs, including the failure or anticipated failure to make timely payment of instalments of principal and interest on term loans, delay in meeting the commitments and crystallised liabilities under letters of credit and bank guarantees. Further, in accordance with the Stressed Assets Directions, all lenders shall put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. The Bank has accordingly put in place a Board-approved policy to do so. The lenders shall undertake a review of the borrower account within 30 days from the date of default once the borrower is in default, and may decide on the resolution strategy during such period, including the nature of the resolution plan, the approach for its implementation, etc. The lenders may choose to initiate legal proceedings for insolvency or recovery. For further details, please see the section entitled “*Supervision and Regulation*”.

A delay in the resolution of stressed assets and increased provisioning norms may adversely affect the Bank's business, cash flows, results of operations and financial condition.

Resolution of large borrowers' accounts which are facing severe financial difficulties may require coordinated deep financial restructuring, which often involves a substantial write-down of debt and/or making of large provisions. As a result, a delay in the resolution of stressed assets may adversely affect the Bank's business, cash flows, results of operations and financial condition.

The RBI has through the IRACP Directions stipulated norms to ensure that provisioning is done on the basis of the classification of assets based on the period for which the asset has remained non-performing and the availability of security and the realisable value thereof. Any further increase by the RBI of the provisioning requirements may adversely affect the Bank's business, cash flows, results of operations and financial condition.

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, credit cards and consumer durable loans to the retail customer segment, including salaried individuals and self-employed professionals and microfinance loans to women borrowers. In addition, the Bank offers unsecured loans to corporates, small businesses and individual businessmen. Unsecured loans are at higher credit risk for the Bank than its secured loan portfolio because they may not be supported by realisable collateral that could help ensure an adequate source of repayment for the loan. Although the Bank may obtain direct debit instructions or post-dated cheques from its customers for its unsecured loan products, it may be unable to collect in part or at all in the event of non-payment by a borrower. Further, any increase in delinquency in its unsecured loan portfolio could require the Bank to increase its provision for credit losses, which would decrease its earnings. The Bank uses scorecard based lending in some of its unsecured portfolios which rely to an extent on historical behaviour. Such scorecards may not perform as expected in stressed situations.

Devolvement of the Bank's off-balance sheet liabilities could adversely affect its financial condition

As of 31 March 2026, the Bank had total contingent liabilities (as per Banking Regulation Act 1949 and Accounting Standard 29) of Rs. 970,351.06 crore on a standalone basis. Its off-balance sheet liabilities consist of, among other things, liability on account of forward exchange and derivative contracts, guarantees and claims not acknowledged as debts. In case of derivative contracts, the Bank faces potential losses if counterparties default due to adverse market movements. The Bank is subject to credit risk on its off balance sheet commitments in the event that any of the above liabilities crystallizes, it may be required to honour the demands raised. If the Bank is unable to recover payment from its customers in respect of the commitments that it is called upon to fulfil, its business, cash flows, financial conditions and, results of operations and prospects may be adversely impacted.

The actuarial valuations of liabilities for the Bank's insurance policies with outstanding liabilities are not required to be audited and if such valuation is incorrect, it could have an adverse effect on its financial condition.

The actuarial valuation that the Bank uses to estimate its liabilities for its insurance policies with outstanding liabilities are performed by an appointed actuary. In India, appointed actuaries of an insurance company certify such valuations and that in their opinion, the assumptions for such valuations are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. The method and assumptions are peer reviewed by an independent actuary and the reviews are in accordance with Actuarial Practice Standard 4 as issued by the Institute of Actuaries of India. Its auditors rely upon its appointed actuary's certificate and do not review or audit such valuation independently, which practice might differ from other jurisdictions. If the assumptions and/or models used to conduct such an actuarial valuation of its liabilities are incorrect, or if there is an error in a calculation, it could have an adverse effect on its financial condition, given that there is no independent assurance on the actuarial liabilities through an audit process. The Bank continually monitors the assumptions used in the calculation of reserves such as discount rates, mortality, morbidity, expenses including expense inflation, persistency, revival and free look cancellations. If the Bank concludes that its reserves are insufficient to cover actual or expected policy benefits and expenses, it would be required to increase its reserves and incur income statement charges for the period in which it makes the determination, and may lead to an increase in its pricing of certain products, which could have material adverse effect on its business, cash flows, financial condition and results of operations.

The actuarial valuations of retiral benefits is carried out by an independent actuary and if such valuation is incorrect, it could have an adverse effect on the Bank's financial condition.

The Bank operates defined benefit schemes such as gratuity and pension (employees of IVBL covered under the IBA structure) for its employees. No new members are accepted into the pension plan. Under defined benefit plans, there is an obligation to pay defined future benefits from the time of retirement. The calculation of the net obligation is based on valuations made by external actuaries who are qualified to do such valuations and estimations. These valuations rely on assumptions about a number of variables, including discount rate and mortality rates and salary increases. The company relies on the valuations done by actuaries. Actuarial risk arises as estimated value of the defined benefit scheme liabilities may increase due to changes in actuarial assumptions. Some of the funds under defined contribution schemes are also invested in securities, including equities, and are hence impacted by fluctuation in the value of the underlying equities.

Changes in the Bank's pension liabilities and obligations could have a materially adverse effect on it.

The Bank operates a defined benefit pension scheme in respect of certain erstwhile IVBL employees under the IBA structure. The pension fund is administered by the board of trustees and managed by a life insurance company. Should the value of assets to liabilities in respect of the defined benefit scheme operated by the Bank record a deficit, due to either a reduction in the value of the pension fund assets (depending on the performance

of financial markets) and/or an increase in the pension fund liabilities due to changes in legislation, mortality assumptions, discount rate assumptions, inflation, the expected rate of return on scheme assets, or other factors, this could result in the Bank having to make increased contributions to reduce or satisfy the deficits which would divert resources from use in other areas of its business and reduce the Bank's capital resources.

The Bank also relies on artificial intelligence systems for customer interaction from account opening to cross selling and marketing its services as well as banking operations. Any failure of these systems could materially adversely affect its business and operations.

The Bank has invested significantly in artificial intelligence systems for its banking operations. It introduced “Keya” in financial year 2019 as a voice based automated tool to address routine customer queries. In 2019, the Bank launched an updated version of Keya with artificial intelligence that allows the system to execute customer orders without human intervention. In FY2020, the system dealt with up to approximately 2.1 million customer calls per month of which approximately 13 per cent. customer calls did not require any manual human intervention. Whilst the Bank has undertaken significant testing and has invested significantly in the maintenance and constant upgradation of this system, artificial intelligence based systems such as “Keya” are exposed to a number of internal and external risks. For example, if the system faces an unscheduled shutdown for any reason, all these calls will be routed to call centre staff. As a result the Bank would need to ensure adequate staffing at phone banking to avoid any in delay in responding to the queries and service requests of customers. Further, these artificial intelligence systems collect a significant amount of customer data and related information. Any breach of these systems by third parties resulting in a loss of customer data or incorrect execution of orders would adversely impact its business, operations and reputation.

The Bank's financial performance may be materially and adversely affected by an inability to respond promptly and effectively to new technology innovations.

Currently, technology innovations in mobilisation and digitisation of financial services require banks to continuously develop new and simplified models for offering banking products and services. Disruptive technology and new models of banking or other financial services that utilise such technology, such as micro-financing and peer-to-peer lending, might also materially and adversely affect the Bank's financial performance.

Such technologies could increase competitive pressures on banks, including the Bank, to adapt to new operating models and upgrade back-end infrastructure on an ongoing basis. There is no assurance that the Bank will be able to continue to respond promptly and effectively to new technology developments, be in a position to dedicate resources to upgrade its systems and to compete with new players entering the market. Please see related risk factor “*The Bank relies extensively on its information technology systems and the telecommunications network in India which require significant investment and expenditure for regular maintenance, upgrades and improvements.*”. Further, the improper or incorrect implementation of such technological innovations can also expose the Bank to operational losses and cyber security risks. As such, the new technology innovations may result in a material adverse effect on its business, cash flows, financial condition and results of operations.

The rise of digital platforms and payment solutions may adversely impact the Bank's floats and impact its fees, and there may be disintermediation in in various financial and insurance products and services by fintech companies.

Through the Bank's electronically linked branch network, correspondent bank arrangements and centralized processing, it effectively provides a nationwide collection, disbursement and payment systems for its clients. Disruption from digital platforms could have an adverse effect on the cash float and fees that it has traditionally received on such services. The Bank also faces threat to its loan market from newer business models that leverage technology to bring together savers and borrowers. It may not be competitive in facing up to the

challenges from such newer entrants. This may, accordingly, have an adverse impact on its business and growth strategy.

Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and International Financial Reporting Standards (“IFRS”), which investors may be more familiar with and may consider material to the Bank’s financial condition.

The Bank’s Financial Statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this Offering Circular to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If its Financial Statements were to be prepared in accordance with such other accounting principles, its results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of its Financial Statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

The RBI’s expected credit loss framework may increase provisioning requirements and impact reported financial position.

In April 2026, the RBI, issued directions which introduced an expected credit loss framework for provisioning by banks, broadly based on the principles of the International Financial Reporting Standard 9, supplemented by regulatory backstops. The expected credit loss framework introduces a staging framework for asset classification while retaining an existing classification of non-performing assets and adoption of forward-looking provisioning. These directions also introduced minimum prudential floors to be maintained by banks in additions to provisions computed based on expected credit loss framework estimates. These directions shall come into force on 1 April 2027 and will likely increase provisioning requirements for banks.

Adoption of these guidelines or any other guidelines proposed to be issued by the RBI, would have a significant impact on the way financial assets and liabilities are classified and measured, which may result in volatility in profit or loss and equity. In addition, the RBI’s annual supervisory process may assess higher provisions than we have made.

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

The Bank has not independently verified third party statistical and industry data obtained from industry publications and other industry sources referred to in this Offering Circular and therefore, while it believes them to be true, it cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in the industry publications it has referenced. Therefore, discussions of matters relating to India, its economy and the industries in which it currently operates are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

Risks Relating to the Market generally

The secondary market generally

Each issue of Notes will be a new issue of securities with no existing trading market. Application shall be made to the India INX and NSE IX for the listing and trading of the Notes on the India INX and NSE IX. The Bank cannot make any assurances that the Notes will qualify for listing on the exchanges or that a liquid trading market will develop for the Notes. There is no existing market for any Notes and there can be no assurances that a secondary market for the Notes will develop, or if a secondary market does develop, that it will provide the Noteholders with liquidity of investment or that it will continue for the life of the Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar

investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

The market value of the Notes may fluctuate. Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Bank, political, economic, financial and any other factors that can affect the capital markets, the industry, and the Bank generally. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at prices that may be higher or lower than the initial offering price. No assurance can be given as to the liquidity of, or trading market for, any Notes and an investor in such Notes must be prepared to hold such Notes for an indefinite period of time or until their maturity.

Interest rate risks

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

The market value of the Notes may fluctuate.

Trading prices of the Notes are influenced by numerous factors, including the operating results, business and/or financial condition of the Bank, political, economic, financial and any other factors that can affect the capital markets, the industry, the Bank generally. Adverse economic developments, acts of war and health hazards in countries in which the Bank operates could have a material adverse effect on the Bank's operations, operating results, business, financial position, and performance.

Developments in other markets may adversely affect the market price of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for Indian securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including India. If developments similar to the sub-prime mortgage crisis in 2008 occur in the international financial markets in the future, the market price of the Notes could be adversely affected.

Credit ratings may not reflect all risks

The Programme is expected to be rated BBB by S&P Global Ratings ("S&P"). The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

The RBI may identify additional loans as non-performing/impaired in future

The RBI performs inspections on a periodic basis and, as of the date of this Offering Circular, no material observations relating to asset classification divergences remain outstanding. Pursuant to the RBI inspection for financial year 2025, the RBI had advised classification of certain accounts as NPA, which the Bank has since duly classified and had no material impact on the Bank's financials. The observations were primarily attributable to certain system-related issues/glitches impacting the recognition and reporting of specific transactions for asset classification purposes. The Bank identified and rectified these issues and has also implemented necessary corrective and monitoring controls to mitigate recurrence. However, there can be no assurance that the RBI may not identify additional loans for classification as non-performing or impaired in future inspections or supervisory reviews.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Risks Relating to Regulations

The Bank operates in a highly regulated environment and there are numerous laws and regulations impacting many aspects of its operations, including its capital maintenance, lending limits and the types of business in which it can engage. As such, it is exposed to a number of risks relating to regulations as detailed below. Any change to the existing legal framework will require the Bank to allocate additional resources, which may increase its regulatory compliance costs and divert management attention.

The Bank has the necessary approvals from RBI with regards to the establishment of all its subsidiaries. Any changes in the RBI regulations relating to the continuation of businesses of its subsidiaries, may impact the group and it may not be able to undertake certain types of businesses. This may impact its growth and profits.

The Bank operates in a highly regulated environment. Any changes to the existing legal or regulatory framework will require the Bank to allocate additional resources, which may increase its regulatory compliance costs and direct management attention and consequently affect its business.

The Bank operates in a highly regulated environment in which the Bank and its Subsidiaries are regulated by SEBI, RBI, IRDAI, PFRDA, and other domestic and international regulators. Accordingly, legal and regulatory risks are inherent and substantial in its businesses. As the Bank operates under licences or registrations obtained from appropriate regulators, it is 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.

The Bank's business could be directly affected by any changes in applicable policies and regulations for such entities. Being regulated they are subject to regular scrutiny and supervision by their 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, the entities within the Bank could be fined or prohibited from engaging in certain business activities. For example, its investment bank could face the risk of investigation and surveillance activity and judicial or administrative proceedings that may result in substantial penalties, if it is found to be in violation of applicable law.

In addition, the Bank is also exposed to the risk of it or any of its 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 the Bank and the concerned employees. This could have a materially adverse financial and reputational impact on the Bank.

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

Our Bank may become a “foreign owned” company as per the Consolidated FDI Policy and the FEMA Rules and any investment by our Bank in its Subsidiaries may be subject to Indian foreign investment laws.

Indian companies, which are owned or controlled by non-resident entities, are subject to investment restrictions specified in the FEMA Rules. Under the FEMA Rules, an Indian company is considered to be “owned” by a non-resident entity if 50.0 per cent. or more of its equity interest is beneficially held by non-resident entities. If the non-resident equity shareholding in the Bank, reaches or exceeds 50.0 per cent., the Bank would be considered as being “owned” by non-resident entities under the FEMA Rules. In such an event, any downstream investment by the Bank may, subject to applicable regulations, be considered as indirect foreign investment and shall be subject to various requirements specified under the Consolidated FDI Policy and the FEMA Rules for downstream investments, including sectoral investment restrictions, approval requirements and pricing guidelines. As of 30 June 2026, 25.49 per cent. of the Bank's total shareholding on a fully diluted basis is “foreign owned” under the FEMA Rules.

Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, across the multiple jurisdictions the Bank operates in may materially adversely affect its business and financial performance.

The Bank's business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to the Bank and its business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, in India or in the other jurisdictions it operates in.

The governmental and regulatory bodies in India and other jurisdictions where the Bank operates may notify new regulations and/or policies, which may require the Bank to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on its operations, in addition to those which it is undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on its business, cash flows, financial condition and results of operations.

Banking Regulations

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

Tax

The application of various Indian and international sales, value-added and other tax laws, rules and regulations to the Bank's services, currently or in the future, may be subject to interpretation by applicable authorities, and if amended/ notified, could result in an increase in its tax payments (prospectively or retrospectively) and/or subject it to penalties, which could affect its business operations. Further, the Bank has incomplete income tax assessments for the previous years and it runs the risk of the Income Tax Department assessing its tax liability that may be materially different from the provision that it carries in its books for the past periods.

The Government implemented certain major reforms in Indian tax laws, such as the goods and services tax (“GST”), and provisions relating to the General Anti-Avoidance Rule (the “GAAR”).

GST was implemented with effect from 1 July 2017 and replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge collected by the central and state governments. The Bank's business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. Given that the introduction of the GST in India is still fairly recent, as GST is implemented, there can be no assurance that the Bank will not be required to comply with additional procedures and/or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on its operations. Any such changes and the related uncertainties with respect to the implementation of GST may have a material adverse effect on its financial condition, cash flows and results of operations.

As regards GAAR, the provisions came into effect from 1 April 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are invoked in relation to the Bank, it may have an adverse tax impact on the Bank.

The application of various Indian and international tax laws, rules and regulations to the Bank's business activities, currently or in the future, may be subject to interpretation by applicable authorities, and if amended or notified, could result in an increase in its tax payments (prospectively or retrospectively) and/or subject the Bank to penalties, which may materially affect its business operations.

Further, income tax assessments for the last few years have not been completed and GST authorities have not conducted a GST audit. There is therefore a risk that the Income Tax or GST authorities will assess the Bank's tax liability in the future and the audit results may be materially different from the provisions that it has been carrying in its books over the last few years.

Cash Reserve Ratio (“CRR”) and Statutory Liquidity Ratio (“SLR”) requirements

Under RBI regulations, the Bank is subject to a CRR requirement. The CRR is a bank's balance held in a current account with the RBI calculated as a specified percentage of its total net demand and time liabilities, adjusted for exemptions. Banks in India do not earn any interest on those reserves.

In addition, under the Banking Regulation Act, all banks operating in India are required to maintain an SLR. The SLR is a specified percentage of a bank's total demand and time liabilities by way of liquid assets such as cash, gold or approved unencumbered securities. Approved unencumbered securities consist of unencumbered Government securities and other securities as may be approved from time to time by the RBI and earn lower levels of interest as compared to advances to customers or investments made in other securities. The majority of Government securities held by the Bank comprised fixed rate instruments. In an environment of rising interest rates, the value of Government securities and other fixed income securities may depreciate.

Further, a decline in the valuation of the Bank's trading book as a result of rising interest rates may adversely affect its financial condition, cash flows and results of operations. As a result of the statutory requirements imposed on it, the Bank may be more structurally exposed to interest rate risk as compared to banks in other countries.

Further, the RBI may increase the CRR and SLR requirements to higher proportions as a monetary policy measure. Any increases in the CRR from the current levels could affect the Bank's ability to deploy its funds or make investments, which could in turn have a negative impact on its results of operations. The Bank is also exposed to the risk of the RBI increasing the applicable risk weight requirement for different asset classes from time to time. If the Bank is unable to meet the reserve requirements of the RBI, the RBI may impose penal interest or prohibit it from receiving any further fresh deposits, which may have a material adverse effect on its business, cash flows, financial condition and results of operations.

For further details, please see “*Supervision and Regulation*”.

Capital Adequacy, Liquidity Coverage Ratio, Net Stable Funding Ratio

In order to support and grow its business, the Bank must maintain a minimum capital adequacy ratio, and a lack of access to the capital markets may prevent it from maintaining an adequate ratio.

The RBI requires a minimum capital adequacy ratio of 9.0 per cent. of the Bank's total risk-weighted assets. RBI Basel III capital regulations are effective in India from 1 April 2013 in a phased manner. The Bank's capital adequacy ratio, under Basel III, was 22.40 per cent., 22.25 per cent. and 20.55 per cent. as of 31 March 2026, 31 March 2025 and 31 March 2024, respectively, and 22.78 per cent. as of 30 June 2026, with the CET1 ratio at 21.34 per cent. as at 31 March 2026 (21.10 per cent. as at 31 March 2025). The Bank's ability to support and grow its business would become limited if the capital adequacy ratio declines. While the Bank may access the capital markets to offset declines in its capital adequacy ratio, it may be unable to access the markets at the appropriate time or the terms of any such financing may be unattractive due to various reasons attributable to changes in the general environment, including political, legal and economic conditions.

The Basel Committee on Banking Supervision issued a comprehensive reform package entitled “*Basel III: A global regulatory framework for more resilient banks and banking systems*” in December 2010. In May 2012, the RBI released guidelines on implementation of Basel III capital regulations in India and in July 2013, the RBI issued a master circular consolidating all relevant guidelines on Basel III. In July 2014, the RBI released a master circular consolidating the guidelines on capital adequacy issued to banks till 30 June 2014. Further, in July 2015, the RBI released a consolidated master circular on “Basel III Capital Regulations.” The current Basel III and capital adequacy framework applicable to the Bank stands consolidated in the Reserve Bank of India (Commercial Banks — Prudential Norms on Capital Adequacy) Directions, 2025.

The key items covered under these guidelines include: (i) improving the quality, consistency and transparency of the capital base; (ii) enhancing risk coverage; (iii) graded enhancement of the total capital requirement; (iv) introduction of capital conservation buffer and countercyclical buffer; and (v) supplementing the risk-based capital requirement with a leverage ratio. One of the major changes in the Basel III capital regulations is that the Tier I capital will predominantly consist of common equity of the banks which includes common shares, reserves and stock surplus. Perpetual non-cumulative preference shares will be considered a part of additional Tier I capital. Basel III also defines criteria for Additional Tier I and Tier II instruments to improve their loss absorbency. The guidelines also set-out criteria for loss absorption through conversion/write-down/write-off of all non-common equity regulatory capital instruments at the point of non-viability. The point of non-viability is defined as a trigger event upon the occurrence of which non-common equity Tier I and Tier II instruments issued by banks in India under the Basel III rules may be required to be written off or converted into common equity. The RBI has also provided that the minimum capital conservation ratios shall be 2.50 per cent. of the Bank's total risk-weighted assets.

Domestically, systemically important banks would be required to maintain additional Common Equity Tier (“CET”) I capital requirement ranging from 0.2 per cent. to 1 per cent. of risk weighted assets. Banks will also be required to have an additional capital requirement increasing linearly up to 2.5 per cent. of the risk weighted assets if the RBI announces the implementation of countercyclical capital buffer requirements. Additionally, the Basel III Liquidity Coverage Ratio (“LCR”), which is a measure of the Bank’s high quality liquid assets compared to its anticipated cash outflows over a 30 day stressed period, was applied in a phased manner starting with a minimum requirement of 60.0 per cent. from 1 January 2015 and reached a minimum of 100.0 per cent. on 1 January 2019 and continues at 100.0 per cent.

As at 31 March 2026, the Bank was compliant with the applicable LCR requirements under the RBI liquidity risk management framework.

Besides the LCR, the Basel III liquidity framework also envisage the Net Stable Funding Ratio (“NSFR”), which measures the ratio between available stable funding (greater than 1 year) and the required stable funding (greater than 1 year) to support long-term lending and other long term assets. For banks in India, NSFR of at least 100 per cent. has to be maintained. As at 30 June 2026, the Bank was compliant with the applicable NSFR requirements under the RBI liquidity risk management framework.

If the Bank is unable to meet the new and revised requirements, its business and future financial performance could be adversely affected. For further details, please see “*Supervision and Regulation*”.

Labour Laws

As of 31 March 2026, the Bank has over 74,000 employees on a standalone basis. Its full-time employees are employed by the Bank and are entitled to statutory employment benefits, such as the employees’ provident fund scheme and the employees’ pension scheme, among others. In addition to its employees, its workforce also consists of outsourced personnel and personnel retained on a contractual basis.

The Bank is subject to various labour laws and regulations governing its relationships with its employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

A change of law that requires the Bank to increase the benefits to the employees from the benefits now being provided may create potentially liability for the Bank. Such benefits could also include provisions which reduce the number of hours an employee may work for or increase in number of mandatory casual leaves, which all can affect the productivity of the employees.

A change of law that requires the Bank to treat and extend benefits to its outsourced personnel, and personnel retained on a contractual basis, as being full-time employees may create potentially liability for the Bank. The Bank cannot assure you that it will be in compliance with current and future health and safety and labour laws and regulations at all times and any failure to comply with such laws and regulations, including obtaining relevant statutory and regulatory approvals, could materially and adversely affect its business, cash flows, future financial performance and results of operations.

Currently, some of the Bank’s workforce is unionized and it is possible that future calls for work stoppages or other similar actions could force the Bank to suspend all or part of its operations until disputes are resolved. The industry level wage settlement between IBA and Bank Workmen Unions takes place once in every five years. Similarly, the joint note signing between IBA and the Bank Officers’ associations takes place once in every five years. Both wage settlements for workmen and officers have become due for revision with effect from 1 November 2017. From time to time, the labour unions for the banking employees organise strikes, as a result of which, the Bank has been and may in the future be affected by strikes, work stoppages or other labour disputes. In the event of a labour dispute, protracted negotiations and strike action may impair its ability to carry

on its day-to-day operations, which could materially and adversely affect its business, cash flows, future financial performance and results of operations.

In addition, the Government of India has introduced the Code on Social Security, 2020 (“**Social Security Code**”), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations (collectively, the “**Labour Codes**”) and the Bharatiya Nyaya Sanhita, 2023, Bharatiya Nagarik Suraksha Sanhita, 2023 and Bhartiya Sakshya Adhinyam, 2023 have replaced the Indian Penal Code, 1860, Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively. The Labour Codes have come into effect from 21 November 2025, and they have rationalized and replaced 29 existing central labour laws. While the Labour Codes come into effect, the Bank is yet to determine the impact of all such laws on its business and operations which may restrict its ability to grow its business in the future and increase its expenses. Further, if the Bank is subject to penalties under the Labour Codes or if it does not obtain the requisite approvals, its business, financial condition, cash flows and results of operations may be adversely affected.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which the Bank operates, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for the Bank to resolve and may impact the viability of its current business or restrict its ability to grow its business in the future. The Bank may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect its business, results of operations, cash flows, financial condition and prospects.

The Bank depends on various licenses issued by domestic and foreign regulators for its banking and other operations. Failure to obtain, renew or maintain any required approvals, permits or licenses, may result in the interruption of all or some of its operations, which could materially and adversely affect the business and results of operations.

The Bank is also required to maintain various licenses issued by domestic regulators and foreign regulators for its banking and other operations. Domestically, the Bank maintains its licenses with the RBI, IRDAI, PFRDA and SEBI. Globally, it maintains its licenses with FSC Mauritius, Central Bank of UAE, FCA, DFSA Dubai, MAS, and in the United States, the Securities and Exchange Commission and FINRA. Any license the Bank has obtained may be revoked if it fails to comply with any of the terms or conditions relating to such license, or restrictions may be placed on its operations. Any such failure to obtain, renew or maintain any required approvals, permits or licenses, may result in the interruption of all or some of its operations, which could materially and adversely affect its business, cash flows and results of operations.

RBI may cancel a licence for violations of the conditions under which it was granted. The RBI issues instructions and guidelines to banks on branch authorisation from time to time. The RBI, by way of guidelines dated 18 May 2017, granted general permission to domestic banks to open banking outlets in Tier 1 to Tier 6 centres, without prior permission of the RBI and subject to certain specified conditions. This continues to be the case under the Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025. If the Bank is unable to perform in a manner satisfactory to the RBI in any of the above areas, it may have an impact on the number of branches it will be able to open and would in turn have an impact on its future growth and may also result in the imposition of penal measures by the RBI. For details, please see “*Supervision and Regulation*”.

The Bank's customer onboarding process, including for Kotak 811, is highly dependent on Aadhaar authentication. Any change in regulatory guidelines on Aadhaar might adversely affect its customer acquisition process.

All bank accounts, trading accounts and demat accounts for securities in India are required to be linked to Aadhaar, a unique-identity number issued to Indian residents. Kotak 811, the Bank's mobile application has been a significant part in its customer onboarding process and any changes in regulatory guidelines for the way Aadhaar authentication is required for bank accounts and online banking services may adversely affect its customer acquisition process.

The Bank is required to undertake directed lending under RBI guidelines. It may experience a higher level of non-performing assets in its directed lending portfolio, which could materially adversely impact the quality of its loan portfolio and its business. Further, in the case of any shortfall in complying with these requirements, it may be required to invest in deposits as directed by the RBI. These deposits yield low returns, which may impact its profitability.

The RBI prescribes guidelines on priority sector lending (“PSL”) in India. Under these guidelines, banks in India are required to lend 40 per cent. of their adjusted net bank credit (“ANBC”) or the credit equivalent amount of off-balance sheet exposures (“CEOBE”), whichever is higher, as defined by the RBI, to certain eligible sectors categorised as priority sectors. The priority sector requirements are monitored on a quarterly basis to arrive at a shortfall or excess lending in each quarter. A simple average of all quarters will be arrived at and considered for computation of overall shortfall or excess as at the end of the financial year. Of the total priority sector advances, the RBI specifies sub-targets for lending towards agricultural advances, micro, small and medium enterprises, advances to weaker sections and the differential rate of interest scheme.

The Bank has not always been able to meet the lending targets of certain sub-targets of the priority sector lending scheme in the past and may not be able to meet the overall priority sector lending target or certain sub-targets in the future. For example, the Bank has in the past failed to meet the sub-targets for lending to small and marginal farmers, as a result of which it was required to increase its contribution to the RIDF (as defined below). Furthermore, the RBI can make changes to the types of loans that qualify under the PSL scheme or the RBI can change the sub-target requirements. Changes that reduce the types of loans that can qualify toward meeting the Bank's PSL targets could increase shortfalls under the overall target or under certain sub-targets.

In the case of non-achievement of priority sector lending targets, including sub-targets, the Bank is required to invest in the Rural Infrastructure Development Fund (“RIDF”) established with NABARD and other Funds with NHB/SIDBI/ MUDRA Ltd. as decided by the RBI from time to time. The amount to be deposited, interest rates on such deposits and periods of deposits, and other terms, are determined by the RBI from time to time. The interest rates on such deposits are lower than the interest rates which the Bank would have obtained by investing these funds at its discretion. Additionally, as per RBI guidelines, non-achievement of priority sector lending target and sub-targets will be taken into account by the RBI when granting regulatory clearances/approvals for various purposes.

The Bank may experience a higher level of NPAs in its directed lending portfolio, particularly in loans to the agricultural sector, small enterprises and weaker sections, where it is less able to control the portfolio quality and where economic difficulties are likely to affect its borrowers more severely. In FY2026, the Bank achieved priority sector lending of 43.05 per cent. of Adjusted Net Bank Credit, above the regulatory requirement of 40 per cent., with the gross NPA ratio in priority sector advances at 1.51 per cent. as of 31 March 2026 (compared with 1.69 per cent. as of 31 March 2025). Further expansion of the PSL scheme could result in an increase of NPAs due to the Bank's limited ability to control the portfolio quality under the directed lending requirements.

In addition to the directed lending requirements, the RBI has encouraged 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. The expansion into these markets involves significant investments and recurring costs. The profitability of these operations depends on the Bank's ability to generate business volumes in these centres and from these customers. Future changes by the RBI in the directed lending norms may result in the Bank's inability to meet the priority sector lending requirements as well as require it to increase its lending to relatively more risky segments and may result in an increase in non-performing loans.

In accordance with the Stressed Assets Directions, all lenders shall put in place Board-approved policies for resolution of stressed assets, including the timelines for resolution. The lenders shall undertake a review of the borrower account within 30 days from the date of default, once the borrower is in default, and may decide on the resolution strategy during such period, including the nature of the resolution plan, the approach for its implementation, etc. The lenders may choose to initiate legal proceedings for insolvency or recovery. In the event such amount from the borrower account cannot be recovered, such accounts may be considered as NPAs in accordance with the extent RBI framework.

The Bank faces restrictions on lending to large borrowers which may have a material adverse effect on its business, financial condition and results of operations.

On 3 June 2019, the RBI released the Guidelines on Large Exposure Framework (“LEF”) applicable to all scheduled commercial banks (other than regional rural banks) with a view to capture exposures and concentration risks more accurately and to align the previous guidelines and instructions on Large Exposures Framework with international norms, which superseded the previous circulars on large exposure framework. Please see “*Supervision and Regulation*”.

From April 2019, in accordance with the LEF, the Bank's limits for single and group borrowers are 20.0 per cent. and 25.0 per cent. of its Tier 1 Capital funds. These limits may be subjected to further changes and revisions in future. These new regulations may have a material adverse effect on the Bank's business, cash flows, financial condition and results of operations.

RBI guidelines relating to ownership in private banks and foreign ownership restrictions in private banks and their downstream companies could discourage or prevent a change of control or other business combination involving the Bank.

Reserve Bank of India (Commercial Banks – Acquisition and Holding of Shares or Voting Rights) Directions, 2025 (“**Shareholding Directions**”) prescribes limits on ownership for all shareholders in the long run based on categorization of shareholders under two broad categories, namely (i) non-promoter; and (ii) promoter. Further, non-promoter shall have further limits for shareholding as laid down in the Shareholding Directions.

The RBI may permit higher percentages of holding or strategic investment by promoters or non-promoters through capital infusion by domestic or foreign entities or institutions on a case-by-case basis, under circumstances such as relinquishment by existing promoters, rehabilitation/restructuring of problem/weak banks/entrenchment of existing promoters or in the interest of the bank or in the interest of consolidation in the banking sector, etc.

If a transaction results in any person acquiring or agreeing to acquire, directly or indirectly, by itself or acting in concert with any other person, shares of a banking company or voting rights therein which taken together with shares and voting rights, if any, held by such person or such person's relative or associate enterprise or person acting in concert with such person, results in such person(s) holding 5.0 per cent. or more of the paid-up share capital of a banking company or entitles such person(s) to exercise 5.0 per cent. or more of a banking company's voting rights, RBI's approval is required under the Banking Regulation Act and the Shareholding Directions prior to such a transaction.

The RBI, when considering whether to grant an approval, may take into account all matters that it considers relevant to the application, including meeting fit and proper criteria, in accordance with the Shareholding Directions.

The RBI has limited voting rights in private sector banks to 26.0 per cent. pursuant to Section 12(2) of the Banking Regulation Act read with gazette notification DBR.PSBD.No.1084/16.13.100/2016-17 dated July 21, 2016.

There are also foreign ownership restrictions in a private bank and in downstream companies which may impact an acquirer's ability to acquire a majority of the Bank's shares or acquire control over the Bank.

Such restrictions could discourage or prevent a change in control, merger, consolidation, takeover or other business combination involving the Bank, which might be beneficial to its shareholders.

Any person holding substantial stake in the Bank could discourage or prevent another entity from exploring the possibility of a combination with the Bank. Any such obstacles to potentially synergistic business combinations could negatively impact its share price and have a material adverse effect on its ability to compete effectively with other large private sector banks and, consequently, its ability to maintain and improve its financial condition.

RBI guidelines relating to prompt corrective action could materially and adversely affect our business, future financial performance and results of operations.

The RBI has consolidated the prompt corrective action framework for banks into the Reserve Bank of India (Commercial Banks – Miscellaneous) Supervisory Directions, 2026 dated 31 July 2026 (“**Miscellaneous Supervisory Directions**”). The objective of the prompt corrective action (PCA) framework is to enable supervisory intervention at appropriate time and require the bank to initiate and implement remedial measures in a timely manner, so as to restore its financial health. Under the framework, capital, asset quality and leverage are the key areas monitored, with stipulated thresholds for capital ratios, net non-performing assets, and Tier 1 leverage ratio. A bank will generally be placed under the PCA framework based on its audited annual financial results and the ongoing supervisory assessment made by the RBI, although the RBI may impose PCA on any bank during the course of a year (including migration from one threshold to another) in case the circumstances so warrant. When the PCA framework is triggered, the RBI would have a range of mandatory and discretionary actions it can take to address the outstanding issues. These include, among others, restrictions on dividend distribution and remittance of profits, requirements for promoters or parents to bring in capital, restrictions on branch expansion and capital expenditure (other than for technological upgradation within Board approved limits), conducting supervisory meetings, advising banks' boards for altering business strategy, review of capital planning, restricting staff expansion, removing managerial persons, superseding the Board, and resolution of the bank by amalgamation or reconstruction under Section 45 of the Banking Regulation Act. A bank may exit the PCA framework if no breaches in risk thresholds in any of the parameters are observed as per four continuous quarterly financial statements, one of which should be the audited annual financial statements (subject to assessment by the RBI), and based on the supervisory comfort of the RBI, including an assessment on sustainability of profitability of the bank. If the Bank is covered under the PCA framework, it could materially and adversely affect its business, cash flows, future financial performance and results of operations.

The Bank has previously been subject to penalties imposed by the RBI and the IRDAI. Any regulatory investigations, fines, sanctions, and requirements relating to conduct of business and financial crime could negatively affect its business and financial results, or cause serious reputational harm across its businesses.

The RBI is empowered under the Banking Regulation Act, to impose penalties on banks for any failure by the banks to comply with the applicable regulatory requirements. For example, in April 2025, the RBI imposed a

Rs. 6.14 million penalty on the Bank for non-compliance with the directions issued by the RBI on 'Bank Finance to Non-Banking Financial Companies ("NBFCs")', 'Guidelines on Loan System for Delivery of Bank Credit' and 'Loans and Advances -Statutory and Other Restrictions'. Separately, in December 2025, the RBI imposed a Rs. 6.19 million penalty on the Bank for non-compliance with RBI directions relating to access to banking services (including basic savings bank deposit accounts), the scope of activities of business correspondents and the Credit Information Companies (Regulation) Act, 2005 and Rules, 2006.

Separately, on 24 April 2024, the RBI directed the Bank to cease and desist, with immediate effect, from (i) onboarding new customers through the Bank's online and mobile banking channels, and (ii) issuing fresh credit cards, on account of the deficiencies observed by the RBI in its IT Examination of the Bank. Considering the remedial measures undertaken by the Bank to address the supervisory concerns, on 12 February 2025, the RBI lifted the aforementioned restrictions placed on the Bank.

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

Any non-compliance with mandatory Anti Money Laundering (AML) and Know Your Customer (KYC) policies could expose the Bank to additional liability and harm its business and reputation.

In accordance with the requirements applicable to banks, the Bank is mandated to comply with applicable AML and KYC regulations in India. These laws and regulations require the Bank, among other things, to adopt and enforce AML and KYC policies and procedures and carry out risk assessment in relation to money laundering and terrorist financing. For further details, see "*Supervision and Regulation*". While the Bank has adopted policies and procedures aimed at collecting and maintaining all AML and KYC related information from its customers in order to detect and prevent the use of its banking networks for illegal money-laundering activities, there may be instances where the Bank may be used by other parties in attempts to engage in money-laundering and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of the Bank's KYC processes it is required to collect and report certain information regarding US persons having accounts with the Bank. In the recent past, as the Bank has expanded its digital initiatives, it has acquired a large number of customers through these initiatives, such as its Kotak 811 mobile application. The accounts opened on the Kotak 811 platform are opened prior to any KYC processes. There is therefore a risk that individuals who open accounts through the Kotak 811 application may use the platform for illegal money-laundering activities and other illegal or improper activities as these customers are not initially screened through the appropriate processes. In the past, the Bank has had to freeze or close certain accounts opened through Kotak 811, due to non-compliance by customers with KYC requirements, in compliance with the applicable laws.

Although the Bank believes that it has adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance, including FATCA compliance, and has taken necessary corrective measures, there can be no assurance that it will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties by the relevant government agencies to whom it reports, including the FIU-IND. Its business and reputation could suffer if any such parties use or attempt to use the Bank for money-laundering or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in

compliance with applicable regulatory requirements. There have been KYC deficiencies in the past and notices from RBI have been received in relation to the same.

RBI may remove any employee, managerial person or may supersede the Bank's Board which may adversely affect its 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. 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 12 months. The RBI may exercise powers of supersession where it is satisfied, in consultation with the Central 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 RBI, the Bank's business, cash flows, results of operations and financial conditions would be materially and adversely affected.

The RBI has the power to apply to the Central Government for an order of moratorium and amalgamation of banking companies inter alia in the interest of the banking system of the country

In terms of Section 45 of the Banking Regulation Act, the RBI has the power to apply to the Central Government for an order of moratorium for a banking company, for a fixed time period not exceeding six months. During such moratorium, the RBI has the power to, amongst other things, prepare a scheme for the reconstruction or amalgamation of the banking company with any other banking institution, in the public interest, in the interest of the depositors, in order to secure the proper management of the banking company or in the interests of the banking system of the country as a whole. The RBI may exercise such powers to apply to the Central Government to sanction an order for the amalgamation of the Bank with any bank in accordance with the Banking Regulation Act, or otherwise for the Bank to invest in another banking company or for the amalgamation of any other banking company in the Bank, as it may deem necessary. If any such order is sanctioned by the Central Government, the Bank will be required to comply with such order and its business, cash flows, results of operations and financial conditions may be materially and adversely affected.

Non-compliance with RBI inspection/observations may have a material adverse effect on the Bank's business, financial condition or results of operation.

The Bank is subject to periodic inspections by RBI under the Banking Regulation Act. The Bank is also required to furnish supervisory returns and reports to the RBI in accordance with the Reserve Bank of India (Commercial Banks – Supervisory Returns) Directions, 2026 dated 31 July 2026. In the past certain observations were made by RBI during such inspections regarding its business and operations. While the Bank attempts to be in compliance with all regulatory provisions applicable to it, in the event it is not able to comply with the observations made by the RBI, it could be subject to supervisory actions which may have a material adverse effect on its reputation, cash flows, financial condition and results of operations.

Risks Relating to India

Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm the Bank's business and its future financial performance.

Any adverse change in India's credit rating by an international rating agency could materially adversely affect the Bank's business and profitability.

The Bank's outstanding debt is mostly domestic even though the Bank is rated both domestically and internationally.

Any adverse credit rating outlook on India would impact the country's outlook and cascade into interest rate and currency depreciation. There can be no assurance that rating agencies will maintain their views on India's sovereign rating.

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. Therefore, 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. Any of these developments may materially and adversely affect its business, cash flows, financial condition and results of operations.

Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact the Bank.

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

Further, increased volatility in foreign flows may also affect monetary policy decision making. For instance, a period of net capital outflows might force the RBI to keep monetary policy tighter than optimal to guard against any abnormal currency depreciation.

Political instability or changes in the government in India could delay the liberalisation of the Indian economy and materially adversely affect economic conditions in India generally, which would impact the Bank's financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. Nevertheless, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators remain significant as independent factors in the Indian economy.

In recent years, India has been following a course of economic liberalisation and the Bank's business could be significantly influenced by economic policies followed by the Government. Further, the Bank's businesses are also impacted by regulation and conditions in the various states in India where it operates. There can be no assurance as to the policies future governments will follow or that it will continue the policies of the existing government.

The rate of economic liberalisation is subject to change and specific laws and policies affecting banking and finance companies, foreign investment, currency exchange and other matters affecting investment in the Bank's securities are continuously evolving as well. Any significant change in India's economic liberalisation, deregulation policies or other major economic reforms could materially adversely affect business and economic conditions in India generally and the Bank's business in particular.

Pandemics, terrorist attacks, civil unrest and other acts of violence or war involving India and other countries would negatively affect the Indian market and lead to a loss of confidence and impair travel, which could reduce its customers' appetite for its products and services.

Terrorist attacks and other acts of violence or war or pandemics may negatively affect the Indian markets and also materially adversely affect the global financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and as a result ultimately materially adversely affect its business. In addition, any deterioration in relations between India and its neighbours might result in investor concern about stability in the region, which could materially adversely affect the Bank's business..

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

Investors may have difficulty enforcing foreign judgments in India against the Bank or its management.

The Bank was constituted under the Companies Act, 1956. Substantially all of the Bank's directors and executive officers named herein are residents of India and a substantial portion of the assets of the Bank and such persons are located in India. As a result, it may not be possible for investors outside of India to effect service of process on the Bank or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon civil liabilities of the Bank or such directors and executive officers under laws other than Indian Law.

For more information on the enforcement of civil liabilities in India, please see the section entitled "Enforcement of Civil Liabilities."

A slowdown in economic growth in India would cause the Bank to experience slower growth in its asset portfolio and deterioration in the quality of its assets.

The Bank's performance and the quality and growth of its assets are necessarily dependent on the health of the overall Indian economy, which in turn is linked to global economic conditions. Below-trend global growth may adversely affect the growth prospects of the Indian economy. This could adversely affect the Bank's business, including its ability to grow its asset portfolio, the quality of its assets and its ability to implement its strategy. The Indian economy may be adversely affected by volatile oil prices, given India's dependence on imported oil for its energy needs, inflationary pressures and weather conditions adversely affecting the Indian agricultural market or other factors. This may have a cascading impact on its asset portfolio. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is rising, while that of the industrial, manufacturing and agricultural sectors is declining. Finally, India faces major challenges in sustaining its growth, which include the need for substantial infrastructure development and improving access to healthcare and education. If the Indian economy deteriorates, its asset base may erode, which would result in a material decrease in its net profits and total assets.

Risks Relating to an Investment in the Notes

The Notes may not be a suitable investment for all investors.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement; (ii) have access to, and knowledge of, the appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio; (iii) have sufficient financial

resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency; (iv) understand thoroughly the terms of the Notes and be familiar with the nature of any relevant indices and financial markets; (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. The Notes are complex financial instruments and investors may purchase such instruments as a way to manage risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. The Notes are unsecured obligations, the repayment of which may be jeopardized in certain circumstances such as: (i) the Bank enters into bankruptcy, liquidation, reorganization or other winding-up procedures; (ii) there is a default in payment under the Bank's future secured indebtedness or other unsecured indebtedness; or (iii) there is an acceleration of any of the Bank's indebtedness. If any of these events occur, 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.

Payments under the Notes may be subject to RBI regulations regarding remittances of funds outside India (including foreign exchange regulations).

Remittance of funds outside India by the Issuer pursuant to indemnity clauses under the Terms and Conditions of the Notes, the Trust Deed or any other agreements in relation to the Notes requires prior RBI approval under RBI regulations. If the Bank is unable to make payments with respect to the Notes from its overseas branches and instead makes payments from India, such payments shall be subject to RBI regulations governing the remittance of funds outside India. The Bank is under no obligation to maintain liquidity at its overseas branches to make interest payments due on the Notes. Any approval, if and when required, for the remittance of funds outside India is at the discretion of the RBI and the Bank can give no assurance that it will be able to obtain such approvals.

The Bank's obligations under the Notes will be subordinated to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the Government of India on account of taxes and certain liabilities incurred in the ordinary course of our business (including workmen's dues). In particular, in the event of bankruptcy, liquidation or winding-up, our assets will be available to pay obligations on the Notes only after all of those liabilities that rank senior to these Notes have been paid. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Notes will at all times rank pari passu among themselves and at least pari passu with all other present and future secured obligations of the Bank, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The terms of the Notes do not prevent the Bank from incurring additional debt. Accordingly, the Notes will at all times rank pari passu among themselves, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The interest rate on the Notes may be reset, which may affect the market value of the Notes.

The interest rate on the Notes may be reset and this reset rate could be less than the initial rate of interest and/or the interest rate that applies immediately prior to such reset, which could affect the amount of any interest payments under the Notes and so the market value of an investment in the Notes.

An active trading market for the Notes may not develop and the Notes may have limited liquidity.

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.

Furthermore, the dealers are not obligated to make a market in the Notes and any such market making, if commenced, may be discontinued at any time at the sole discretion of the relevant dealers. No assurance can be given as to the liquidity of, or trading market for, the Notes.

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. Further, 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 issued by the Head Office 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 issued by the Head Office (whether due to certain tax events described in Condition 7.2 or due to an Event of Default as specified in Condition 11 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 9.2) 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.

A downgrade in ratings may affect the trading price of the Notes.

Any ratings assigned to the Notes that may be issued under the Programme do not reflect the Bank's ability to make timely payments of principal and interest on senior unsecured debts. A rating is not a recommendation to buy, sell or hold any security, does not address the likelihood or timing or repayment of the Notes and may be subject to revision, suspension or withdrawal at any time by the assigned rating organization. There can be no assurance that the ratings assigned to it or the Notes will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. A downgrade in ratings may affect the trading price of the Notes.

Modification, waivers and substitution to Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed, Agency Agreement may even bind Noteholders who did not vote for the modification, waivers and substitution to any such aforementioned documents or attend the Noteholders' meeting.

The Terms and Conditions of the Notes will contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Terms and Conditions of the Notes will also provide that the Trustee may (but shall not be obliged to) agree, without the consent of the Noteholders, (i) any modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, the Trust Deed or the Agency Agreement; or (ii) any modification which is, in the opinion of the Trustee, of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of applicable law, provided that prior written approval of the RBI or the designated Authorised Dealer Bank (as the case may be) is obtained for such modification (if applicable).

The Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, the right to given notice to the Bank following the occurrence of an Event of Default as contemplated in Condition 11.1 (in respect of Senior Notes) and Condition 11.2 (in respect of Subordinated Notes) and the right to institute proceedings or take any other steps and/or action against the Bank as it may think fit as contemplated in Condition 11.3, the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes steps and/or actions and/or institute proceedings on behalf of the Noteholders. The Trustee shall not be obliged to take any such steps and/or actions and/or institute such proceedings if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may have an impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or institute any proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such steps and/or actions and/or institute such proceedings directly.

Risks Relating to the Subordinated Notes

Notes which are Subordinated Notes are subordinated and have only limited rights of acceleration.

The relevant Pricing Supplement may specify that the Notes will be Subordinated Notes (as defined in Condition 1 of the Terms and Conditions of the Notes), 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 pari passu and without preference among the Additional Tier 1 Notes and the Tier 2 Notes respectively. The Subordinated Notes are not deposits and are not insured by

the Bank or guaranteed or insured by any party related to the Bank and they may not be used as collateral for any loan made by the Bank. In the event of a liquidation or winding up of the Bank, the claims of the holders of Tier 2 Notes and any relative receipts pursuant thereto will be subordinated in right of payment to the claims of all other creditors (other than claims of holders of Subordinated Indebtedness (as defined in the terms and conditions of the Notes) ranking equal to or lower than the claims of the holders of Tier 2 Notes and any relative receipts, if any) of the Bank in the manner and to the extent provided in the Trust Deed. In the event of a liquidation or winding up of the Bank, claims in respect of the Additional Tier 1 Notes will rank: (a) senior to the claims of investors in equity shares and perpetual non-cumulative preference shares of the Bank; (b) subordinate to the claims of all depositors and general creditors and holders of subordinated debt of the Bank other than any subordinated debt qualifying as Additional Tier 1 Capital (as defined in the terms and conditions of the Notes) of the Bank (as defined under the RBI Guidelines); and (c) *pari passu* and without preference among themselves and with any other claims in respect of debt instruments classified as Additional Tier 1 Capital under the RBI Guidelines and, to the extent permitted by the RBI Guidelines, with any subordinated obligation that was eligible for inclusion in hybrid Tier I capital under the then prevailing Basel II guidelines of the RBI.

As a consequence of these subordination provisions, in the event of a winding-up of the Bank's operations, 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 Note may claim for the Outstanding Nominal Amount of their Notes (that is, the amount of such Notes following any Write-Down or, in the case of Additional Tier 1 Notes, Reinstatements) plus any accrued but unpaid interest. Furthermore, if the Bank's indebtedness were to be accelerated, its assets may be insufficient to repay in full borrowings under all such debt instruments, including the Notes.

Subordinated Notes may be subject to write off on the occurrence of a PoNV Trigger Event, or, in the case of Additional Tier 1 Notes only, a CET1 Trigger Event.

The Basel Committee on Banking Supervision ("BCBS") recommended a number of fundamental reforms to the regulatory capital framework for internationally active banks which are designed, in part, to ensure that capital instruments issued by such banks fully absorb losses before tax payers are exposed to loss (the "Basel III Reforms"). The principal elements of the Basel III Reforms are set out in the Basel Committee paper dated 16 December 2010 (as revised in June 2011) and in a press release dated 13 January 2011. The Basel III Reforms were implemented in India, through the Basel III Guidelines, with effect from 1 April 2013, and are subject to a series of transitional arrangements to be phased in over a period of time. The capital ratios specified in the Basel III Guidelines have been fully implemented in India in 2019 by banking companies. In order to ensure smooth migration to Basel III without aggravating any near term stress, appropriate grandfathering and transitional arrangements were made by the BCBS in terms of which national implementation of Basel III was set to begin on 1 January 2013. The Basel III capital regulations were fully implemented in India as on October 1, 2021. The RBI issued various master circular on the Basel III norms which consolidated the instructions on the Basel III reforms. As of November 28, 2025, these circulars were withdrawn by the Department of Regulation, RBI. The RBI, on November 28, 2025, issued the Reserve Bank of India (Commercial Banks - Prudential Norms on Capital Adequacy) Directions, 2025 ("**Capital Adequacy Directions**"), and similar instructions for each of the following entities: Small Finance Banks, Payments Banks, Local Area Banks, Regional Rural Banks, Urban Co-operative Banks, Rural Co-operative Banks, All India Financial Institutions and Non-Banking Financial Companies.

The Capital Adequacy Directions 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, at the option of the RBI, written off or converted into ordinary shares upon the occurrence of a PoNV Trigger Event (the "**PoNV rule**"). The

PoNV rule may be met contractually (by inclusion of appropriate provisions in the terms and conditions of the instrument) or by the existence of laws in a jurisdiction that give relevant authorities appropriate powers. In India, the PoNV rule has been implemented as a requirement for appropriate provisions to be included in the terms and conditions of the instrument. A “PONV Trigger Event” under the Indian regulations means in respect of the Bank or the Group, the earlier of: (a) a decision that a conversion or write-off, without which the Bank or the Group (as the case may be) would become non-viable, is necessary, as determined by the RBI; and (b) the decision to make a public sector injection of capital, or equivalent support, without which the Bank or the Group (as the case may be) would have become non-viable, as determined by the relevant authority. The Subordinated Notes will be permanently written-down on the occurrence of such PoNV Trigger Event (see Condition 8.1). In the event of a Write-Down, investors may lose the entire amount of their investment in any Subordinated Notes. In the event that a PoNV Trigger Event or CET1 Trigger Event (in the case of Additional Tier 1 Notes only) occurs, all or some of the rights of holders of Subordinated Notes and the Receipts and Coupons relating to them shall be subject to Write-Down. This may not result in the same outcome for Subordinated Noteholders as would have occurred upon the occurrence of any winding-up proceedings of the Bank.

Furthermore, upon the occurrence of a Write-Down of any Subordinated Notes, the right to receive interest on any portion of nominal amount Written-Down will cease and all interest amounts that were not due and payable prior to the Write-Down shall be cancelled. Consequently, Noteholders will not be entitled to receive any interest that has accrued on such portion of nominal amount of Subordinated Notes Written Down from (and including) the last Interest Payment Date falling on or prior to the Loss Absorption Event Notice. In the case of a Write-Down in respect of a PoNV Trigger Event only, any such Write-Down will be permanent and the Noteholders will, upon the occurrence of such Write-Down, not receive any shares or other participation rights of the Bank or be entitled to any other participation in the upside potential of any equity or debt securities issued by the Bank, or be entitled to any subsequent write-up or any other compensation in the event of a recovery of the Bank.

It will be difficult to predict when, if at all, a principal Write-Down of Subordinated Notes will occur. The RBI has provided limited guidance as to how it would determine non-viability. Under RBI regulations, non-viability could result from the Bank’s financial and other difficulties likely to result in financial losses and affect its ability to continue as a going concern. Non-viability may be declared if the resultant augmentation of equity is likely to restore depositors’ and investors’ confidence or improve the rating and creditworthiness of the Bank. However, it is possible that the RBI’s position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which affect the business, operation and financial condition of the Bank. For instance, systemic and non-systemic macroeconomic, environmental and operational factors, domestically or globally, may affect the viability of the Bank. Accordingly, trading behaviour in respect of any Additional Tier 1 Notes or Tier 2 Notes may not follow the trading behaviour associated with other types of securities. Potential investors in any Additional Tier 1 Notes or Tier 2 Notes should consider the risk that a holder may lose all of its investment, including the principal amount plus any accrued interest, if such regulatory loss absorption measures are acted upon.

Furthermore, there can be no assurance that the Basel Committee will not propose further amendments to the Basel Accords or that the relevant authorities (including the RBI) in India will not impose requirements on banks that are more onerous than those contained in the Basel III Reforms. Further changes in law after the date hereof may affect the rights of holders of the Subordinated Notes as well as the market value of the Subordinated Notes.

In addition, Additional Tier 1 Notes will be Written-Down upon the occurrence of a CET1 Trigger Event. If the Bank’s or the Group’s Common Equity Tier 1 Ratio is at or below 6.125 per cent., accrued interest on the Additional Tier 1 Notes will be cancelled and the Outstanding Nominal Amount of the Additional Tier 1 Notes

may be reduced (see Condition 8.2 of the terms and conditions of the Notes). Holders may lose all or some of their investment as a result of a Write-Down. During the period of any Write-Down, interest will accrue on the Outstanding Nominal Amount of the Additional Tier 1 Notes, which shall be lower than their Issued Nominal Amount.

Following a Write-Down pursuant to a CET1 Trigger Event, the Outstanding Nominal Amount of the relevant Additional Tier 1 Notes may be increased up to the Maximum Reinstatement Amount (each as defined in the Conditions). However, such Reinstatement is at the discretion of the 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 and/or the Group's Core Equity Tier 1 Capital Ratio. Any indication that the Bank's and/or the Group's Core Equity Tier 1 Capital Ratio is trending towards 6.125 per cent. may have an adverse effect on the market price of the Additional Tier 1 Notes. The level of the Bank's and/or the Group's Core Equity Tier 1 Capital Ratio may significantly affect the trading price of the Additional Tier 1 Notes.

The Bank may vary the terms of Subordinated Notes.

The Bank may, without the consent or approval of the Noteholders or the Trustee, but subject to the prior approval of the RBI, vary the terms of any Subordinated Notes, so that they remain or, as appropriate, become Qualifying Subordinated Notes, subject to certain conditions. The terms of such varied Subordinated Notes may contain one or more provisions that are substantially different from the terms of the original Notes, provided that the Subordinated Notes remain Qualifying Subordinated Notes in accordance with the Conditions. While the Bank cannot make changes to the terms of the Subordinated Notes that would result in the varied securities having terms and conditions materially less favourable to a Noteholder than the Subordinated Notes, the Bank will determine whether such terms and conditions are materially less favourable and will not be required to take into account the tax treatment of the varied securities in the hands of all or any holder of Subordinated Notes. Furthermore, the Trustee has no obligation or ability to verify whether the requirements for such variations have been satisfied and will have no discretion in determining whether any such variation results in terms that are materially less favourable to the holders of Subordinated Notes. Accordingly, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholder from the tax and stamp duty consequences for them of holding the Notes prior to such variation.

The terms of the Subordinated Notes contain no limitation on issuing debt or 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 3.2 and 3.3 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 II Guidelines in any winding-up proceedings of the Bank.

Upon the occurrence of a PONV Trigger Event or a CET1 Trigger Event, clearance and settlement of the Subordinated Notes will be suspended and there may be a delay in updating the records of the relevant clearing system to reflect the amount Written-Down.

Following the receipt of a Loss Absorption Event Notice, all clearance and settlement of the Subordinated Notes will be suspended. As a result, Noteholders will not be able to settle the transfer of any Subordinated Notes during the Suspension Period (as defined in the Terms and Conditions of the Notes) and any sale or other transfer of the Subordinated Notes that a Noteholder or may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by the relevant clearing system and will not be settled within the relevant clearing systems. The update process of the relevant clearing system may only be completed after the date on which the Write-Down is scheduled. Notwithstanding such delay, holders of the Subordinated Notes may lose the entire value of their investment in the Subordinated Notes on the date on which the Write-Down occurs. No assurance can be given as to the period of time required by the relevant clearing system to complete the update of their records or the availability of procedures in the relevant clearing systems to effect any Write-Down. Furthermore, the conveyance of notices and other communications by the relevant clearing system to their respective participants, by those participants to their respective indirect participants, and by the participants and indirect participants to beneficial owners of interests in the Global Note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Interest Amounts on the Additional Tier 1 Notes are not cumulative Interest amounts may be cancelled at the Bank's discretion and must not be paid in certain circumstances.

Interest amounts on the Additional Tier 1 Notes are discretionary and non-cumulative. The Bank may elect at its full discretion not to pay and, in the circumstances outlined below, must not pay, all or some of the interest falling due on the Additional Tier 1 Notes on any Interest Payment Date. Any interest not so paid on any such Interest Payment Date shall be cancelled and shall no longer be due and payable by the Bank. A cancellation of interest pursuant to Condition 5.7 of the terms and conditions of the Notes does not constitute a default under the Additional Tier 1 Notes for any purpose.

Further, pursuant to Condition 5.7 of the terms and conditions of the Notes, the Bank may only pay interest on the Additional Tier 1 Notes to the extent that such payment of interest is permitted to be paid under the RBI Guidelines. Where the current year's profits are not sufficient and such payment needs to be made out of revenue reserves, such payments are subject to the Bank meeting its minimum regulatory capital requirements at all times including the requirements of capital buffer frameworks (i.e. capital conservation buffer, countercyclical capital buffer and Domestic Systemically Important buffers) as set out in the RBI Guidelines. A failure to meet these requirements will result in a mandatory cancellation of interest payments.

Condition 5.7 of the Terms and Conditions of the Notes sets out the circumstances in which the Bank is required to cancel interest payments on Additional Tier 1 Notes pursuant to the RBI Guidelines. Investors should be aware that any change to the RBI Guidelines requiring the Bank to cancel interest payments in other or additional circumstances could be complied with by the Bank through its general discretion to cancel interest payments under Condition 5.7.

In addition, if the Bank's total Common Equity Tier 1 capital does not exceed the amount required to fulfil its capital buffer requirement (including the capital conservation buffer and any countercyclical capital buffer and D-SIBs buffer), the Bank will be required to conserve a percentage of its earnings (including through cancellation of interest payments on Tier 1 capital instruments such as the Additional Tier 1 Notes).

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 regulation and reform of “benchmarks” may adversely affect the value of Notes linked to or referencing such “benchmarks”.

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, including EURIBOR, in particular with respect to certain Floating Rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be EURIBOR or another such benchmark. The Pricing Supplement for the Notes will specify whether EURIBOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be “benchmarks” are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark.

More broadly, any of the international reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks.

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discouraging market participants from continuing to administer or contribute to the benchmark;
- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if an Original Reference Rate (as defined in the Terms and Conditions of the Notes) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or the Fiscal Agent, the Calculation Bank, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate. Benchmark Events include (amongst other events) permanent discontinuation of an Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser. The Independent Adviser shall endeavour to determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement, as necessary to ensure the proper

operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (x) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (y) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which 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 (z) if the Independent Adviser determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which 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.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser, or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner, or the Independent Adviser is unable, to determine a Successor Rate or Alternative Rate before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Period will be the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, or, where the Benchmark Event occurs before the first Interest Determination Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

If the Issuer is unable to appoint an Independent Adviser or, the Independent Adviser fails to determine a Successor Rate or Alternative Rate for the life of the relevant Notes, or if a Successor Rate or Alternative Rate is not adopted because it could reasonably be expected to prejudice the qualification of the Subordinated Notes as Tier 2 Capital and/or eligible liabilities or loss absorbing capacity instruments for the purposes of applicable loss absorption regulations, the initial Rate of Interest, or the Rate of Interest applicable as at the last preceding Interest Determination Date before the occurrence of the Benchmark Event, will continue to apply to maturity. This will result in the floating rate Notes, in effect, becoming Fixed Rate Notes.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in (i) if “2006 ISDA Definitions” is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions and (ii) if “2021 ISDA Definitions” is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions. Where the Floating Rate Option specified is an “IBOR” Floating Rate Option, the Rate

of Interest may be determined by reference to the relevant screen rate or the rate determined on the basis of quotations from certain banks. If the relevant “IBOR” is permanently discontinued and the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessments about the potential risks imposed by any international reforms in making any investment decision with respect to any Notes linked to or referencing a benchmark.

Noteholders’ rights to receive payments on the Notes are junior to certain tax and other liabilities preferred by law.

The Notes will be subordinated to certain liabilities preferred by law such as claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of the Bank’s trading or banking transactions.

In particular, in the event of bankruptcy, liquidation or winding up, the Bank’s assets will be available to pay obligations on the Notes only after all of those liabilities of the Bank that rank senior to such Notes have been paid. In the event of bankruptcy, liquidation or winding up, there may not be sufficient assets remaining, after paying amounts relating to these proceedings, to pay amounts due on the Notes.

The Notes are subject to transfer restrictions.

The Notes will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States and may be offered and sold only to certain persons in offshore transactions in reliance on Regulation S, or pursuant to another exemption from, or in another transaction not subject to, the registration requirements of the Securities Act and in accordance with applicable state securities laws. For a further discussion of the transfer restrictions applicable to the Notes, see “Subscription and Sale”.

The Notes do not restrict the Bank’s ability to incur additional debt, repurchase the Bank’s Notes or to take other actions which could negatively impact holders of the Notes.

The Bank is not restricted under the terms of the Notes from incurring additional debt, including secured debt, or from repurchasing the Bank’s Notes. In addition, the covenants applicable to the Notes do not require the Bank to achieve or maintain any minimum financial results relating to the Bank’s financial position or results of operations. The Bank’s ability to recapitalise, incur additional debt and take other actions are not limited by the terms of the Notes and could have the effect of diminishing the Bank’s ability to make payments on the Notes when due.

If the Bank substitutes the issuing office, branch or unit with another office, branch or unit, the interests of the Noteholders may be materially prejudiced as a result.

The Bank may elect to substitute the place of the office, unit or branch through which the Bank originally acted when the Notes were issued provided that certain conditions are met. See “Terms and Conditions of the Notes – Meetings of Noteholders, Modification, Waiver and Substitution”. However, there is no assurance that the interests of the Noteholders may not be materially prejudiced as a result of the substitution. A substitution may in certain circumstances, among other things, have undesirable taxation consequences for the Noteholders.

Decisions may be made on behalf of all Noteholders that may be adverse to the interests of individual Noteholders.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders,

including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Risks relating to an Investment in Rupee Denominated Notes

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

Rupee Denominated Notes are subject to selling restrictions and may be subscribed to and / or transferred only to a limited pool of investors.

Rupee Denominated Notes can only be issued to and held by investors (“**Recognised ECB Lender**”) that is: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the RBI; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in IFSC is permitted to acquire, own or sell the Notes issued by the Issuer through its Head Office (“**Eligibility Requirement**”). The proceeds of the Notes will not be used for purposes which are prohibited under the ECB Guidelines.

The Rupee Denominated Notes can only be sold, transferred or offered as security overseas subject to compliance with the ECB Guidelines.

The investor / transferee should be a Recognised ECB Lender (as defined above). Further, foreign branches or subsidiaries of Indian banks (subject to applicable prudential guidelines issued by the RBI) can participate as arrangers, underwriters, market-makers or traders for Rupee Denominated Notes issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks is not allowed.

Rupee Denominated Notes are subject to exchange rate risks and exchange controls.

The Rupee denominated Notes are denominated in INR but settled in U.S. dollars. Investors in the Rupee denominated Notes are required to pay the issue price for their Rupee denominated Notes in U.S. dollars at the prevailing exchange rate between INR and the U.S. dollar as at the pricing date of the Rupee denominated Notes. 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. However, the recent fluctuations in exchange rates are not indicative in nature. The U.S. dollar return on the Rupee denominated Notes, or yield to maturity, will depend on the principal amount, the coupon and the premium converted into U.S. dollars at the prevailing exchange rate at the time of the relevant payments. Any volatility of the exchange rate between INR and the U.S. dollar during the term of the Rupee denominated Notes will affect the return on the Rupee denominated Notes in U.S. dollars.

In particular, any devaluation of INR against the U.S. dollar during the term of the Rupee denominated Notes will decrease the U.S. dollar return on the Rupee denominated Notes and will result in the yield to maturity of the Rupee denominated Notes in U.S. dollars being less than the stated yield to maturity thereof, which is calculated in INR. In the event of a material devaluation of INR against the U.S. dollar, Noteholders may not receive the full U.S. dollar subscription money upon maturity or redemption of the Rupee denominated Notes. Rates of exchange between U.S. dollars and INR may be significantly varied over time.

However, historical trends do not necessarily indicate future fluctuations in rates and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between INR and U.S. dollars. Although substantially all of the Bank's revenues are denominated in INR, it is required to settle all amounts due under the Rupee denominated Notes (including principal, premium, if any, as well as the interest and redemption payments) in U.S. dollars at the prevailing exchange rate between INR and the U.S. dollar at the time of payment. Furthermore, the Bank's revenues are denominated in INR. Depreciation of INR against the U.S. dollar could adversely affect the U.S. dollar value of the Bank's earnings and its ability to satisfy its obligations under the Rupee denominated Notes.

India maintains a managed floating exchange rate system under which market forces determine the exchange rate for INR. Under RBI's policies, the RBI may, however, intervene in the market to maintain orderly market conditions and limit sharp fluctuations in the exchange rate. Interventions by the RBI have taken the form of transparent measures and have included clearly delineated periods and amounts involved, as well as the explanations for these actions. RBI's foreign exchange policy objectives include maintaining price stability, promoting and maintaining monetary stability and the convertibility of the INR, protecting its international reserves during times of impending or ongoing exchange crises or national emergencies. Rupee Denominated Notes are denominated in INR and payable in foreign currency. This entails risks which are not associated with a similar investment in a foreign currency-denominated security. Such risks include, without limitation, the possibility of significant changes in the exchange rate between INR and the relevant foreign currency if such currency risk is unhedged by an investor, or the possibility of imposition or modification of exchange controls by the RBI. Such risks are usually dependent on various economic and political events over which the Issuer 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. However, the recent fluctuations in exchange rates are not indicative in nature. If INR depreciates against the relevant foreign currency the effective yield on the Rupee Denominated Notes will decrease below the interest rate on the global bonds, and the amount payable on maturity may be less than the investment made by the investors. This could result in a total or substantial loss of the investment made by the investor towards the Rupee Denominated Notes. Rates of exchange between the foreign currency and INR may be significantly varied over time. However, historical trends do not necessarily indicate future fluctuations in rates, and should not be relied upon as indicative of future trends. Political, economic or stock exchange developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between INR and the relevant foreign currency. Furthermore, the overseas investors are eligible to hedge the above-mentioned exchange rate risk only by way of permitted derivative products with: (i) Authorised Dealer Category-I Banks in India; (ii) the offshore branches or subsidiaries of Indian Banks; or (iii) branches of foreign banks having a presence in India.

Rupee Denominated Notes are not freely convertible.

Rupee Denominated Notes 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 Rupee Denominated Notes as well as any amount which may be payable upon redemption of the Notes. Early redemption of Rupee Denominated Notes issued by the Head Office may require RBI approval. Early redemption of Rupee Denominated Notes issued by the Head Office prior to its stated maturity (whether as a result of an event of default or any early redemption event) requires prior RBI or approval from the Issuer's designated authorised dealer bank ("**AD Bank**"), as the case may be. Compliance with any

conditions specified in any such RBI or AD Bank approval will be required. There can be no assurance that the RBI or the AD Bank will provide such approval in a timely manner or at all.

Early redemption of Rupee Denominated Notes 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 issued by the Head Office 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.

Financial difficulty and other problems in certain financial institutions in India could adversely affect the Bank's business and the price of the Notes.

The Bank is exposed to the risks of the Indian financial system by being a part of that system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. Such "systemic risk" may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which the Bank interacts on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect the Bank's business. The Bank's transactions with these financial institutions expose us to various risks in the event of default by a counterparty, which can be exacerbated during periods of market illiquidity.

There may be less information available on Indian securities markets than securities markets in developed countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of markets in the developed economies. The SEBI and the stock exchanges are responsible for improving disclosure and other regulatory standards for the Indian securities markets. The 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 economies.

DESCRIPTION OF THE BANK

Unless otherwise stated or the context otherwise requires, the financial information presented in this Offering Circular relates solely to Kotak Bank on a standalone basis and does not consolidate or otherwise include the financial information of any of the Group's subsidiaries. Where financial information relating to the Group's subsidiaries is presented, it is separately and expressly identified as such in the relevant sub-sections. No consolidated financial statements of the Group are included in this Offering Circular, and references to consolidated financial data, where applicable, are limited to specific metrics that are expressly indicated as being presented on a consolidated basis.

Overview

Kotak Mahindra Bank Limited ("**Kotak Bank**") is the fourth largest private sector bank in India by total assets as at 30 June 2026. The Bank offers a comprehensive suite of banking and lending products and services across customer and geographic segments within India, and has an international banking unit at GIFT City (Gujarat International Finance Tec-City) and a branch at DIFC (Dubai International Financial Centre). Together with its subsidiaries, the Bank forms the Group, whose products and services extend beyond banking to include financing through non-banking financial companies ("**NBFCs**"), asset management, alternate assets, insurance, stock broking, investment banking, private banking, microcredit and asset reconstruction. The Group also operates in overseas markets through international subsidiaries and branches in New York, London, Mauritius, Dubai, Abu Dhabi and Singapore.

The Group's diversified and integrated financial services conglomerate is anchored in four engines of growth, namely, Banking and Lending, Capital Markets, Asset Management and Protection. These are operated through the Bank and its 100% beneficially owned subsidiaries.

The Banking activities are undertaken by the Bank, whereas lending activities are undertaken by the Bank and its subsidiaries, namely, Kotak Mahindra Prime Limited ("**Kotak Prime**"), Kotak Mahindra Investments Limited ("**KMIL**") and Kotak Infrastructure Debt Fund Limited ("**KIDFL**") also aided by BSS Sonata Microcredit Limited ("**BSS Sonata**"), as a Business Correspondent. Subsequent to 31 March 2026, as part of strategic realignment, the commercial banking business was integrated into the retail and institutional business portfolios. Accordingly, the Bank reorganised its banking operations into retail, institutional and independent product businesses to drive sharper focus, scalability and execution.

The Group's structure comprises Kotak Bank (the commercial bank and parent company) and 19 subsidiaries that are wholly-owned. The largest companies in the Group by profit after tax (excluding exceptional gain on Infina divestment, share from associates and intercompany adjustments) in fiscal year 2026 were Kotak Bank, Kotak Securities Limited ("**Kotak Securities**"), Kotak Mahindra Prime Limited ("**Kotak Prime**"), Kotak Mahindra Asset Management Company Limited ("**KMAMC**") and Kotak Mahindra Life Insurance Company Limited ("**Kotak Life**") which accounted for 71.52 per cent., 8.38 per cent., 5.14 per cent., 4.50 per cent. and 3.21 per cent. of the Group's consolidated profit after tax, respectively. calculated by dividing the respective standalone profit after tax by the Group's consolidated profit after tax (excluding exceptional gain on Infina divestment, share from associates and intercompany adjustments). Kotak Prime is an NBFC.

Kotak Bank services a customer base of more than 5.2 crore customers as at 31 March 2026, covering a wide spectrum across domestic individual and households, non-residents, small and medium business segments and large corporates.

As at 30 June 2026, the Bank had 2,301 branches and 2,734 ATMs (including cash recyclers), and 10 currency chests. The Group has an international presence in New York, London, Mauritius, Dubai, Singapore and Abu Dhabi. The Bank also has an international banking unit in Gujarat International Finance Tec-City

("GIFT City"), India's first international financial services center and a bank branch in the Dubai International Financial Centre ("DIFC"). In addition, the Bank also has correspondent banking arrangements and other arrangements to provide international remittance services.

The Bank has strong digital and technological capabilities and utilizes internet and mobile based applications across most of its products and services. The Bank's digital and technological capabilities have contributed to the growth of its business and customer base. For details, see "*Competitive Strengths – Digital and technological capabilities*" below.

Set forth below are certain key financial performance indicators as follows:

	As at/for the year ended 31 March			As at 30 June	
	2024	2025	2026	2026	
		(Audited)		(Unaudited)	
		(Rs. in crore)		(Rs. in crore)	(US\$ in million)
Net Profit for the year/period.....	13,781.58	16,450.08	14,007.70	4,122.96	435.84
Net Interest Margin ⁽¹⁾	5.32%	4.96%	4.60%	4.53%	4.53%
CASA Ratio ⁽²⁾	45.51%	42.96%	43.27%	40.33%	40.33%
Total deposits.....	4,48,953.75	4,99,055.14	5,72,456.13	5,72,820.18	60,553.42
Advances(net).....	3,76,075.27	4,26,909.20	4,96,009.16	5,12,248.69	54,150.34

Notes:

(1) Ratio of interest earned less interest expended to interest-earning assets (comprising advances, loans and investments).

(2) Ratio of current and savings accounts deposits to total deposits.

Competitive Strengths

The Bank believes that the following strengths give it a competitive advantage in the Indian financial services space:

An integrated financial services conglomerate with a diversified business model

The Group operates as a diversified and fully integrated financial conglomerate, spanning four engines of growth – banking and lending, capital markets, asset management and protection. With 100% ownership of all subsidiaries, the Group retains the entire embedded value while ensuring complete alignment in strategy, governance and capital allocation. The strength of this model lies in the Group's ability to both manufacture and distribute every major financial product within a single platform. Its subsidiaries operate through specialised channels while leveraging the Bank's distribution franchise, including corporate relationship managers, private bankers, branch networks and digital platforms. This enables customers to access liabilities, lending, investments, advisory and insurance through a unified ecosystem. This integrated structure provides a structural advantage; the ability to capture emerging opportunities across the financial services landscape as trends shift, while retaining profitability within the Group across cycles. The Group benefits from diversified revenue streams across balance sheet-driven businesses such as lending and investing, market-linked businesses such as broking and asset management, and fee-based and advisory-led businesses such as investment banking, alternate assets and private banking. The four growth engines operating under one roof provide inherent counter-cyclical resilience, supporting balanced growth and earnings stability.

Anchored by a strong capital position, a well-established brand and robust governance and risk management framework, it serves its customers' evolving needs. The Group's differentiated conglomerate

model delivers strategic flexibility, deep integration and the ability to consistently meet evolving customer needs with a comprehensive, in-house financial ecosystem.

The Bank is diversified across products and service segments, customer segments and geographies within India. The Bank's institutional customers range from SMEs to emerging, large and very large corporates, including conglomerates, financial institutions, public sector undertakings, multinational companies, financial sponsors, new-age companies and realty businesses. The Bank's retail customers span digitally active Core India customers, salaried and self-employed individuals, affluent and emerging HNIs, Ultra-HNIs, NRIs, small businesses, retail institutions, government-linked segments and women borrowers for microcredit.

Geographically, the Bank's retail customers are spread across metro, urban, semi-urban and rural geographies in India, and the Bank's bank branch network covers a total of 2,301 branches as at 30 June 2026 across India (comprising 1,063 branches in metro areas, 491 branches in urban areas, 329 branches in semi-urban areas and 418 branches in rural areas).

The Group's integrated business model is strengthened by its senior management, many of whom have expertise across the spectrum of financial services. This cross-group expertise allows the Group's senior management team to understand the interactions and relationships between various aspects of its businesses in order to flexibly respond to changing economic conditions and to enhance its product and service offerings.

Extensive pan-India reach and multi-channel distribution network

The Bank's extensive pan-India physical footprint, combined with its digital and voice-led assisted channels, provides it with a significant competitive advantage in customer acquisition, engagement and servicing. As at 31 March 2026, the Bank's branch network comprised 2,276 branches and 2,727 automated teller machines (including cash recyclers) across 1,013 pan-India operating locations, distributed across metro (46 per cent.), urban (21 per cent.), semi-urban (15 per cent.) and rural (18 per cent.) geographies, and spanning the north (32 per cent.), west (31 per cent.), south (29 per cent.) and east (8 per cent.) regions of India. This branch network is complemented by the distribution networks of the Bank's subsidiaries, including Kotak Mahindra Prime, Kotak Securities, Kotak Mahindra Life Insurance, Kotak Mahindra Asset Management Company and BSS Sonata Microcredit Limited, together with the Bank's international banking unit at GIFT City, its branch at the Dubai International Financial Centre and international offices in New York, London, Mauritius, Dubai, Singapore and Abu Dhabi. The Bank's branches are progressively evolving into integrated "One Kotak" destinations that enable cross-selling and advisory-led engagement, while its digital touchpoints and always-on voice-led assisted channel extend the Group's reach, enabling customers to access services, resolve queries and interact with the Group seamlessly across channels. The Bank believes that this combination of physical scale, digital reach and voice-led servicing enables it to serve customers consistently across segments and geographies while supporting customer acquisition, deposit mobilisation and cross-sell opportunities across the Group.

Healthy asset quality and prudent risk management capabilities

One of the Bank's key strengths is its ability to assess opportunities in order to make clear decisions with a focus on rewards that are commensurate with risk. While the Bank's policy is one of prudent risk management, the Bank is not averse to taking risk so long as the risk is priced to provide attractive risk-based returns.

The Bank has detailed and extensive risk management policies, covering aspects such as capital adequacy, portfolio concentration limits and stress testing. For example, the Bank has defined internal limits for managing borrower concentrations, which are tighter than regulatory norms. The Bank also has an enterprise wide early warning signal framework that considers various financial and non-financial parameters to identify signs of credit weakness at an early stage. For details, see "– Risk Management" below. The Bank's prudent risk management and credit evaluation processes have helped it maintain low NPAs and Special Mention Accounts

Category 2 (“**SMA2**”), despite rapid growth in recent years. The table below sets forth the Bank’s key portfolio quality indicators for the periods indicated on a standalone basis:

	As at 31 March			As at 30 June	
	2024	2025	2026	2026	
	(Rs. in crore)			(Rs. in crore)	(US\$ in million)
Net NPAs.....	1,270.57	1,343.44	1,262.51	1,357.56	143.51
SMA2*	198.54	116.38	193.96	249.34	26.36
Net NPAs to Net Advances %	0.34%	0.31%	0.25%	0.27%	0.27%
SMA2 Ratio#	0.05%	0.03%	0.04%	0.05%	0.05%
Total Capital Adequacy Ratio.....	20.55%	22.25%	22.40%	22.78%	22.78%
Capital Adequacy Ratio (Tier-I)	19.25%	21.10%	21.34%	22.40%	22.40%

Note:

SMA2 Ratio is defined as the ratio of SMA2 to Total Advances, expressed as a percentage.

* Fund based outstanding for borrowers with exposure > ₹ 5 Cr

Please see the section entitled “*Description of the Bank’s Assets and Liabilities*” for a description of RBI guidelines for classifying NPAs and restructured assets. The Bank also has an asset reconstruction division to buy stressed portfolios from other financial institutions.

The Bank’s strong financial position is reaffirmed by the AAA rating accorded by CRISIL and ICRA, Kotak Prime, Kotak Investments, Kotak Securities and Kotak Infrastructure Debt Fund Limited and by CRISIL to Kotak Life and Kotak Alternate Asset Managers Limited (“**Kotak Alts**”). Further, in March 2026, S&P affirmed the Bank’s global rating at BBB (long term) and A-2 (short term), with a stable outlook.

The Bank is able to identify and capitalize on opportunities

One of the Bank’s key strengths is its ability to identify and capitalize on profitable business opportunities, both through offering innovative new products and services as well as by entering into established segments and effectively competing. To this end, the Bank is continually exploring opportunities to innovate and expand its offerings.

The Bank was the first NBFC to convert into a bank in India, having converted in 2003. Subsequent to its conversion, the Bank has grown to become the 4th largest private sector bank in India by total assets as at 30 June 2026. The Bank believes that a key element of its growth has been its ability to create niche and differentiated business segments across many aspects of the financial services industry and to offer new products and services. For example, the Bank started the provision of consumer durable finance, which the Bank believes holds significant long-term growth potential given increasing household disposable income and increased consumption.

Since the Group’s founding in 1985, the Group has led many “firsts” in India’s financial services industry. The Bank was amongst the first banks to raise interest rates over the prevalent 4 per cent. on domestic savings deposits after the RBI deregulated interest rates on savings deposits in 2011, which helped to drive a rise in the Bank’s savings deposit base. More recently, the Bank has developed a comprehensive digital offering across internet and mobile platforms to increase new customer acquisition and better engage with existing customers.

The Bank's digital strategy has been designed to complement its physical infrastructure to drive efficiency and enhance customer experience. See “– *Digital and technology capabilities*” below.

The Bank routinely reviews and monitors a number of internal and external factors across all its various businesses to identify opportunities as well as weaknesses in order to take early decisions to either capitalize on an opportunity or take corrective action to limit exposure. The Bank believes that its culture of innovation has allowed it to build profitable business models across its various businesses and has enabled it to enter into and maintain partnerships across its various businesses from time to time and also attract quality long term investors as shareholders.

In addition to capitalizing on opportunities for organic growth, the Bank has also grown its business through mergers and acquisitions. For example, in 2015, the Bank merged with ING Vysya Bank Limited, pursuant to which the Bank expanded its geographic presence at a pan India level, strengthened its presence in southern India, acquired a strong SME and multinational client business and created the ability to cross sell its wealth and investment products across a larger customer base. In 2017, the Bank acquired BSS Microfinance, which provided it with an entry point into the microfinance business. Subsequently, in 2024, the Bank completed the acquisition of Sonata Finance Private Limited, a retail MFI focused on North India, thereby extending the outreach of the microcredit business to sixteen states. The Bank has also, from time-to-time, acquired portfolios from other banks, such as international banks exiting their India businesses, to expand its deposit and loan portfolios. In 2025, the Bank acquired a Rs. 3,330 crore personal loans portfolio from Standard Chartered Bank, India. More recently, on 30 June 2026, the Bank executed a business transfer agreement with Deutsche Bank Aktiengesellschaft, acting through its branch in India, for the acquisition of Deutsche Bank Aktiengesellschaft's retail banking, private banking and wealth management business in India as a going concern on a slump sale basis.

Digital and technological capabilities

For a discussion of the Bank's technology, digital and AI strategy, including the third pillar of the Bank's business strategy, see “– *Business Strategy*”.

The Bank's digital and technological capabilities are currently focused on the following aspects:

- acquiring customers;
- enhancing customer experience;
- making internal operations more efficient; and
- enhancing the Bank's cybersecurity and data protection framework.

The Bank believes investments in technology and digital analytics allow it to cross-sell an even wider range of products on its digital platforms, thereby deepening its relationship with its customers. The Bank continually upgrades its systems as a means of improving customer experience, offering customers a range of products tailored to their financial needs and streamlined interaction with the Kotak ecosystem. The Bank has launched internet and mobile based applications across most of its products and services.

Some of the Group's key digital products and services are set forth below:

- In March 2017, the Bank launched Kotak811, a digital service offered through its mobile banking application that allows potential customers to open a zero-balance savings account on their mobile phones through a completely paperless procedure and to transact digitally at no costs. Kotak811 is one of India's first digital bank accounts. Kotak811 serves digitally active Core India customers through fully digital end-to-end onboarding and servicing journeys delivered through a simple mobile-first experience. The proposition integrates savings, payments, cards, loans, deposits, investments and

insurance within a unified Kotak811 app experience. From a value-creation standpoint, Kotak811 serves as a scalable acquisition and engagement engine with low acquisition and servicing costs. It contributes to a stable, granular deposit base and enables lifecycle-led monetisation as customers mature within the ecosystem, as reflected in strong operating momentum, with over 33.5 lakh customers acquired in FY2026, a 12.2% contribution to the Bank's total savings account balances and 32.4% YoY growth in Kotak811 savings balances. During FY2026, Kotak811 strengthened the One Kotak experience by integrating accounts, Unified Payments Interface (“UPI”), bill payments, cards, loans, investments and insurance into a unified platform. The integration of UPI and BillPay with rewards is driving strong engagement and consistent ranking among leading banking apps in India, with 39.2% of daily active users transacting through in-app UPI and approximately 1.0 lakh bill payments and recharges processed daily in March 2026. New launches such as 811SuperX, an integrated offering combining savings, ActivMoney, trading and mutual funds and the Infinity Metal Debit Card, a premium lifestyle card for Gen Z and millennials, further strengthened the proposition among aspirational and mass-affluent customers. Kotak811 App remains the Bank's digital platform for digitally active Core India customers, offering a simple and intuitive mobile-first experience with seamless access to financial services. The app has seen strong adoption, with ratings of 4.7 on the Play Store and 4.8 on the App Store. During the year, Kotak811 App was recognised as the #1 most downloaded banking app in India and #3 in the world for H1 2025 (as per the Sensor Tower report of September 2025). The App was further integrated with on-ground channel teams for assisted onboarding, strengthening risk controls. Enhancements such as a nudge platform and real-time in-app transaction notifications were introduced to drive personalised recommendations and actions.

- Kotak fyn, the Bank's integrated transaction banking platform, provides a unified digital interface for corporate and institutional clients, offering end-to-end capabilities across payments, collections, liquidity management, lending, trade finance and workflow-based servicing. Through seamless ERP integration and automation, the platform is embedded within clients' operating processes, enhancing customer engagement, strengthening transaction banking relationships and supporting fee-based income opportunities. Kotak fyn reinforces the Bank's technology-led approach to serving corporate and institutional clients.
- Kotak Securities, the Group's brokerage arm, provides the Kotak Neo application which has evolved into a scaled, full-suite trading and investment platform, integrating Stocks, Mutual Funds, F&O, Commodities, ETFs, IPOs, Bonds and MTF within a unified interface. The platform combines advanced trading capabilities including trade from charts, Payoff Analyzer, Strategy Bot, Trade APIs, basket orders and sophisticated order functionalities, with institutional-grade research through curated in-house insights, enabling more informed decision-making and long-term wealth creation for retail investors.
- Kotak Neo provides a seamless, integrated Kotak ecosystem experience, with one-click deposits, instant payouts and seamless fund transfers for Kotak Bank customers, enabling a frictionless cross-platform investing journey. The platform continues to demonstrate strong adoption momentum, surpassing 10 million downloads and maintaining high customer ratings of 4.4 on the Play Store and 4.7 on the App Store. Trading volumes grew by 22% YoY, with 96% of total orders being self-directed during FY 2025-26, reflecting increased customer engagement and a shift towards self-managed investing. The launch of Neo Trade APIs further strengthened execution capabilities and saw strong uptake among advanced users. AI-led capabilities were further embedded through the launch of Neome, a Gen-AI assistant that integrates portfolio analytics, real-time market context, Kotak research and curated news, enabling faster insights and more contextual decision-making for customers.
- In FY2025, the Group has re-engineered the 'Business Hub' app, enhancing the UI/UX for distributors' seamless experience. The new features include transaction management, SIP pause, KYC updates,

feedback submission and scheme-level AUM insights—boosting efficiency and productivity. The distributor user base increased by 28% YoY.

- Kotak Life introduced an AI-powered distributor learning platform and enhanced the ‘Boost 360’ platform, scaling to over 1.17 lakh users with approximately 41% monthly active usage and supporting more than 17 lakh annual service requests in FY2026. Kotak Life also launched an end-to-end group underwriting portal enabling automated processing and faster decisions.

Strong brand and leadership in various businesses

During FY2025-26, the Bank undertook a Group-wide brand integration exercise, bringing all Group businesses under a unified brand positioning. The “Hausla” campaign reinforced the Bank's brand promise of supporting the aspirations of everyday Indians and contributed to an 800 basis point increase in spontaneous brand awareness between February 2025 and February 2026, reflecting improved brand recall and customer engagement.

The Bank believes that the “Kotak” brands are among the most reputed and widely recognized brands in Indian financial services. The Group has been recognized with numerous industry awards and accolades for various aspects of its business, which the Group believes reflect the governance culture and talent of its senior management and employees as well as trust in the quality of its products and services. Examples of recent awards and recognitions received by the Group include:

- Kotak Bank: India's Best Bank for Large Corporates by Euromoney Awards for Excellence, 2025;
- Kotak Prime: Best Financier Award – Wholesale Finance by FADA Dealer Satisfaction Study, 2025;
- Kotak Securities: Leading Member of the Exchange Award by MCX Awards, 2025;
- KMCC: Dealmaker of the Year by Mint India Investment Summit & Awards, 2026;
- KMAMC: Best Corporate Bond Fund by Morningstar Awards for Investing Excellence, 2026; and
- Kotak Life: Claims Excellence and Servicing Excellence – Life Award by FICCI Insurance Industry Awards.

In addition to being the 4th largest private sector bank in India by total assets as at 30 June 2026, the Group also has a market share of 3.48 per cent. among private life insurers on an individual annualised premium equivalent (“APE”) basis (with single premium at 1/10th) and 13.51 per cent. in the group new business segment on an APE basis, based on data released by the IRDAI for all life insurers for FY2026 and the fifth largest mutual fund manager in India in terms of average assets under management of Rs. 570,041 crore (market share of 7.17%) for FY 2025-26, as per data available from **AMFI**. Kotak Securities Limited is among India's leading brokerage franchises, with market shares (excluding proprietary trades) of 15.04 per cent. in equity derivatives, 9.87 per cent. in cash equities and 13.22 per cent. overall in FY2025-26, and ranked among the top two players in margin trading funding, with a 14.20 per cent. market share driven by competitive pricing and differentiated product offerings. Kotak Mahindra Bank Limited is the second largest tractor financier in India with a 10.88 per cent. market share for FY2025-26. The Bank's private banking franchise, with over two decades of experience, is among India's most respected and manages the wealth of nearly 60 per cent. of India's top 100 families. Kotak Alts is one of the largest domestic alternate asset managers, having raised capital commitments of over USD 11.5 billion since inception, and it completed the first close of the Kotak Yield & Growth Fund, a Category II AIF with a target corpus of Rs. 5,000 crore, aggregating commitments of over Rs. 4,400 crore, making it one of the largest domestic private capital fundraises in the Indian market. The entire capital was raised through Kotak Group's platforms underscoring strong in-house manufacturing capabilities and a robust distribution network. Moreover, KMCC, the Bank's 100 per cent subsidiary, raised Rs. 176,302 crore in FY2026

through 22 initial public offerings (including real estate investment trusts (“REITs”) and infrastructure investment trusts (“InvITs”)) and 7 qualified institutions placements (including REITs and InvITs). Key transactions included the largest NBFC IPO in Indian capital markets history (Tata Capital at Rs. 15,512 crore) and the largest QIP of the year (State Bank of India at Rs. 25,000 crore). KMCC was ranked #2 by deal volume in the India M&A league tables in FY 2025-26 (Source: Bloomberg).

Strong governance culture and an experienced management team

The Bank's governance framework is anchored in a well-constituted board of directors comprising individuals with diverse expertise across banking, finance, risk management, technology and regulation. As at the date of this Offering Circular, the Board comprises 12 Directors, of whom 6 are Independent Directors (including the Non-Executive Independent Part-time Chairman), reflecting a strong emphasis on independence and objectivity. The Board provides strategic oversight and ensures adherence to the highest standards of corporate governance, supported by Board-level committees with clearly defined mandates, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and other specialised committees. The majority of the leadership team of the Bank has an average tenure of approximately 20 years with the Group, reflecting deep institutional knowledge built across multiple business cycles. This continuity in leadership has carried the Bank successfully through periods of global financial crisis and economic downturn, as well as through periods of volatility in markets and interest rates. In addition, the Bank benefits from a significant pool of managerial talent across its mid-to-senior ranks, supported by a seasoned leadership team with extensive experience across the organisation and the financial services sector. The length, breadth and depth of this experience underpin a strong succession pipeline for senior leadership positions and foster a culture of growth, innovation and high-quality governance. Please also see the section entitled “*Management*”.

Business Strategy

The strength of the Bank's four-engine model is executed through three strategic pillars: Focus Customer Segment Propositions, Independent Product Businesses within the Bank and Technology, Digital and Artificial Intelligence (“AI”)

Under the first pillar, focus customer segment propositions, the Bank has identified four focus customer segments – High Net Worth (“HNI”), Core India, SME and Institutional clients – each served through differentiated, multi-product and multi-engine propositions designed to strengthen wallet share, improve retention and accelerate cross-engine monetisation. The HNI segment, comprising Private Banking and Solitaire, offers a comprehensive, group-wide suite spanning banking, investment products, insurance, investment advisory, family office services, multi-generational wealth solutions and trading and research platforms. Private Banking serves HNI and ultra-HNI clients, including entrepreneurs, multi-generational business families and professionals, through bespoke banking, investment and wealth advisory solutions, while Solitaire, launched in May 2025, caters to affluent and emerging HNIs with priority banking, enhanced credit, premium cards and curated lifestyle benefits. As at 30 June 2026, the HNI segment served approximately 78,200 families (31 March 2026: 66,000 families) with a relationship value, comprising advances, deposits, demat and investments, of approximately Rs. 12.7 lakh crore (31 March 2026: Rs. 10.8 lakh crore) across the Group. The Core India segment is served principally through Kotak811, which provides fully digital end-to-end onboarding and servicing across savings, payments, cards, loans, deposits, investments and insurance, with customer engagement driven by in-app instant payments, bill payments and rewards alongside differentiated offerings such as the Metal Debit Card and the SuperX proposition. As at 30 June 2026, Kotak811 savings accounts represented approximately 12.7 per cent. of the Bank's total savings account balances (31 March 2026: 12.2 per cent.), growing 32 per cent. year-on-year and 2 per cent. quarter-on-quarter, supported by a monthly customer acquisition run rate of approximately 298,000 new fully verified, funded savings accounts. The SME segment is served through a dedicated SME franchise spanning Corporate SME, Business Banking and Agri SME

businesses, which grew 16.67 per cent., 23.98 per cent. and 15.43 per cent. year-on-year, respectively, in fiscal year 2026, supported by customer acquisition, improved product mix, deeper current account penetration and stronger cross-sell across lending, payments and trade solutions; as at 30 June 2026, SME advances stood at approximately Rs. 1.3 lakh crore, growing 20 per cent. year-on-year and accounting for approximately 24 per cent. of the Bank's advances mix. The Institutional segment is served through the Bank's institutional franchise, described further under "Principal Business Activities – Institutional Business" below.

Under the second pillar, independent product businesses within the Bank are anchored in focused execution and strong ecosystem linkages, comprising tractor and farm equipment ("TFE"), commercial vehicles ("CV") and construction equipment ("CE"). These businesses have been built over time with dedicated distribution models and distinct operating economics, enabling consistent risk-adjusted returns across asset classes. TFE operates as an independent product vertical competing directly with non-banking financial companies, anchored in a highly granular, fixed-rate and secured portfolio with deep rural reach across more than 600 districts and strong dealer relationships; as at 30 June 2026, TFE had a loan book of Rs. 19,793 crore, up 11 per cent. year-on-year, a market share of approximately 9.7 per cent. and represented approximately 4 per cent. of the Bank's advances, having retained its position as India's second-largest tractor financier with an advances book of Rs. 20,084 crore (up 13.4 per cent. year-on-year) and a contribution of approximately 3.9 per cent. to the Bank's advances, gross of certain inter-bank and bilateral risk-sharing arrangements, as at 31 March 2026. CV and CE financing operate as a fixed-rate, secured lending business with strong dealer and equipment manufacturer ecosystems, serving as a key entry point into the transport and infrastructure ecosystem and linked to infrastructure spend, freight movement and capital expenditure cycles; as at 30 June 2026, the combined CV and CE loan book was Rs. 45,081 crore, up 5 per cent. year-on-year, with market shares of approximately 4.5 per cent. in CV and 6.6 per cent. in CE financing and representing approximately 9 per cent. of the Bank's advances, while as at 31 March 2026 the combined advances book was Rs. 45,906 crore (up 6.7 per cent. year-on-year), ranking among the top five CV/CE financiers in India. Together, TFE, CV and CE accounted for approximately 12.3 per cent. of the Bank's advances, gross of certain inter-bank and bilateral risk-sharing arrangements, as at 30 June 2026 (31 March 2026: 12.8 per cent.), and are described further under "Principal Business Activities – Independent Product Businesses" below.

Under the third pillar, technology, digital and AI, the Bank's strategy encompasses automation and digitisation, robust data architecture and the deployment of AI, forming the operating backbone of the franchise and enabling enhanced customer experience, greater operational efficiency, improved productivity and scalable growth, the impact of which is reflected in the steady decline in the Bank's cost-to-assets ratio over recent quarters. The Bank's technology strategy is centred on strengthening infrastructure resilience and scalability, deploying unified and interoperable platforms across banking, lending and servicing journeys, reinforcing cybersecurity and risk management, and leveraging data, analytics and AI across customer engagement, underwriting, operations and control functions. The Bank's "One Kotak" technology function aligns group-wide strategy and governance, standardises architecture and enables seamless digital journeys, improving investment efficiency and reducing duplication across the Group. In fiscal year 2026, the Bank achieved near-zero downtime across high-volume critical platforms, including its core banking systems and instant payments platform, with its core banking ecosystem architecture scaled to process approximately 10,000 transactions per second and supporting over 3.6 crore Application Programming Interface calls daily. The Bank's flagship mobile applications integrate banking, payments, cards, lending, investments, insurance and servicing within a unified interface, and reached a monthly active user base of 1.7 crore in March 2026. The Bank has also deployed an in-house generative artificial intelligence platform serving as an intelligence backbone across retail, institutional and private banking use cases, including customer servicing, sales productivity and internal operations. For further details of the Bank's digital and technological capabilities, see "– Digital and technological capabilities" above.

History

Over the course of the last 40 years, the Group has built up its business to provide the full suite of financial products for its customers.

The Group commenced operations in 1985 as a non-bank finance company providing bill-discounting services. In 1987, the Group entered the lease and hire purchase business. With opening up of the Indian economy in early 1990, the Group entered the auto finance (1990) and investment banking (1991) business to capitalize on new opportunities. The Group completed its initial public offering in 1992. In 1995, the Group entered into a joint venture with Goldman Sachs and incorporated Kotak Mahindra Capital Company, its investment banking subsidiary. In 1996, the Group's auto finance business was hived off into a separate company - Kotak Mahindra Primus Limited (now known as Kotak Mahindra Prime Limited), a joint venture with Ford Credit to finance non-Ford vehicles. The Group also took a significant stake in Ford Credit Kotak Mahindra Limited for financing Ford vehicles. In 1998, the Group began the asset management business with the launch of India's first gilt fund managed by Kotak Mahindra Asset Management Company. The Group's life insurance subsidiary, Kotak Mahindra Old Mutual Life Insurance Limited (now known as Kotak Mahindra Life Insurance Company Limited) was incorporated in 2000 as a joint venture with Old Mutual Plc. Subsequently, after corporatization of individual brokers was permitted, the stock broking business became the Group's subsidiary, Kotak Securities. Kotak Life was incorporated on 31 August 2000 as a Company under the Companies Act, 1956 to undertake and carry on the business of life insurance and annuity. Kotak Life obtained a license from the IRDAI dated 10 January 2001 for carrying on the business of life insurance and annuity.

In 2003, Kotak Mahindra Finance Limited, the Group's flagship company, received a banking license from the RBI. With this, Kotak Mahindra Finance Limited became the first NBFC in India to be converted into a commercial bank - Kotak Mahindra Bank Limited.

In 2004, the Group became one of the early entrants into the alternate assets business with the launch of a private equity fund. Thereafter, the Group launched a real estate fund in 2005. In 2005, the Group realigned its joint venture with Ford Credit to take 100 per cent. ownership of Kotak Mahindra Prime (formerly known as Kotak Mahindra Primus Limited). The Group also sold its stake in Ford Credit Kotak Mahindra to Ford Credit. In 2006, the Group bought out Goldman Sachs' equity stake in Kotak Mahindra Capital Company Limited and Kotak Securities. In 2008, Phoenix Asset Reconstruction Company, sponsored by Kotak Mahindra Group obtained registration from RBI to conduct the business of securitization and asset reconstruction. In 2008, the Group also opened Kotak Bank's representative office in Dubai. In 2009, the Group launched Kotak Mahindra Pension Fund Limited, which is appointed as a pension fund manager by the PFRDA for managing funds under India's National Pension System. In 2015, the Group received IRDAI approval to commence its general insurance business through Kotak Mahindra General Insurance Limited ("**KGI**"). In 2017, the Group bought out the remaining 26 per cent. equity stake held by Old Mutual Plc in Kotak Life to make it a wholly owned subsidiary.

KIDFL was converted into a company focused on infrastructure debt financing business after approval from RBI. The regulatory approval for registration as a non-banking financial company from RBI was received on 6 April 2017. The company is engaged in providing finance for infrastructure projects.

The Bank commenced operations at its international banking unit in GIFT City in 2016 and opened its first international branch at DIFC in 2019.

The Group has pursued growth also through inorganic initiatives. In 2015, IVBL merged with the Bank in one of the largest private sector bank mergers in the Indian banking industry. In 2017, the Group acquired BSS Microfinance Limited, which is in the business of microfinance. In 2024, the Group acquired Sonata Finance Private Limited, a microfinance-focused non-banking financial company, for a consideration of Rs. 537.12 crore. In 2025, Sonata Finance merged with BSS Microfinance Limited and the merged entity was

renamed BSS Sonata Microcredit Limited, operating as a Business Correspondent of the Bank extending microcredit to rural and semi-urban women borrowers. In 2025, the Bank acquired a Rs. 3,330 crore portfolio of personal loans from Standard Chartered Bank, India. On 30 June 2026, the Bank executed a business transfer agreement with Deutsche Bank Aktiengesellschaft (acting through its India branch) for the acquisition of Deutsche Bank's retail banking, private banking and wealth management business in India on a slump sale basis, comprising as at 31 March 2026 approximately Rs. 29,000 crore of advances, approximately Rs. 16,000 crore of deposits and approximately Rs. 10,500 crore of assets under management. Completion of this transaction is subject to requisite regulatory approvals.

In June 2024, the Bank completed the divestment of a 70 per cent. stake (through a combination of fresh growth capital and a share sale) in its subsidiary KGI to Zurich Insurance Company Limited, for a consideration of Rs. 4,095.82 crore in respect of 553,181,595 equity shares of KGI, resulting in a net gain on sale of Rs. 3,519.90 crore (pre-tax), based on the carrying value of the investment in the Group's consolidated financial statements. Consequent to this sale, KGI ceased to be a subsidiary of the Bank and became an Associate with effect from 18 June 2024, and was renamed Zurich Kotak General Insurance Company (India) Limited ("ZKGI"). The Bank continues to hold the remaining 30 per cent. of the share capital of ZKGI as at 31 March 2026 and distributes non-life insurance products through a bancassurance arrangement with ZKGI, earning upfront commissions on new premiums as well as trail income on policies under renewal.

Key developments during FY2025-26 include: (i) sub-division of equity shares – pursuant to shareholder approval received on 26 December 2025, each equity share of face value Rs. 5 was sub-divided into 5 equity shares of face value Rs. 1 each, effective from 14 January 2026 (record date); and (ii) divestment of stake in Infina – on 24 March 2026, KMCC, a wholly-owned subsidiary of the Bank, divested 30.99 per cent. out of its total equity stake of 49.99 per cent. in Infina for a consideration of Rs. 1,293.91 crore, following which Infina ceased to be an associate company of the Bank with effect from 24 March 2026.

Principal Business Activities

The Group operates as a diversified and fully integrated financial conglomerate, spanning four engines of growth—banking and lending, capital markets, asset management and protection. With 100% ownership of all subsidiaries, the Group retains the entire embedded value while ensuring complete alignment in strategy, governance and capital allocation.

Banking and Lending

Subsequent to the FY2026, as part of strategic realignment, the commercial banking business was integrated into the retail and institutional business portfolios. Accordingly, the Bank reorganised its banking operations into retail, institutional and independent product businesses to drive sharper focus, scalability and execution. The treasury offers specialized products and services to these customer segments and also undertakes asset liability management as well as proprietary trading for the Bank.

The table below provides a breakdown of the Bank's total advances and investments.

	As at 31 March			As at 30 June	
	2024	2025	2026	2026	
		(Rs. in crore)		(Rs. in crore)	(US\$ in million)
Retail Banking Advances.....	15,6812.33	1,77,656.86	2,01,467.89	2,02,841.94	21,442.63
Institutional Banking Advances.....	1,67,197.00	1,88,539.04	2,28,551.68	2,44,533.00	25,849.84

	As at 31 March			As at 30 June	
	2024	2025	2026	2026	
	(Rs. in crore)			(Rs. in crore)	(US\$ in million)
Independent Product Business Advances.....	52,065.94	60,713.30	65,989.59	64,873.75	6,857.87
Investments.....	1,55,403.76	1,81,907.45	1,72,535.43	1,91,851.76	20,280.85
Total Advances and Investments	5,31,479.02	6,08,816.65	6,68,544.59	7,04,100.45	74,431.19

Deposits

The Bank's funding operations are designed to ensure stability, granularity and a low cost of funding. The Bank's principal source of funding is deposits, which amounted to Rs. 5,72,456.13 crore as at 31 March 2026, Rs. 4,99,055.14 crore as at 31 March 2025 and Rs. 4,48,953.75 crore as at 31 March 2024, representing growth of 14.71 per cent. in the year ended 31 March 2026. The Bank's cost of deposits was 4.60 per cent. in the year ended 31 March 2026, as compared to 5.10 per cent. in the year ended 31 March 2025. "Cost of deposits" is the ratio of interest expense on deposits to average deposits.

CASA deposits, comprising demand deposits and savings bank deposits, amounted to Rs. 2,31,017.21 crore as at 30 June 2026, Rs. 2,47,722.93 crore as at 31 March 2026, Rs. 2,14,415.90 crore as at 31 March 2025 and Rs. 2,04,303.46 crore as at 31 March 2024, representing a CASA ratio of 40.33 per cent., 43.27 per cent., 42.96 per cent. and 45.51 per cent. as at those dates respectively. As at 31 March 2026, deposits of the Bank's branches in India amounted to Rs. 5,68,254.89 crore and deposits of the Bank's branches outside India amounted to Rs. 4,201.24 crore, as compared to Rs. 4,96,457.63 crore and Rs. 2,597.51 crore respectively as at 31 March 2025.

The following table sets forth, as at the dates indicated, the Bank's outstanding deposits and the percentage composition of each category of deposits, on a standalone basis:

	As at 31 March						As at 30 June		
	2024		2025		2026		2026		
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	
	(Rs. in crore, except percentages)						(Rs. in crore)	(US\$ in million)	(%)
Demand deposits.....	75,208.29	16.75	82,860.62	16.60	1,01,647.02	17.76	88,287.66	9,332.98	15.41
Savings bank deposits	1,29,095.17	28.75	1,31,555.29	26.36	1,46,075.92	25.52	1,42,729.55	15,088.09	24.92
Term deposits	2,44,650.29	54.50	2,84,639.23	57.04	3,24,733.19	56.72	3,41,802.97	36,132.35	59.67
Total deposits	4,48,953.75	100.00	4,99,055.14	100.00	5,72,456.13	100.00	5,72,820.18	60,553.42	100.00

Retail Business

The retail business serves customers across life stages, income segments and geographies, addressing diverse financial needs through differentiated propositions. The franchise spans digitally active Core India customers, salaried and self-employed individuals, affluent and emerging HNIs, Ultra-HNIs, NRIs and women borrowers for microcredit. Customer engagement follows a progressive lifecycle model, starting with every day, digital-first banking and deepening into credit, investment and advisory relationships as customers mature.

The Bank also supports small businesses, retail institutions and government-linked segments through integrated transaction, deposit and credit offerings. Delivery is enabled through an omni-channel model spanning branches, digital platforms and voice-led assisted servicing, ensuring consistency across customer segments and use cases.

The product and services architecture is built around customers' core financial needs - Save, Borrow, Invest, Protect, Transact and Pay. The deposits franchise anchors the customer relationships offering savings, current accounts, term deposits, ActivMoney (sweep deposits), while the lending portfolio spans mortgages (home loans and loans against property), personal loans, business loans, credit cards and microcredit. Payments, tax and transaction banking services further embed the Bank into customers' everyday financial activities, strengthening engagement and relationship depth.

Together, these offerings enable deeper customer relationships across deposits, credit, payments and investments through Kotak's integrated physical, digital and voice assisted servicing model.

Strengthening the deposits franchise

The deposits franchise remains the foundation of customer relationships and a stable funding base. The Bank's deposit strategy has evolved from product-led mobilisation to a customer segment-led model, focused on deepening engagement across households, businesses and life stages, built around three complementary engines: consumption-led liabilities, capturing high-frequency customer flows through everyday payments and transaction behaviour; investment-led liabilities, linking systematic investment plans, demat, trading and investment journeys to build sustainable balances; and asset-led liabilities, deepening banking relationships with borrowers to capture a larger share of primary banking wallet.

Through these levers, the Bank delivered steady deposit growth during FY 2025-26, with current accounts growing strongly on the back of SME, business banking and loans against property relationships driving acquisition and engagement, and savings deposits increasing with continued customer acquisition and deeper relationships, while term deposits provided stability to the funding profile, resulting in a resilient CASA ratio of 43.27 per cent. as at 31 March 2026 and 40.33 per cent. as at 30 June 2026. Kotak811 continued to drive scalable, low-cost customer acquisition, contributing to a stable and granular deposit base.

Building momentum on the advances book while managing risk

The Bank's advances strategy supports customers across life stages, business stages and geographies while delivering sustainable, risk-adjusted growth. The franchise is anchored in a balanced portfolio of secured and unsecured products, with emphasis on customer selection, disciplined and analytics-led underwriting, superior credit evaluation, collections discipline and digital enablement across origination and servicing journeys.

Secured lending, comprising mortgages (home loans and loans against property), remains core to building long-term customer relationships, particularly in affluent and self-employed segments; mortgage balances grew 18.48 per cent. year-on-year, supported by improved distribution, faster turnaround times and digital journeys. Gold loans emerged as a high-growth segment, driven by higher gold prices and demand for secured liquidity, with distribution expanded across 1,250 branches.

Unsecured retail lending, comprising personal loans, business loans, credit cards and microcredit, continues to drive high yield and engagement, managed through sharp customer selection, data-led risk analytics and digital journeys. The microcredit business operated in a challenging industry environment during FY 2025-26, with the Bank's microcredit portfolio contracting before showing early signs of recovery; the merger of Sonata Finance into BSS created a scaled microfinance platform, BSS Sonata Microcredit Limited, which continues to leverage its Business Correspondent branch network with a sharper focus on quality sourcing and disciplined growth.

Institutional Business

The Institutional business serves a diverse set of corporate customer segments, including large Indian corporates, conglomerates, financial institutions, public sector undertakings, multinational companies, financial sponsors (including private equity funds and foreign portfolio investors), new-age companies, SMEs and realty businesses. The business offers a comprehensive suite of solutions, including working capital and term finance, project finance, trade and supply chain finance and offshore funding through GIFT City and DIFC. It also provides foreign exchange services, transaction banking, treasury services, custody services, debt capital markets, structured and advisory solutions, distressed asset management and credit substitutes.

India's SME sector remains a critical pillar of economic growth, contributing significantly to GDP, exports and employment, with increasing formalisation, improved credit discipline and rapid digital adoption expanding the addressable opportunity. The Bank's SME franchise operates across three focused sub-segments: Corporate SME, serving mid-sized and emerging enterprises with working capital, term finance, trade and non-fund solutions; Business Banking, serving smaller enterprises through a portfolio-led model; and Agri SME, serving the post-harvest agricultural value chain through a cluster-led approach aligned to priority sector objectives.

The Corporate Banking franchise delivered disciplined, profitable growth during FY2025-26, supported by a continued shift toward a diversified and capital-efficient model, reducing reliance on spread-based income while scaling fee-based, transaction and flow-driven revenues. The franchise has built specialised capabilities developed into centres of excellence for large corporate clients, spanning infrastructure financing, real estate financing, financial institutions, financial sponsors, multinational companies and new-age companies banking.

The Institutional business also encompasses niche, fee-led, capital-efficient businesses including syndication and debt capital markets, custody services, an asset reconstruction division, and transaction banking capabilities spanning trade and supply chain finance and cash management services, complementing the Group's broader capital markets and treasury operations.

Independent Product Businesses

TFE, CV and CE operate as independent product businesses within the Bank, backed by a well-established franchise with over two decades of domain expertise. Built on focused execution and strong ecosystem relationships, these businesses have evolved through dedicated distribution models and distinct operating economics, enabling consistent risk-adjusted returns across asset classes. Together, TFE, CV and CE accounted for 12.8 per cent. of the Bank's advances (gross of IBPC and BRDS) as at 31 March 2026 and 12.3 per cent. as at 30 June 2026.

TFE operates as an independent product vertical competing directly with NBFCs, anchored in a granular, fixed-rate and secured portfolio with deep rural reach across more than 600 districts, supported by strong dealer and original equipment manufacturer (“OEM”) partnerships. During FY 2025-26, TFE retained its position as India's second-largest tractor financier with a market share of 10.9 per cent., with an advances book of Rs. 20,084 crore, up 13.4 per cent. year-on-year, contributing 3.9 per cent. to the Bank's advances (gross of IBPC and BRDS).

CV and CE operate as an independent product vertical within the Bank, complementing the SME franchise and extending reach into the logistics and infrastructure ecosystem, particularly across semi-urban and rural markets, anchored in fixed-rate, secured loans supported by strong dealer and OEM networks. During FY 2025-26, the combined CV and CE businesses ranked among the top five financiers in India, with a market share of 4.7 per cent. in CV and 7.4 per cent. in CE financing, and a combined advances book of Rs. 45,906

crore, up 6.7 per cent. year-on-year, contributing 8.9 per cent. to the Bank's advances (gross of IBPC and BRDS).

Offshore Franchise

GIFT City Branch

The GIFT City branch continues to serve as a strategic hub for the Bank's offshore and international business. Catering to overseas, International Financial Services Centre and domestic clients, the branch offers a wide range of products including trade and term loans, deposits and risk management solutions. The Institutional business also provides banking and custody services to global funds pooled in GIFT City and investing in overseas markets. During FY 2025-26, the branch undertook focused initiatives to strengthen its digital and technology infrastructure and introduced new trade finance products, and commenced offering wealth distribution products, diversifying its offerings beyond core lending and transaction banking services.

DIFC Branch

The Bank's DIFC branch accepts deposits and provides lending to professional clients (individuals and corporates who qualify under the Dubai Financial Services Authority's rules), while also offering private banking services. The branch enhances the Bank's global capabilities through advisory and arrangement of global investment products, leveraging its extensive network and relationships with international product manufacturers. During FY 2025-26, the branch expanded its coverage to include Resident Indians for global investment solutions, in addition to its existing non-resident client base, and is in the process of expanding its product suite to include investment execution services and trade finance offerings tailored to offshore customers.

Treasury

The Bank's treasury group performs three major functions, namely proprietary trading, customer transactions and balance sheet management.

- **Proprietary Trading:** The proprietary trading desks actively trade in products such as fixed income, money markets, derivatives, foreign exchange and equity. The primary dealer desk which is a part of the proprietary trading desk, actively participates in the primary auctions of government securities, makes markets in government securities and engages in the retailing of government securities.
- **Customer Transactions:** The customer facing desks at the treasury assist and manage customer transactions across foreign exchange, derivatives and bullion products.
 - **Foreign Exchange and Derivatives:** Facilitating customer access to foreign currency markets through cash and derivatives products for remittances, trade transactions and for managing foreign exchange and interest rate risks. The Foreign Exchange and Derivatives business focused on conservative, short-term spread strategies in FY 2026, given heightened global volatility.
 - **Bullion:** The bullion desk provides efficient working capital solutions to domestic jewellery manufacturers as per the prescribed rules of RBI. Under license from RBI, the Bank also imports gold and silver to meet the needs of customers.
- **Balance Sheet Management:** The Balance Sheet Management Unit ensures maintenance of regulatory reserves, adequate liquidity buffers and requisite investments. The Balance Sheet Management Unit also manages interest rate and liquidity risk within the overall risk appetite of the Bank.

The Bank's treasury group seeks to optimize profits through active management of the Bank's investment book, which comprises government securities and non-government securities. The Bank's investments stood at Rs. 1,91,851.76 crore as at 30 June 2026, Rs. 1,72,535.43 crore as at 31 March 2026, as compared to Rs. 1,81,907.45 crore as at 31 March 2025 and Rs. 1,55,403.76 crore as at 31 March 2024.

Lending Through Subsidiaries

The following section provides an overview of the Group's key lending subsidiaries.

Kotak Mahindra Prime Limited

Kotak Prime, the Group's vehicle financing franchise, provides financing solutions to retail customers for passenger cars, multi-utility vehicles and two-wheelers, and provides end-to-end, single-window financing to auto dealers to meet their working capital and infrastructure requirements through inventory funding and term loans. Kotak Prime also extends loans against property ("**LAP**") to customers for both business and personal needs.

Kotak Mahindra Investments Limited

KMIL is the Group's wholesale lending entity, primarily engaged in real estate developer financing and corporate lending.

Pursuant to the RBI Directions and as part of group simplification and operational synergies, KMIL, a wholly-owned subsidiary of the Bank, ceased sanctioning new loans with effect from 1 April 2026, while continuing to service its existing obligations, and its business activities are now being conducted departmentally within the Bank. The Board of Directors of the Bank approved (i) the assignment of KMIL's loan portfolio (excluding overdue NPAs) and (ii) the sale of non-treasury investments (Pass-Through Certificates and Debentures) to the Bank, each from a date to be mutually decided. Accordingly, with effect from 1 July 2026, KMIL's loan portfolio, aggregating Rs. 9,587 crore, was assigned to the Bank.

Capital Markets Entities

Kotak Securities Limited

Kotak Securities is a full-service broking franchise serving retail and institutional clients across Indian capital markets. The platform offers a comprehensive suite spanning equity, derivatives (equities, commodities and currencies), mutual funds, margin trading, depository services and third-party distribution, supported by in-house research and advisory. Kotak Securities is also registered as participant with depositories, viz., National Securities Depository Limited and Central Depository Services Limited, enabling the Group to provide depository services, including for trade settlement to customers.

On the institutional side, Kotak Institutional Equities ("**KIE**") serves global and domestic institutional investors through both high-touch and low-touch trading capabilities, research and advisory, corporate access and capital markets participation, and remains a leading institutional broker in India across IPOs, block trades and institutional issuances. KIE's clients can address their trading needs through a single window and also take benefit of the bank's Professional Clearing Member services and custodial services. KIE operates as a key pillar of Kotak's integrated capital markets platform, serving global and domestic institutional investors with --end-to-end Equity Capital Market solutions in close collaboration with the Investment Bank (Kotak Mahindra Capital) and Corporate Bank (Kotak Mahindra Bank), reinforcing the Group's 'One Kotak' approach across segments enhancing client wallet share.

As at 31 March 2026, Kotak Securities had a national footprint of 1,143 branches and franchisees across 306 cities in India serving its customers. Kotak Securities Limited is among India's leading brokerage

franchises, with market shares (excluding proprietary trades) of 15.04 per cent. in equity derivatives, 9.87 per cent. in cash equities and 13.2 per cent. overall in FY2025-26. In margin trading funding, it ranked among the top two players, with a 14.20 per cent. market share driven by competitive pricing and differentiated product offerings.

Kotak Mahindra Capital Company Limited

KMCC is a leading, full-service investment bank in India, offering integrated solutions encompassing high-quality financial advisory services and financing solutions. The services include Equity Capital Market issuances, M&A Advisory and Private Equity Advisory.

KMCC works with customers across a wide range of sectors including automobiles, infrastructure, banking and finance, media and entertainment, consumer and retail, real estate, healthcare and pharmaceuticals, technology, industrials, engineering and telecommunications.

Asset Management

Kotak Mahindra Asset Management Company Limited and Kotak Mahindra Trustee Company Limited

KMAMC is the asset manager for Kotak Mahindra Mutual Fund, with Kotak Mahindra Trustee Company Limited acting as trustee. KMAMC also operates in portfolio management and manages alternative investment funds (“AIFs”), offering solutions across equity, debt, passive, commodities and offshore strategies to a diversified client base spanning retail, HNI, family offices, institutional and global investors.

KMAMC was the fifth largest mutual fund manager in India by average AUM, with a market share of 7.17% for FY2026 based on figures available from the AMFI. KMAMC raises its assets under management through a variety of distribution channels, such as banks, independent financial advisors, large brokers, branches and online channels. KMAMC has built a strong retail franchise with over 1.50 crore folios and 75.78 lakh unique investors, representing 12.34% of the industry's investor base. Individual investors contribute 54% of monthly average assets under management, underscoring the retail-led nature of the business. Monthly SIP inflows stood at Rs. 2,116 crore for March 2026, reflecting sustained investor engagement and distribution strength. As at 31 March 2026, KMAMC had 126 branches across 113 cities in India.

Kotak Alternate Asset Managers Limited

Kotak Alts is one of the largest domestic alternate asset managers in India, providing private capital to Indian companies across a diverse range of asset classes. The platform has multiple private market asset classes i.e. Real Estate, Hybrid Credit, Private Equity and Real Assets. It serves global and domestic institutional investors, including sovereign wealth funds, pension funds and insurance companies seeking India-focused private market exposure as well as flexible private capital solutions. In addition, Kotak Alts houses an investments advisory business that provides advisory services and discretionary portfolio solutions to HNIs and family offices.

Kotak Mahindra (UK) Limited and Kotak Mahindra Asset Management (Singapore) Pte. Limited

The Group provides asset management services to overseas investors seeking to invest in India through its subsidiaries, Kotak Mahindra (UK) Limited and Kotak Mahindra Asset Management (Singapore) Pte. Limited. Through these subsidiaries, investors can access the Group's asset management capabilities through funds domiciled outside India.

In Singapore, Kotak Mahindra Asset Management (Singapore) Pte. Limited is registered with the Monetary Authority of Singapore and holds a capital markets license to engage in fund management activities.

Protection

Kotak Mahindra Life Insurance Company Limited

Kotak Life, a wholly-owned subsidiary of the Group, was initially created as a joint venture between the Group and Old Mutual Plc. In October 2017, Kotak Bank acquired Old Mutual Plc's 26 per cent. stake in Kotak Life, as a result of which Kotak Life became a 100 per cent. subsidiary of the Bank.

Kotak Life operates as a diversified life insurance franchise offering protection, savings and annuity solutions across individual and group segments. It offers a comprehensive suite of protection, savings, annuity and market-linked solutions, including participating and non-participating savings products, term insurance, ULIPs/TULIPs, and group credit life and fund business solutions. Kotak Life leverages a well-established, digitally-enabled multi-channel distribution model spanning agency, bancassurance, brokers, corporate partnerships and digital platforms to serve a pan-India customer base.

Distribution Channels

The Bank's distribution model is anchored in an integrated omni-channel approach spanning branches, digital platforms and voice-led assisted channels, enabling a consistent and scalable customer experience across products and segments. These channels support the Bank's 'One Kotak' agenda across banking, lending, investments, insurance, payments and servicing.

Branch Network

Branches remain the primary channel for relationship management and fulfilment, particularly for affluent, self-employed and business customers. The Bank follows a persona-led design approach, with each branch tailored to the dominant customer segment in its catchment area. Network expansion is guided by targeted micro-market selection in high-potential locations, strengthening customer proximity and deepening local engagement. Branches are progressively evolving into integrated 'One Kotak' destinations, enabling cross-sell and advisory-led engagement as routine transactions shift to digital channels. This transition is supported by decongestion, digitisation and differentiation initiatives, with an increasing share of transactions moving to self-service channels, improving operational efficiency and turnaround times, and enabling a greater focus on high-value, advisory-led interactions.

As at 31 March 2026, the Bank had an aggregate of 2,276 bank branches across 1,013 pan-India operating locations in India. The Bank also has an international banking unit in the International Finance Services Centre at GIFT City, Gujarat, a branch in the DIFC and international offices in New York, London, Mauritius, Dubai, Singapore and Abu Dhabi.

As at 31 March 2026, 46.1 per cent., 21.4 per cent., 14.4 per cent. and 18.1 per cent. of the Bank's branches were located in metro, urban, semi-urban and rural locations, respectively as classified by the RBI.

ATM Network

As at 31 March 2026, the Bank had a total of 2,727 ATMs (including cash recyclers) and 10 currency chests across 1,013 pan-India operating locations, contributing to an overall Group branch network of 5,581 in India. The Bank issues Visa, MasterCard and Rupay debit cards which can be used on all the Bank's ATMs and other bank ATMs in India. In addition, the Bank's Visa and MasterCard debit cum ATM cards can also be used at international ATMs.

Digital platforms

Digital platforms anchor acquisition, engagement and lifecycle management at scale across a suite of customer-centric platforms delivered through mobile, web and conversational interfaces reflected in a monthly active user base of 1.7 crore on Kotak Banking apps in March 2026.

- **Kotak Bank App** serves as the flagship digital platform, integrating banking, payments, cards, lending, investments, insurance and servicing within a unified, intuitive interface, enabling a seamless end-to-end financial ecosystem. It has seen strong adoption (4.6 on the Play Store and 4.7 on the App Store) and supports both personal and business use cases, including seamless switching between profiles, with over 0.5 million SME users onboarded across use cases such as collections, payments, loans, approvals and service requests. The platform enables comprehensive self-service journeys across payments, transfers (domestic and international), deposits, loans and servicing, reducing branch dependency and improving customer convenience. Built on a scalable, cloud-native architecture, the platform enhances self-service capabilities and enables faster product fulfilment. It delivers integrated personal and business journeys, supports cross-sell across banking, investments, insurance and lending within the 'One Kotak' ecosystem.
- The website complements the Bank's digital platform apps by driving acquisition, product discovery and servicing at scale, with improved navigation and journey design enhancing customer conversion. Migration to the '.bank.in' domain further strengthens trust and cybersecurity.

Voice-led assisted servicing

- Voice-led assisted servicing acts as an always-on, assisted servicing layer complementing physical and digital channels. It enables customers to access services, resolve queries and complete transactions seamlessly without visiting a branch. Built on a centralised, digitally-enabled platform, it supports features such as click-to-call and proactive outreach. This has improved turnaround times, enhanced accessibility especially for remote and NR customers, reduced branch load thereby allowing teams to focus on advisory-led interactions.
- Overall, the omni-channel model enables the Bank to combine reach, convenience and relationship depth. Branches support trust, advisory and high-value engagement; voice channels provide assisted access and resolution; and digital platforms deliver scalable acquisition, self-service and lifecycle engagement. This integrated model allows the Bank to serve customers more consistently across segments while improving productivity, convenience and relationship value.

Competition

The Group faces intense competition in all of its principal lines of business. The Group's primary competitors are some of the public sector banks, private sector banks, foreign banks, cooperative banks and, for some products, NBFCs, mutual funds, insurance companies and investment banks.

Kotak Bank

In consumer banking, the Bank's principal competitors are public sector banks, private sector banks, foreign banks and NBFCs in the case of retail loan products and credit cards. In mutual fund sales, insurance distribution and other investment-related products, the Bank's principal competitors are broking houses, foreign banks, private sector banks and public sector banks. In addition, some foreign banks have a significant presence among non-resident Indians and also compete for non-branch-based products.

The Bank's principal competitors in the institutional banking space are certain public sector banks, private sector banks and foreign banks. The Bank also faces significant competition from NBFCs in areas such as tractor finance and commercial vehicle finance.

The Bank's principal competitors in wholesale banking are public sector banks, private sector banks and foreign banks and financial institutions. The large public sector banks have traditionally been the market leaders in this space. Foreign banks have focused primarily on serving the needs of multinational companies and Indian corporations with cross-border financing requirements including trade and transactional services and foreign

exchange products and derivatives, while large public sector banks have large local currency funding capabilities through their extensive branch networks.

In its treasury advisory services for corporate customers, the Bank competes principally with foreign banks, private sector banks and public sector banks in the foreign exchange and money markets businesses.

Kotak Prime

Kotak Prime's primary competitors are public sector banks, private sector banks and foreign banks, cooperative banks, regional rural banks and NBFCs. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India.

Kotak Life

Kotak Life faces intense competition in the Indian insurance market from both public and private sector competitors. Competition in the Indian insurance sector is based on a number of factors, including distribution networks, quality of service, product features, pricing, marketing methods, brand recognition, financial strength ratings and other indicators of financial soundness. Products offered by the life insurance sector compete with other financial services products. In the area of savings-oriented insurance products, Kotak Life competes with mutual fund companies, bank fixed deposits and Government small saving schemes.

Kotak Securities

Kotak Securities' competitors in the retail broking business include domestic brokerage houses and broking subsidiaries of other private sector banks. On the institutional broking side, Kotak Securities competes with international and domestic broking houses.

Asset Management Business

In the asset management business, Kotak Mahindra Mutual Fund competes with other domestic asset management companies and mutual fund houses operating in India. Kotak Alts competes with other domestic and international alternate asset managers, including private equity, real estate, credit and other private market fund managers, in each case in the segments in which it operates.

Employees

As at 31 March 2026, the Group had over 112,000 full-time employees, of which over 74,000 were with the Bank on a standalone basis. Most of the Group's employees are located in India. In addition to its own employees, the Group also engages contract labour through registered contractors for ancillary activities.

Some of the Bank's employees are members of the Kotak Mahindra Bank Employees Union and Kotak Mahindra Bank Officers Association, which are affiliated to the All India Bank Employees Association and All India Bank Officers Association respectively, which are national trade unions representing workers in the banking industry. The Bank experiences strikes by members of these unions as per the strike call given at an industry level, but has not experienced any strike, work stoppage or labour unrest specific to the issues of the Bank in the last two financial years and the subsequent interim period until the date of this Offering Circular. The industry level wage settlement between IBA and Bank Workmen Unions takes place once in every five years. Similarly, the joint note signing between IBA and the bank officers' associations takes place once in every five years.

The Bank contributes to a recognized provident fund and has no further obligations. In respect of employees acquired from the merger of IVBL, the Bank has an in-house provident fund which has generated sufficient funds internally to meet the annual return requirement since inception of the fund. The Bank operates a New Pension Scheme, which is a defined contribution plan and is administered by the regulatory body, Pension Funds Regulatory and Development Authority appointed pension fund manager.

The Bank has a defined benefit pension scheme for IVBL employees under Indian Bank's Association structure. The Bank contributes 10 per cent. of basic salary to a pension fund and the balance amount is funded based on the actuarial valuation conducted by an independent actuary. Employees covered under this scheme are not eligible for employers' contribution under the provident fund plan.

The Bank has also set up a superannuation fund in respect of eligible employees, to which the Bank contributes defined amounts. In addition, the Bank contributes specified amounts to a gratuity fund set up pursuant to Indian statutory requirements. It is funded as per an actuarial valuation conducted by an independent actuary.

The Bank focuses on training its employees on a continuous basis. The Bank has a training center in Mumbai, where regular training programmes are conducted for employees. Management and executive trainees generally undergo 4 to 8 weeks training modules inducting the new trainees through the Bank's induction program K-One. The induction provides the trainees with a sound grounding on understanding the evolution of the organization, the values and other business aspects of banking, functional product and process knowledge inputs. These skills are provided to make the trainees ready for their respective roles in the shortest possible time.

The Bank offers courses conducted by both internal and external faculty. In addition to the ongoing on-the-job training, the Bank provides employees courses in specific areas or specialized operations on an as-needed basis. The Bank also has various e-modules for self-learning by employees.

The Bank engages with its employees in relation to their attendance, leave, goal setting and performance management through its human resources information system. Employee training is a key focus area for the Bank. The Bank focuses on the continuous development of employees through regular training programs including classroom programs and online training modules for self-learning.

The Bank's compensation structure has fixed as well as variable pay components. The Bank's variable pay is paid out by way of sales incentives as well as performance linked bonuses. In addition to basic compensation, employees are eligible to participate in provident fund and other employee benefit plans. The provident fund, to which both the Bank and its employees contribute, is a savings scheme, required by government regulation, under which the fund is required to pay to employees an annual return.

Properties

The Bank's registered office and corporate headquarters is located at Kotak Mahindra Bank Limited, 27BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India. The Bank leases its registered office from the Mumbai Metropolitan Regional Development Authority pursuant to an 80 year lease that began on 7 June 1995 and expires on 6 June 2075.

In addition to its registered office, the Group has administrative offices in most of the metros and some other major cities in India, as well as international offices in London, New York, Dubai, Abu Dhabi, Mauritius and Singapore. The Bank also has branches at the Dubai International Financial Centre and the GIFT City International Financial Services Centre in Gujarat. The Group also has a network of bank branches, securities brokerage branches, franchises and referral co-ordinators, life insurance branches, car financing and other lending branches, and mutual fund branches, as well as a network of ATMs. The Group leases most of these locations.

Environmental, Social and Governance

The Bank embeds its environmental, social and governance ("ESG") agenda into its long-term value creation approach through ESG-integrated decision-making, with a focus on environmental stewardship, social

impact and strong governance. The Bank's sustainability efforts are overseen by a Board-level CSR & ESG Committee and implemented through a dedicated ESG function and taskforce under an ESG Policy Framework anchored in six focus areas, including managing climate risk, ESG integration in risk management, customer experience, an empowered workforce, community development and corporate governance. On the environmental and sustainable finance front, the Bank directs capital through Board-approved Sustainable Finance and Green Finance Frameworks, with a green asset portfolio of approximately Rs. 9,900 crore as at 31 March 2026, representing growth of approximately 25 per cent. year-on-year, encompassing financing for solar power projects, LEED/IGBC-certified green commercial real estate and electric vehicle financing. The Bank has also expanded green mobility financing through its vehicle finance subsidiary, with electric four-wheeler lending growing 66 per cent. in unit terms in FY 2024-25. Operationally, the Bank is strengthening monitoring and management of energy, water and waste across its footprint and increasing renewable energy adoption, with renewables comprising 5.2 per cent. of the Bank's electricity consumption in FY 2025-26. On the social front, the Bank advances financial inclusion — supporting over 17 lakh active women microcredit borrowers through its subsidiary BSS Sonata — and builds financial capability through approximately 4,500 financial literacy camps, alongside improving accessibility across its network for customers with disabilities. The Bank deploys significant CSR capital across education, livelihood enhancement, healthcare and environmental initiatives, with Group CSR expenditure in FY 2025-26 amounting to Rs. 432.4 crore.

As at 31 March 2026, the Bank operated more than 21 LEED/IGBC-certified premises, housing approximately 29 per cent. of its workforce, and continued to use renewable energy at key corporate offices and rooftop solar installations at select branches. Under its CSR programme, the Bank has, on a cumulative basis over the last four years, supported the planting of over 4.5 lakh saplings and the rejuvenation of more than 25 lakes and ponds in urban areas.

On the social and governance front, the Bank has set a gender diversity target of 30 per cent. of its permanent workforce by fiscal year 2028-29 and achieved a 33 per cent. reduction in complaint resolution turnaround time in fiscal year 2025-26. Ten of the Bank's offices are ISO 45001 certified for workplace safety. Through its BizLabs platform, the Bank has supported 71 early-stage startups under its accelerator programme through mentorship, market access and ecosystem partnerships, and launched the sixth cohort of its Women Startup Programme in collaboration with the N. S. Raghavan Centre for Entrepreneurial Learning at the Indian Institute of Management Bangalore to support over 2,500 women entrepreneurs. On governance, the Bank maintains an ISO/IEC 27001 certified information security management system, integrates a code of conduct for service providers into its service agreements, and incorporates gender diversity and succession planning into its leadership assessments. The Bank also participates in policy advocacy as a member of the Joint Committee on Climate Finance Taxonomy for India and the India-UK Financial Partnership.

The Bank integrates environmental and social risk assessments into its credit process for high-risk sectors and is developing its approach to determining the impact of climate-related events on relevant assets, as well as decision-useful transition risk insights for hard-to-abate sectors. The Bank has also received external recognition for its ESG performance, including being ranked third among the most sustainable companies in the banking sector by Businessworld, an MSCI ESG Rating of AA (as of 2025), an ESG score of 79.1 out of 100 from Stakeholders Empowerment Services, an ESG score of 69 out of 100 from CRISIL ESG Ratings & Analytics, and an ESG score of 70 out of 100 under NSE Sustainability Ratings & Analytics.

Legal Proceedings

*Except as disclosed below, the Issuer and its Directors are not involved in any pending civil or tax proceedings: (i) which are quantifiable and exceed ₹ 9,937.80 million ("**Materiality Threshold**") ; or (ii) which the Issuer believes could have a material adverse effect on the business, financial position, cash flows, and operations of the Issuer, on a consolidated basis (despite not meeting the Materiality Threshold) and has been*

disclosed to the National Stock Exchange of India Limited and BSE Limited (together, the “**Stock Exchanges**”) in terms of Regulation 30 of SEBI LODR Regulations. Further, except as disclosed below, there are no: (a) pending criminal litigation involving the Issuer and its Directors which are 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 Issuer and its Directors (including show cause notices issued) which are considered material as per Materiality Policy; (c) inquiries, inspections or investigations under the Companies Act against the Issuer and its Directors in the last three years which are considered material as per Materiality Policy; (d) prosecutions filed against, fines imposed on, or compounding of offences by the Issuer or its Directors in the last three years which are considered material as per Materiality Policy; (e) notices involving the Issuer and its Directors, issued in the last three years, which are subsisting which are considered material as per Materiality Policy; or (f) penalties imposed by regulatory or statutory authorities on the Issuer and its Directors, in the last three years, which are outstanding as on date which are considered material as per Materiality Policy.

The Bank has, in compliance with its obligations under the SEBI LODR Regulations and the listing agreements entered into with the Stock Exchanges, made the requisite disclosures of events or information under Regulation 30 of the SEBI LODR Regulations read with Para A and Para B of Part A of Schedule III thereto, from time to time. Such disclosures are available on the websites of BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and the Bank (www.kotak.bank.in).

At the date of this Offering Circular, the Issuer is (i) not a party to any proceedings, and (ii) is not aware of any current, pending or anticipated proceedings by governmental authorities or third parties, which, if adversely determined, would have a material adverse effect on the Issuer’s financial condition and results of operations. The Issuer is, subject to various legal proceedings from time to time, mostly arising in the ordinary course of its business including criminal proceedings, civil proceedings, tax proceedings, environmental proceedings, labour and land related disputes, and notices received from various regulators such as SEBI, RBI and IRDAI. The Issuer believes that the number of proceedings and disputes in which the Issuer is involved is not unusual for a Bank of its size in the context of doing business in India and in international markets. These proceedings involving the Issuer are primarily in the nature of recovery proceedings initiated by the Issuer in respect of advances made, pending before civil courts or the DRTs, as the case may be, criminal cases filed by the Issuer in cases of dishonour of cheques or fraud cases, claims against the Issuer in relation to erroneous or unauthorized debit from customer accounts, wrongful credit or dishonour of cheques, criminal and labour-related proceedings against the Issuer where its directors have also been made a party, claims in relation to repossession of assets by the Issuer, proceedings initiated under the SARFAESI Act, claims for refund of business losses and damages, consumer claims for deficiency in service, claims involving forgery of documents, alleged frauds, claim for increased rent, suits claiming compensation, damages for termination from service, claims alleging breach of regulatory and statutory provisions, directions, administrative lapses and suits for setting aside recovery proceedings initiated by the Issuer and tax matters.

Risk Management

(A) Risk Management

Risk management is a core organisational capability embedded in strategy execution, ensuring risks arising from business activities are systematically identified, assessed, measured and managed in alignment with the Bank’s risk appetite and strategic objectives.

The overarching objective is to optimise the risk–return profile, protect financial strength and reputation, and deliver sustainable stakeholder value.

The Bank operates a comprehensive Enterprise Risk Management framework that integrates risk management with business strategy and capital planning. It covers the full risk lifecycle—identification, measurement, monitoring, control and reporting and is supported by risk policies, defined risk appetite, governance structures, standardised metrics and stress testing. This enables consistency across the Bank while retaining flexibility at the entity level and ensuring resilience under adverse scenarios.

Risk governance is anchored in the three lines of defence model: business functions own risks, independent risk and control functions provide oversight, and internal audit offers assurance. The Board retains ultimate oversight, supported by committees and senior management, while the Chief Risk Officer leads an independent risk function with specialised units for key risk types. A strong risk culture emphasising accountability, ethics and risk awareness supports the framework, enabling adaptability to evolving regulatory and business environments and ensuring sustainable growth.

(B) Capital Adequacy and Internal Capital Adequacy Assessment Process (ICAAP)

The Bank's capital management strategy focuses on maintaining a strong, resilient capital base while optimising allocation to support sustainable growth and shareholder value. It balances capital adequacy, risk exposure and profitability in alignment with regulatory requirements, market expectations and internal risk appetite. A forward-looking framework integrates business projections, earnings capacity, risk profile and macroeconomic conditions, with continuous monitoring to ensure alignment with strategic objectives. Prudent buffers are maintained above regulatory minima to absorb unexpected losses and sustain stakeholder confidence.

A central pillar of this framework is the Internal Capital Adequacy Assessment Process (“ICAAP”), which links risk assessment, capital planning and business strategy over a multi-year horizon. ICAAP provides a comprehensive view of all material risks, particularly Pillar II risks, beyond regulatory minimum requirements. It evaluates whether additional capital is required based on internal risk assessments and incorporates stress testing to assess resilience under adverse but plausible scenarios.

The ICAAP process involves systematic identification of risks, determination of appropriate mitigation measures through strengthened policies, procedures and controls, and assessment of the extent to which risks should be covered by capital. It culminates in the estimation of sufficient capital to support these risks, ensuring preparedness for potential shocks and alignment with the Bank's risk appetite. Outcomes are reviewed by senior management and approved by the Board, with periodic enhancements to deepen analytical rigor.

The Bank follows a disciplined capital allocation framework, linking deployment to risk-adjusted returns and strategic priorities, while monitoring both risk-based capital ratios and leverage. Overall, the integrated capital management and ICAAP framework ensures robust capital adequacy, resilience under stress, regulatory compliance and long-term value creation.

(C) Risk Appetite

The Bank's risk appetite, approved by the Board, defines the nature and level of risk it is willing to accept in pursuit of strategic and financial objectives. It comprises both quantitative and qualitative parameters, establishing clear boundaries for risk-taking across all key risk categories and reinforcing a strong 'tone from the top'.

The framework supports sustainable growth while safeguarding stakeholder confidence through disciplined and well-calibrated risk-taking. Risk appetite is cascaded across business units and entities to ensure alignment between enterprise-level objectives and operational execution. It incorporates thresholds, early warning indicators and triggers that enable proactive identification and management of emerging risks before limits are breached.

Risk appetite is central to the overall risk management framework, linking risk strategy with business planning and capital allocation. It is integrated into financial planning, with business plans assessed against defined metrics to ensure consistency with the Bank's risk tolerance. The framework is reviewed at least annually and approved by the Board following detailed evaluation by senior management.

Performance against risk appetite is monitored quarterly and reported to senior management, Board committees and the Board. Deviations or emerging risks trigger timely corrective actions, ensuring alignment between risk exposure, strategic objectives and long-term resilience.

(D) Credit Risk

Credit risk is the most significant risk for the Bank, arising from potential failure of borrowers or counterparties to meet their obligations across loans, investments, derivatives and off-balance sheet exposures. The objective is to optimise the risk–return balance while maintaining asset quality and long-term sustainability.

There is a comprehensive, Board-approved credit risk framework covering the entire lifecycle - origination, appraisal, approval, disbursement, monitoring and recovery. Policies define underwriting standards, exposure limits, concentration ceilings and delegation structures, ensuring disciplined and consistent decision-making aligned with risk appetite. The core philosophy emphasises repayment capacity from operating cash flows, with collateral and guarantees serving as secondary mitigants rather than substitutes for creditworthiness.

Given distinct risk profiles, wholesale and retail portfolios are managed separately. Wholesale exposures are assessed on a case-by-case basis using internal rating models combining quantitative factors (leverage, profitability, liquidity, cash flows) and qualitative factors (industry risk, management quality, governance and operating environment). Ratings map to probability of default and guide pricing, approval and monitoring. Retail credit is managed on a portfolio basis using statistically driven models, credit scores, bureau data and borrower profiles, with automated underwriting enabling scalability and control.

A structured credit process ensures independence and robustness through segregation across pre-sanction, sanction and post-sanction stages. Independent appraisal teams, multi-level approvals and ongoing borrower and portfolio monitoring provide strong oversight. Post-sanction monitoring includes annual or more frequent reviews, covenant compliance, rating migration and assessment of sector and macroeconomic trends.

A strong monitoring framework underpins risk management. Early Warning Systems (“EWS”) identify stress signals, enabling timely intervention through watch-listing and focused supervision. Monitoring spans borrower performance, repayment behaviour, sector dynamics and macroeconomic indicators. For stressed assets, resolution strategies include restructuring, collateral enhancement, legal recovery and transfer to specialised units, with a focus on maximising recovery and minimising losses. Independent loan reviews further strengthen control and compliance.

Off-balance sheet exposures are subject to equivalent credit standards, while counterparty credit risk is managed through limits, collateralisation and margining. Credit risk is monitored at both individual and portfolio levels across sectors, geographies, groups and products, supported by diversification and concentration controls. Comprehensive reporting provides visibility into asset quality, risk migration and emerging risks for informed decision-making.

The framework integrates quantitative models with expert judgment, supported by strong governance and proactive risk mitigation. During the year, the Bank strengthened its Environmental and Social (“E&S”) risk framework, aligning with global standards and embedding it into credit decisions through policy enhancements and training. Overall, the approach towards credit remains comprehensive, forward looking and resilient, supporting portfolio quality, regulatory alignment and sustainable growth.

(E) Collateral and Credit Risk Mitigation

Credit risk mitigation begins with prudent customer selection based on a comprehensive assessment of financial strength, repayment capacity and overall risk profile. The Bank adopts a multi-layered approach across on- and off-balance sheet exposures, combining structural, contractual and security-based techniques to minimise potential losses. Key mitigation tools include facility structuring, collateral, guarantees and financial and non-financial covenants. While collateral and guarantees provide an additional layer of protection, they do not substitute for sound credit appraisal or borrower creditworthiness. Collateral is accepted based on suitability, enforceability and alignment with exposure type, under a Board-approved policy that defines eligible collateral, valuation methodologies and risk appropriate haircuts reflecting market volatility, liquidity and realisation considerations.

Common collateral includes cash equivalents, immovable property, movable assets, inventory and receivables. Guarantees from stronger counterparties may be used as credit enhancement and are monitored as part of total exposure. Independent valuation at origination and periodic revaluation ensure that collateral reflects current realisable value, with additional security sought where coverage declines.

Legal enforceability is critical, supported by robust documentation, charge creation and regulatory compliance to preserve rights in default scenarios. Periodic inspections and verification confirm the existence and condition of assets, where feasible. Collateral is released only upon full repayment, subject to no residual claims.

Overall, the framework ensures that collateral and related tools effectively complement credit discipline, strengthening risk mitigation and protection against potential losses.

(F) Credit Risk Concentration

Credit risk concentration is actively managed to maintain a well-diversified portfolio and prevent excessive exposure to individual borrowers, groups, sectors or geographies, in line with the risk appetite and regulatory expectations. At the borrower level, exposures are governed by Board-approved limits for single and group borrowers, typically more conservative than regulatory thresholds, to mitigate the risk of large losses. At the portfolio level, concentration is controlled through sectoral caps, limits on lower-rated exposures, country and bank exposure thresholds, and controls on unsecured retail lending. Continuous monitoring ensures adherence, with any breaches or emerging risks promptly escalated and addressed through measures such as restricting incremental exposure, diversification, or portfolio rebalancing. Concentration is also monitored across geographies, products, borrower segments and collateral types, supported by analysis of delinquency trends, stress indicators and portfolio quality to detect early signs of risk build-up. Under the ICAAP framework, concentration risk is assessed to determine if additional capital is warranted. Where concentrations are elevated, corrective actions including risk transfer and exposure reduction are implemented. Overall, the framework ensures concentrations remain within acceptable limits, supporting resilience and alignment with strategic objectives.

(G) Market Risk in Trading Book

Market risk arises from adverse movements in market variables such as interest rates, foreign exchange rates, credit spreads, equity and commodity prices, and volatilities. It is managed through a Board-approved Investment Policy that defines the Bank's market risk philosophy, risk appetite and governance framework. Oversight is provided by the Risk Management Committee, while the Asset Liability Management Committee ("ALCO") approves risk limits and monitoring mechanisms. An independent Market Risk function, reporting to the Group Chief Risk Officer, is responsible for identification, measurement, monitoring and reporting of market risks, with prompt escalation of breaches.

A comprehensive limit framework governs exposures, including sensitivity measures (PV01, duration, option Greeks), Value at Risk (“**VaR**”), position limits, loss triggers, gap limits, deal size, tenor and holding period limits. Key limits are monitored on an intraday basis through robust systems and controls. Risk measurement uses a historical simulation-based VaR model (99% confidence, one-day holding period), complemented by regular back-testing. Stress testing and scenario analysis assess exposure under extreme but plausible conditions.

Overall, the framework ensures disciplined risk-taking, strong governance and effective control of market risk within defined appetite.

(H) Country and Counterparty Credit Risk

Country and counterparty credit risk arise from the inability of sovereigns, institutions or counterparties to meet obligations due to economic, political or financial stress. Country risk stems from factors such as macroeconomic deterioration, political instability, currency volatility, exchange controls or sovereign actions affecting repayment capacity.

Country risk is managed through a Board-approved policy covering funded and non-funded exposures, with country limits set by ALCO based on macroeconomic, political and external vulnerability assessments. Exposures are continuously monitored against limits, with timely escalation of breaches or emerging risks.

Counterparty credit risk arises mainly from interbank, derivative and treasury transactions. It is managed through a structured framework involving counterparty selection, credit limits, collateralisation and ongoing monitoring of financial strength and market conditions. Limits are based on parameters such as capital adequacy, asset quality, liquidity, earnings and management strength.

Derivative exposures are monitored on a mark-to-market basis, with collateral or margining applied beyond thresholds. Pre-settlement risk is assessed using current and potential future exposure, while settlement risk is mitigated through delivery-versus-payment mechanisms. Increasing use of central counterparties enhances netting efficiency and reduces systemic risk.

Overall, the approach is prudent, limit-driven and supported by strong governance, monitoring and stress testing frameworks.

(I) Interest Rate Risk in Banking Book (IRRBB)

Interest Rate Risk in the Banking Book (“**IRRBB**”) refers to the potential adverse impact on earnings and economic value due to movements in market interest rates, primarily arising from mismatches in the repricing and maturity profiles of rate-sensitive assets, liabilities and off-balance sheet exposures.

IRRBB is managed through a structured Asset Liability Management (“**ALM**”) framework, overseen by the ALCO, which sets policies, risk limits and monitoring mechanisms. Day-to-day management is undertaken by the Balance Sheet Management Unit within Treasury, with interest rate risk centralised through a Funds Transfer Pricing (“**FTP**”) mechanism.

Risk is assessed from both earnings and economic perspectives. Earnings at Risk measures sensitivity of net interest income and margins over a one-year horizon, while Economic Value of Equity evaluates the long-term impact of rate changes on the balance sheet. Measurements incorporate both parallel and non-parallel yield curve shifts.

Internal thresholds are defined in line with balance sheet complexity and risk appetite, ensuring exposures remain within acceptable limits. Overall, IRRBB is actively monitored within a robust governance and control framework, minimising the impact of interest rate volatility on financial performance and ensuring alignment with risk appetite.

(J) Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its financial obligations as they fall due or fund asset growth without incurring unacceptable costs or adversely impacting financial condition. Effective liquidity management is critical to maintaining stakeholder confidence and supporting long-term sustainability. Liquidity is managed through a Board-approved framework focused on maintaining adequate high-quality liquid assets and a stable, diversified funding base under both normal and stressed conditions. The funding strategy emphasises diversification across sources, instruments and tenors, with a strong reliance on stable customer deposits complemented by wholesale funding, balancing cost efficiency with stability.

Governance is driven by the ALCO which sets strategy, limits and risk tolerances, while the Balance Sheet Management Unit manages day-to-day liquidity. Liquidity risk is embedded within the risk appetite framework, supported by an FTP mechanism that allocates liquidity costs and incentivises prudent funding behaviour.

Liquidity is assessed using stock measures, cash flow projections and behavioural modelling. Both short-term and structural positions are monitored through internal limits on liquidity gaps, reliance on short-term funding and funding concentration. Regulatory metrics, including Liquidity Coverage Ratio and Net Stable Funding Ratio, are maintained above minimum requirements.

Stress testing, including reverse stress scenarios, evaluates resilience under adverse conditions and is supported by a Contingency Liquidity Plan outlining triggers and corrective actions. Overall, the framework ensures resilience, funding stability and capacity to support growth.

(K) Operational Risk

Operational risk refers to potential losses arising from inadequate or failed internal processes, people, systems or external events. The objective is to manage this risk within defined appetite levels through a cost-effective and controlled framework led by an independent operational risk management (“ORM”) function under a Board-approved policy.

Governance is exercised by the Board and Risk Management Committee, supported by Operational Risk Executive Committees and the IT Risk & Information Security Committee for technology-related risks. Business and support units retain primary responsibility for managing risks, guided by policies and standards established by the ORM function.

The framework employs structured tools such as Risk and Control Self-Assessments to identify and evaluate risks, alongside Key Risk Indicators to monitor trends and emerging vulnerabilities. Independent audits and control functions provide assurance on policy adherence and control effectiveness. A formal incident management framework captures loss events and near misses, facilitating root cause analysis and strengthening controls.

Business Continuity Plans and disaster recovery arrangements ensure resilience of critical operations and are periodically tested. New products and processes undergo risk-based approvals to embed controls at inception. Risk mitigation is further supported by insurance cover and strong outsourcing risk management across the vendor lifecycle.

Overall, the framework is proactive and comprehensive, integrating governance, risk assessment, incident management, resilience planning and third-party oversight to enhance control effectiveness, support operational stability and align with regulatory expectations.

(L) Fraud Risks

Fraud risk refers to potential financial loss, reputational damage or regulatory impact arising from intentional acts of deception or misuse of funds by internal or external parties. This risk is managed through a centralised, independent framework governed by a Board approved policy and aligned with defined risk appetite. Oversight is provided by the Board, the Risk Management Committee and the Special Committee for Monitoring and Follow-up of Frauds, while a management-level Fraud Risk Management Committee, chaired by the Chief Risk Officer, provides operational direction.

A robust control framework spans the entire lifecycle from onboarding to ongoing monitoring. Preventive controls include due diligence, document verification and field investigations, supplemented by continuous transaction monitoring. An advanced E-Fraud Risk Management system generates real-time alerts on suspicious activities, enabling prompt investigation. Machine learning models and external intelligence further enhance early detection across onboarding and post-disbursement stages.

Early Warning Signals (“EWS”) are actively tracked, particularly in credit portfolios, with structured investigation and escalation mechanisms. A comprehensive reporting framework ensures timely escalation to senior management and committees, while staff accountability is assessed and disciplinary actions taken where required. A whistleblower mechanism supports confidential reporting. Third-party risks are managed through due diligence, contractual safeguards and periodic audits. Overall, the framework integrates governance, advanced analytics, proactive monitoring and continuous control enhancement to mitigate fraud risk, protect stakeholder interests and maintain institutional integrity.

(M) Technology Risks

Rapid advancements in information technology and the expanding digital ecosystem have significantly increased the scale and complexity of technology and cyber risks. Emerging threats from frontier technologies, potential future quantum capabilities, evolving cyberattack techniques and geopolitical factors pose risks to the confidentiality, integrity and availability of systems and data, with potential operational, regulatory and reputational impacts.

These risks are managed through substantial investments in technology resilience and a layered control architecture designed to mitigate system failures and cyber threats. Robust disaster recovery and Business Continuity Plans are established and regularly strengthened to ensure operational resilience. Risks arising from end-of-life systems are managed through structured upgrade processes, ensuring continued system support and security.

Access control is a critical safeguard, with independent provisioning based on role-based access and segregation of duties, supported by stringent controls over privileged access. Cyber resilience is reinforced through frameworks designed to detect and mitigate threats such as data breaches, malware and denial-of-service attacks. New digital products undergo rigorous cyber risk assessments prior to launch and on an ongoing basis.

Continuous monitoring of the threat landscape is complemented by cyber drills, control reviews and initiatives to enhance detection and incident response capabilities. The Bank conducts periodic assessments of key controls, including ransomware preparedness and enterprise systems, while deploying solutions to identify external vulnerabilities.

Governance is ensured through Board-level oversight and specialised committees aligned with regulatory expectations. Despite robust controls, the dynamic and evolving nature of cyber threats requires continuous monitoring and adaptive enhancements. Overall, the framework emphasises resilience, proactive risk management and ongoing strengthening of controls to address an increasingly complex technology risk environment.

(N) Reputation Risk

Reputation risk refers to the potential adverse impact on the Bank's brand, trust and stakeholder confidence arising from actual or perceived actions, events or business practices. Given the centrality of trust in banking, reputational damage can have consequences beyond direct financial loss, affecting customer relationships, investor confidence, regulatory standing and long-term franchise value.

This risk may arise from multiple sources, including operational failures, regulatory non-compliance, weak governance, poor financial performance or ineffective management of other risk categories, and can also be driven by external perceptions. As such, it is closely interconnected with other risks and often reflects broader weaknesses in risk management.

The Bank adopts a zero-tolerance approach to activities inconsistent with its values, Code of Conduct or regulatory expectations. Reputation risk management is embedded within the Enterprise Risk Management framework, supported by processes for identifying, assessing and escalating sensitive matters to senior management. Employees are expected to uphold high ethical standards and consider reputational implications in all decisions.

The framework includes guidance for crisis management, including timely communication and corrective actions. Reputation risk is also assessed under ICAAP using a qualitative scorecard approach. Overall, strong governance, ethical practices and proactive monitoring help preserve stakeholder trust and institutional credibility.

(O) Conduct and Risk Culture

Conduct risk refers to the risk of actions or behaviours that may harm customers, compromise market integrity or weaken fair competition. Given the breadth of banking operations and regulatory expectations, the Bank recognises key drivers such as mis-selling, benchmark manipulation, unfair customer treatment and non-compliance with laws and regulations. Effective management of conduct risk is essential to maintaining stakeholder trust, achieving long-term objectives and ensuring regulatory compliance.

Conduct risk management is embedded across business and functional units, supported by a comprehensive framework of policies, processes and controls. These include product approval and review mechanisms, suitability assessments, conflict-of-interest management and safeguards for handling confidential information. A zero-tolerance approach to misconduct is maintained, with timely identification, escalation and remediation of issues. Conduct risk considerations are also integrated into human resource processes such as hiring, training, performance evaluation and compensation to reinforce expected behaviours.

Risk culture represents the collective values, attitudes and behaviours that shape how risks are identified, understood and managed across the Bank. It is a critical enabler of effective risk management, reinforcing disciplined decision-making aligned with strategy and risk appetite. Accountability, ownership and segregation of duties are emphasised across all organisational levels, with risk management embedded into day-to-day operations and strategic planning.

The Bank promotes a culture where managing risk is a shared responsibility, supported by clear communication, structured training programmes and access to risk policies and tools. Employees are expected to proactively identify, assess and escalate risks, while adhering to high ethical standards and prioritising customer interests. Risk considerations are integrated into business planning, product development and key decisions, ensuring alignment with long-term sustainability goals.

Performance management frameworks align incentives with prudent risk-taking and discourage excessive risk. Senior management plays a key role in setting expectations and exemplifying appropriate

conduct. Continuous engagement and extensive training initiatives further strengthen awareness and consistency in risk practices.

Overall, the integration of strong conduct risk management and a well-entrenched risk culture ensures ethical behaviour, regulatory compliance, effective risk governance and sustainable value creation.

(P) Stress Testing

Stress testing is a key component of the risk management framework and an integral part of the ICAAP. It provides a forward-looking assessment of resilience under adverse economic and financial conditions, enabling management to better understand potential vulnerabilities and the impact of extreme but plausible scenarios on earnings, capital and liquidity.

The Bank follows a Board-approved stress testing policy aligned with regulatory guidelines, covering all material risk categories. Stress scenarios are designed with varying degrees of severity, incorporating both institution-specific and systemic risks. These scenarios are used to evaluate the impact on key financial indicators, including capital adequacy, profitability and liquidity positions. Stress testing complements other risk management tools by providing insights into tail risks and helping assess whether existing capital buffers are sufficient to absorb potential losses. Reverse stress testing is also conducted to identify extreme conditions under which capital levels may fall below acceptable thresholds, thereby highlighting critical risk drivers and informing contingency planning.

Liquidity stress testing forms an integral part of the framework, assessing the ability to withstand short-term funding pressures under stressed conditions. The results help validate the adequacy of liquidity buffers and funding strategies.

Outcomes of stress testing exercises are reviewed by senior management and the Board and are used to inform risk appetite setting, capital planning and strategic decision-making. They also support the development of appropriate mitigating actions to enhance resilience. Overall, stress testing strengthens preparedness for adverse conditions and supports a proactive, risk-informed approach to managing uncertainty.

(Q) Geopolitics, Tariffs and Climate Risk

Geopolitical risks remain elevated due to ongoing conflicts, strategic rivalries and increasing fragmentation of global trade and financial systems. These factors contribute to market volatility, inflationary pressures and cautious investment sentiment. For emerging economies such as India, key transmission channels include crude oil price movements, currency fluctuations and potential capital flow volatility. Rising tariff tensions reflect a broader shift towards protectionism, disrupting global supply chains, increasing costs and affecting global growth and financial stability. The Bank remains resilient, supported by a strong balance sheet and adequate liquidity, enabling it to navigate external uncertainties and continue supporting customers.

Climate risk has become a structurally embedded component of regulation, finance and industrial policies. In India, initiatives such as the Carbon Credit Trading Scheme and evolving RBI guidance are driving integration of climate considerations into governance, risk management and disclosures. Strengthening national climate commitments is increasing pressure on carbon-intensive sectors, while policy support is accelerating development of low-carbon ecosystems, including renewable energy expansion, green hydrogen and electrification.

To manage transition risks, the Bank evaluates climate-related exposures across sectors using analytical tools such as weighted average carbon intensity benchmarks against emission pathways. This has been progressively expanded despite challenges around data availability and standardisation. Sector-level research supports understanding of regulatory, technological and market developments.

Physical risks are assessed through pilot analyses to evaluate potential impacts on asset quality and operations, alongside strengthening data frameworks and resilience planning. Forward-looking assessments guide mitigation strategies, including governance, data practices and business continuity measures.

Overall, the approach is evolving and forward-looking, integrating geopolitical, trade and climate considerations into risk management to enhance resilience and support sustainable growth.

DESCRIPTION OF THE BANK'S ASSETS AND LIABILITIES

The following section sets out the Bank's assets and liabilities on a standalone basis. The following information should be read together with the Bank's financial statements included in the Offering Circular.

Overview

The total assets of the Bank increased from Rs. 6,00,357.05 crore as at 31 March 2024 to Rs. 6,93,624.18 crore as at 31 March 2025, an increase of 15.5 per cent., and further increased to Rs. 7,83,002.76 crore as at 31 March 2026, an increase of 12.9 per cent. over the total assets as at 31 March 2025. The total assets of the Bank as at 30 June 2026 were Rs. 7,75,073.30 crore, an increase of 12.5 per cent. from Rs. 6,89,008.71 crore as at 30 June 2025. During the fiscal year ended 31 March 2026, the Bank's advances increased by 16.2 per cent. from Rs. 4,26,909.20 crore as at 31 March 2025 to Rs. 4,96,009.16 crore as at 31 March 2026 and investments decreased by 5.2 per cent. from Rs. 1,81,907.45 crore as at 31 March 2025 to Rs. 1,72,535.43 crore as at 31 March 2026. As at 30 June 2026, the Bank's advances amounted to Rs. 5,12,248.69 crore and investments amounted to Rs. 1,91,851.76 crore. Please also refer to the section entitled "Presentation of Financial and Other Information" appearing elsewhere in this Offering Circular.

The following table sets out the assets of the Bank as at the dates indicated below.

	As at 31 March			As at 30 June	
	2024	2025	2026	2026	
				(Rs. in crore)	(US\$ in millions)
Assets		(Rs. in crore)			
Cash and balance with the Reserve Bank of India.....	36,252.04	41,699.20	51,239.46	23,708.88	2,506.29
Balances with banks and money at call and short notice	16,536.36	24,079.96	32,849.48	20,911.56	2,210.58
Investments.....	1,55,403.76	1,81,907.45	1,72,535.43	1,91,851.76	20,280.85
Advances(net).....	3,76,075.27	4,26,909.20	4,96,009.16	5,12,248.69	54,150.34
Fixed assets	2,155.30	2,358.86	2,388.34	2,396.00	253.28
Other assets	13,934.32	16,669.52	27,980.90	23,956.41	2,532.46
Total assets	<u>6,00,357.05</u>	<u>6,93,624.18</u>	<u>7,83,002.77</u>	<u>7,75,073.30</u>	<u>81,933.80</u>

The following table sets out the advances of the Bank as at the dates indicated below.

	As at 31 March		
	2024	2025	2026
		(Rs. in crore)	
Bills purchased and discounted.....	7,584.75	5,529.68	9,055.59
Cash credits, overdrafts and loans repayable on demand.	120,474.11	141,556.95	172,340.13
Term loan	248,016.41	279,822.57	314,613.44
Total	<u>376,075.27</u>	<u>426,909.20</u>	<u>496,009.16</u>
Secured by tangible assets.....	2,85,150.14	3,36,364.95	3,96,607.56
Covered by bank/government guarantees	3,351.37	1,507.65	649.06

	As at 31 March		
	2024	2025	2026
	(Rs. in crore)		
Unsecured	87,573.75	89,036.60	98,752.54
Total	3,76,075.27	4,26,909.20	4,96,009.16
Advances in India			
Priority sector	1,67,743.09	1,94,805.23	2,35,532.71
Public sector	2,350.92	2,454.59	1,848.26
Banks.....	1,365.02	0.87	510.30
Others.....	1,98,565.57	2,21,526.02	2,46,944.68
Total	3,70,024.61	4,18,786.71	4,84,835.95
Advances outside India			
Due from banks.....	—	—	—
Due from others:	—	—	—
Bills purchased and discounted	—	—	870.63
Syndicated loans.....	6,050.66	8,122.49	10,302.58
Others	—	—	—
Total	6,050.66	8,122.49	11,173.21
Grand total	3,76,075.27	4,26,909.20	4,96,009.16

Loan Portfolio

The Bank aims to have a diversified loan portfolio and to limit its exposure to particular sectors or borrowers. Credit risk concentration is actively managed to prevent excessive exposure to individual borrowers, groups, sectors or geographies, in line with the Bank's risk appetite and regulatory expectations. At the portfolio level, concentration is controlled through sectoral caps, limits on lower-rated exposures and controls on unsecured retail lending. As at 30 June 2026, significant exposures of the Bank's loans were to home loans and loans against property, wholesale trade, agricultural and allied activities, infrastructure, personal loans, logistics and auxiliary transport activities, credit cards, textiles, Non-Banking Financial Company ("NBFC"), real estate, and basic metal and metal products.

The table below sets out the Bank's loan portfolio as at the dates indicated below.

	As at 31 March		
	2024	2025	2026
Assets	(Rs. in crore)		
Gross advances	3,80,090.23	4,31,705.12	5,00,767.90
Closing balance of provisions held	4,014.96	4,795.91	4,758.76
Net advances.....	3,76,075.27	4,26,909.20	4,96,009.16

Non-Performing Assets

Recognition of Non-Performing Assets

The principal features of the 'Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025' pertaining to identification and classification of Non-Performing Assets (“NPAs”) are provided here below. An asset, including a leased asset, becomes non-performing once it ceases to generate income for the bank. The aforementioned RBI master circular stipulates the criteria for determining and classifying an NPA. An NPA is a loan or an advance where:

- interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan;
- the account remains 'out of order' in respect of an Overdraft/Cash Credit (“OD/CC”);
- a working capital borrowal account where irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory;
- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted;
- an account where the regular / ad hoc credit limits have not been reviewed / renewed within 180 days from the due date / date of ad hoc sanction;
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops, the instalment of principal or interest thereon remains overdue for one crop season for long duration crops;
- the amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial Banks – Securitisation Transactions) Directions, 2025;
- in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment; or
- • a credit card account where the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

A CC/OD account shall be treated as 'out of order' if: the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

“Overdue”

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.

“Out-of-Order” Status

An account should be treated as “out-of-order” if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power. In circumstances where the outstanding balance in the principal operating account is less than the sanctioned limit/drawing power, but (i) there are no credits continuously for

a period of 90 days as on the date of the balance sheet of the bank or (ii) the credits are not sufficient to cover the interest debited during the same period, these accounts should be treated as “out-of-order”.

The following table sets forth, for the periods indicated, information about the Bank’s NPAs:

	As at 31 March		
	2024	2025	2026
	(Rs. in crore, except percentages)		
Gross NPAs	5,274.78	6,133.85	6,017.81
Provisions for NPAs	4,004.21	4,790.41	4,755.30
Net NPAs	1,270.57	1,343.44	1,262.51
Gross advances	3,80,090.23	4,31,705.12	5,00,767.90
Net advances	3,76,075.27	4,26,909.20	4,96,009.16
Gross NPA as a percentage of gross advances	1.39%	1.42%	1.20%
Net NPA as a percentage of net advances	0.34%	0.31%	0.25%
Provisions for NPAs as a percentage of gross NPAs.....	75.91%	78.10%	79.02%

Classification of Non-Performing Assets

As per the Reserve Bank of India (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025, banks are required to classify non-performing assets further into the following three categories based on the period for which the asset has remained non-performing and the realisability of the dues. Taking into account the time lag between an account becoming doubtful of recovery, its recognition as such, the realisation of the security and the erosion over time in the value of security charged to the bank, the banks should make provision against substandard assets, doubtful assets and loss assets as below.

Substandard assets

A substandard asset is one which has remained NPA for a period less than or equal to 12 months. In such cases, the current net worth of the borrower/guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full. In other words, such an asset will have well defined credit weaknesses that jeopardise the liquidation of the debt and are characterised by the distinct possibility that banks will sustain some loss, if deficiencies are not corrected.

Doubtful assets

A doubtful asset is one which has remained NPA for a period exceeding 12 months. A loan classified as doubtful has all the weaknesses inherent in assets that were classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

Loss assets

A loss asset is one where loss has been identified by the Bank or internal or external auditors or the RBI inspection, but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

The following table sets forth, for the periods indicated, the classification of the Bank’s gross NPAs in accordance with the RBI guidelines:

	As at 31 March		
	2024	2025	2026
	(Rs. in crore)		
Substandard.....	2,092.78	3,105.34	2,878.85
Doubtful.....	2,979.65	2,832.18	2,971.75
Loss.....	202.35	196.33	167.21
Gross NPAs	5,274.78	6,133.85	6,017.81

Restructured Assets

A fully secured standard asset can be restructured by rescheduling principal repayments and/or the interest element, subject to compliance with certain conditions but must be separately disclosed as a restructured asset. The amount of cut, if any, in the element of interest, measured in present value terms, is either written off or is required to be provided for. Similar guidelines apply to sub-standard assets and to doubtful assets, in the case of restructuring of assets under the corporate debt restructuring mechanism. The sub-standard accounts which have been subjected to restructuring, whether in respect of principal instalment or interest amount, are eligible to be upgraded to the standard category only after the specified period, i.e. a period of one year after the date when the first payment of interest or of principal falls due, subject to satisfactory performance during the period.

Provisioning Policy for Non-Performing Assets

Specific loan loss provisions in respect of non-performing advances are made based on management's assessment of the degree of impairment of wholesale and retail advances, subject to the minimum provisioning level prescribed by the RBI. The specific provision levels for retail NPAs are also based on the nature of product and delinquency levels. In relation to non-performing derivative contracts, as per the extant RBI guidelines, the Bank makes provision for the entire amount of overdue and future receivables relating to positive marked to market value of the said derivative contracts.

Provisions for substandard, doubtful and loss asset categories are required to be made as per the RBI guidelines described below. These provisioning requirements are the minimum provisions that have to be made in accordance with the RBI guidelines.

Substandard assets

A general provision of 15.0 per cent. on total outstanding loans is required without making any allowance for the Export Credit Guarantee Corporation of India guarantee cover and securities available. The unsecured exposures which are identified as sub-standard are subject to an additional provision of 10.0 per cent. (i.e. a total of 25.0 per cent. on the outstanding balance). However, unsecured loans classified as sub-standard, where certain safeguards such as escrow accounts are available, are subject to an additional provision of only 5.0 per cent. (i.e. a total of 20.0 per cent. on the outstanding balance).

Doubtful assets

A 100.0 per cent. provision is made against the unsecured portion of the doubtful asset. The value assigned to the collateral securing a loan is the realisable value determined by third party appraisers. In cases where there is a secured portion of the asset, depending upon the period for which the asset remains doubtful, a 25.0 per cent. to 100.0 per cent. provision is required to be made against the secured asset as follows:

- Up to one year: 25.0 per cent. provision.

- One to three years: 40.0 per cent. provision.
- More than three years: 100.0 per cent. provision.

Loss assets

The entire asset is required to be written off or 100.0 per cent. of the outstanding amount is required to be provided for.

Remediation Strategy for Non-Performing Loans

The Bank focuses on early problem recognition and active remedial management efforts in relation to its non-performing loans. The Bank employs early warning systems to identify stress signals, enabling timely intervention through watch-listing and focused supervision. Monitoring spans borrower performance, repayment behaviour, sector dynamics and macroeconomic indicators. For stressed assets, resolution strategies include restructuring, collateral enhancement, legal recovery and transfer to specialised units, with a focus on maximising recovery and minimising losses. Independent loan reviews further strengthen control and compliance.

Restructured Assets

The RBI has issued prudential guidelines on the restructuring of assets by banks. The guidelines essentially the conditions which are required to maintain the category of the restructured account as a “standard asset”. Similar guidelines apply to assets categorised as substandard. Substandard accounts which have been subjected to restructuring, whether in respect of principal instalment or interest amount, are eligible to be upgraded to the standard category only after the specified period, i.e. a period of one year after the date when the first payment of interest or principal, whichever is earlier, falls due, subject to satisfactory performance during the period. If there is a failure to meet payment or other terms of a restructured loan, it may be considered a failed restructuring, in which case it is no longer classified as a restructured loan.

The Bank restructures assets on a case-by-case basis after its management has determined that restructuring is the best means of maximising realisation of the asset. Standard restructured fund based outstanding under the Covid resolution frameworks was Rs. 74.77 crore as at 31 March 2026 and under Micro, Small & Medium Enterprises resolution frameworks was Rs. 57.48 crore as at 31 March 2026. The Bank maintained restructuring provision of Rs. 37.55 crore as at 31 March 2026.

Funding

The Bank’s funding operations are designed to ensure stability, low cost of funding and effective liquidity management. The primary source of funding is deposits. Total deposits were Rs. 5,72,820.18 crore as at 30 June 2026 compared to Rs. 5,12,837.40 crore as at 30 June 2025, and Rs. 5,72,456.13 crore as at 31 March 2026 compared to Rs. 4,99,055.14 crore as at 31 March 2025. CASA deposits were Rs. 231,017.22 crore as at 30 June 2026 compared to Rs. 2,09,645.01 crore as at 30 June 2025, with the CASA ratio at 40.33 per cent. as at 30 June 2026 compared to 40.88 per cent. as at 30 June 2025 (43.27 per cent. as at 31 March 2026 compared to 42.96 per cent. as at 31 March 2025). The cost of deposits was 4.60 per cent. in Fiscal 2026 compared to 5.10 per cent. in Fiscal 2025.

Total Deposits

The following table sets forth, for the periods indicated, the Bank’s outstanding deposits and the percentage composition by each category of deposits. The average cost of deposits was 4.77 per cent. in Fiscal Year 2024, 5.10 per cent. in Fiscal Year 2025, 4.60 per cent. in Fiscal Year 2026. ‘Cost of Deposits’ is the ratio

of interest expense on deposits to total average deposits. The outstanding deposits for the periods set forth are as follows:

	At 31 March						At 30 June		
	2024		2025		2026		2026		
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	Amount	% of total
	(Rs. in crore, except percentage)						(Rs. in crore)	(US\$ in millions)	
Demand deposits	75,208.29	16.75	82,860.62	16.60	1,01,647.02	17.76	88,287.66	9,332.98	15.41
Savings bank deposits.....	1,29,095.17	28.75	1,31,555.29	26.36	1,46,075.92	25.52	1,42,729.56	15,088.09	24.92
Term deposits	2,44,650.29	54.50	2,84,639.23	57.04	3,24,733.19	56.72	3,41,802.96	36,132.35	59.67
Total	4,48,953.75	100.00	4,99,055.14	100.00	5,72,456.13	100.00	5,72,820.18	60,553.42	100.0

Borrowings

The following table sets forth, for the periods indicated, information related to the Bank's borrowed funding, which is comprised primarily of money-market borrowings.

	At 31 March					
	2024		2025		2026	
	Amount	% of total	Amount	% of total	Amount	% of total
	(Rs. in crore, except percentage)					
I. Borrowings in India						
Reserve Bank of India.....	—	—	10,871.00	22.44	—	—
Other banks.....	—	—	100.00	0.21	808.87	2.49
Other institutions and agencies	20,970.18	73.92	30,307.04	62.56	22,851.93	70.37
II. Borrowings outside India						
Banks and Other Institutions	7,397.92	26.08	7,164.72	14.79	8,814.20	27.14
Total.....	28,368.10	100.00	48,442.76	100.00	32,475.00	100.00

The Bank also obtains funds from the issuance of unsecured non-convertible subordinated debt securities, which qualify as Additional Tier I or Tier II capital under the RBI's guidelines for assessing capital adequacy. As at 30 June March 2026, and as of 31 March 2024, 2025 and 2026, the Bank had no Lower Tier II Bonds outstanding. The Bank has not issued any Additional Tier I capital instruments or perpetual debt instruments. The Bank did not raise any Tier II capital during Fiscal Year 2026 or Fiscal Year 2025. The breakdown of the same is shown in the following table:

Classification of Investments

Investments in India

As at 31 March 2026, the Bank had total net investments of Rs. 1,72,535.43 crore, of which Rs. 1,72,240.57 crore was held in India. Government securities (in India) amounted to Rs. 1,22,406.03 crore, representing 71.07 per cent. of the Bank's total investments in India. The Bank's investments are classified as Held-to-Maturity ("HTM"), Available-for-sale ("AFS"), Fair Value through Profit and Loss ("FVTPL"), and Subsidiaries and / or joint ventures. Held for Trading ("HFT") is a separate investment sub-category within FVTPL.

Investments outside India

The book value of the Bank's investments outside India amounted to Rs. 294.86 crore as at 31 March 2026 (31 March 2025: Rs. 794.82 crore; 31 March 2024: Rs. 1,718.89 crore). The table below describes the Bank's investments outside of India by category as at the dates indicated.

	At 31 March					
	2024		2025		2026	
	(Rs. in crore)	(%)	(Rs. in crore)	(%)	(Rs. in crore)	(%)
Government Securities.....	277.78	16.16	243.90	30.69	235.47	79.86
Subsidiaries and / or joint ventures	38.32	2.23	38.32	4.82	38.32	13.00
Shares	1.80	0.10	20.38	2.56	21.07	7.14
Debentures and Bonds	1,400.98	81.51	492.22	61.93	—	—
Total	1,718.89	100.00	794.82	100.00	294.86	100.00

The table below describes the book value of the Bank's total investment portfolio as at the dates indicated:

	As at 31 March		
	2024	2025	2026
	(Rs. in crore)		
Investments in India			
Government securities.....	113,395.07	132,214.68	122,406.03
Other approved securities.....	—	—	—
Shares.....	1,224.58	6,306.20	10,471.01
Debentures and bonds	16,849.37	10,322.01	9,402.69
Subsidiaries, associates and joint ventures.....	3,902.01	3,348.83	3,348.83
Others ⁽¹⁾	18,313.84	28,920.91	26,612.01
Total investments in India	153,684.87	181,112.63	172,240.57
Investments outside India			
Government securities.....	277.78	243.90	235.47
Subsidiaries and joint ventures.....	38.32	38.32	38.32
Other investments	1,402.79	512.60	21.07
Total investments outside India.....	1,718.89	794.82	294.86

	As at 31 March		
	2024	2025	2026
	(Rs. in crore)		
Total investments	1,55,403.76	1,81,907.45	1,72,535.43

Note:

- (1) This includes units, certificates of deposit, commercial papers, pass through certificates and security receipts.

Capital Adequacy

The following table sets forth, for the periods indicated, the Bank's capital adequacy ratios computed as per applicable RBI guidelines on Basel III capital regulations:

	As at 31 March		
	2024	2025	2026
	(Rs. in crore)		
Common Equity Tier I (CET I).....	87,991.19	1,09,642.71	1,27,392.22
Additional Tier I capital ⁽¹⁾	—	—	—
Tier I capital.....	87,991.19	1,09,642.71	1,27,392.22
Tier II capital	5,957.28	5,954.78	6,349.53
Total capital	93,948.47	1,15,597.49	1,33,741.75
Risk-weighted assets	4,57,206.27	5,19,614.54	5,96,929.33
CET I ratio	19.25%	21.10%	21.34%
Tier I capital ratio.....	19.25%	21.10%	21.34%
Tier II capital ratio	1.30%	1.15%	1.06%
Total capital ratio	20.55%	22.25%	22.40%

Note:

- (1) For more details on applicable requirements for eligible capital, please refer to the section entitled "Supervision and Regulation – Capital Adequacy Requirements"

	As at 30 June	
	2026	
	(Rs. in crore)	(US\$ in millions)
Tier I capital.....	1,37,061.87	14,488.95
CET I ratio	22.38%	22.38%
Tier I capital ratio.....	22.38%	22.38%
Tier II capital ratio	0.40%	0.40%
Total capital ratio	22.78%	22.78%

Selected Financial Information and Reconciliation

Please also refer to the section entitled “Presentation of Financial and Other Information” appearing elsewhere in this Offering Circular.

Sr. No.	Particulars	Mar-24	Mar-25	Mar-26	June-26	
		(Rs. in crore, except percentages)			(Rs. in crore)	(US\$ in millions)
(i)	Interest Earned	45,798.91	52,919.73	55,563.98	14,477.49	1,530.43
(ii)	Less: Interest Expended.....	19,805.71	24,577.95	25,553.90	6,549.06	692.31
(iii)	Net Interest Income (i) – (ii).....	25,993.20	28,341.78	30,010.08	7,928.43	838.12
(iv)	Add: Other Income.....	10,273.10	14,961.14	11,623.29	3,338.20	352.88
(v)	Net Revenue (iii) + (iv)	36,266.30	43,302.92	41,633.37	11,266.63	1,191.01
(vi)	Net Interest Income as % of Net Revenue (iii)/(v)	71.67%	65.45%	72.08%	70.37%	70.37%
(vii)	Net Interest margin (annualised)	5.32%	4.96%	4.60%	4.53%	4.53%
(viii)	Demand Deposits	75,208.29	82,860.62	1,01,647.02	88,287.66	9,332.98
(ix)	Savings Bank Deposit	1,29,095.17	1,31,555.29	1,46,075.92	1,42,729.56	15,088.09
(x)	Total CASA (viii) + (ix).....	2,04,303.46	2,14,415.91	2,47,722.94	2,31,017.22	24,421.07
(xi)	Total Deposit.....	4,48,953.75	4,99,055.14	5,72,456.13	5,72,820.18	60,553.42
(xii)	Interest on Deposits.....	18,326.72	22,615.81	23,785.16	6,130.22	648.03
(xiii)	Average Cost of deposits (annualised)	4.77%	5.10%	4.60%	N/A	N/A
(xiv)	CASA ratio (x)/(xi)	45.51%	42.96%	43.27%	40.33%	40.33%
(xv)	Investments in India	1,53,684.87	1,81,112.63	1,72,240.57	N/A	N/A
(xvi)	Investments in Government Securities in India	1,13,395.07	1,32,214.68	1,22,406.03	N/A	N/A
(xvii)	Investment in Government Securities as a % of Investments in India (xvi)/(xv).	73.78%	73.00%	71.07%	N/A	N/A

DESCRIPTION OF THE BANK'S GIFT CITY BRANCH

Background

The Bank set up and commenced its operations at its International Financial Service Centre Banking Unit (“IBU”) at GIFT City on 3 May 2016. The GIFT City branch caters to a global customer base, with a wide suite of products and services including Deposits, Loans and Advances, and Treasury Services.

The GIFT City branch continues to serve as a strategic hub for the Bank's offshore and international business. Catering to overseas, International Financial Services Centre, and domestic clients, the branch offers a wide range of products including trade and term loans, deposits, and risk management solutions. The Bank also provides banking and custody services to global funds getting pooled in GIFT City and investing in overseas markets having good growth in activity in fiscal 2026. During fiscal 2025 and 2026, the branch undertook focused initiatives to strengthen its digital and technology infrastructure, enhancing end-to-end client journeys and positioning itself for future scalability. The introduction of new trade finance products further strengthened the branch's ability to support clients across the trade lifecycle. In addition, the branch commenced offering wealth distribution products, diversifying its offerings beyond core lending and transaction banking services and aligning with evolving client needs.

The branch remains committed to maintaining robust governance standards and a well-diversified portfolio, ensuring sustainable growth and profitability.

Business Activities of the GIFT City IBU

The IBU is engaged in a variety of activities, including treasury, loans and advances, providing global custody services, derivative clearing services and banking services to retail customers. As at 30th June 2026, the IBU had total assets of U.S.\$1.56 billion.

Treasury Products

The IBU provides a wide range of treasury products, such as non-deliverable forwards, foreign exchange cross currency cash, tomorrow-value, spot, forwards and long-term foreign exchange forward, interest rate swaps and cross currency interest rate swaps, cross currency swaps and principal only swaps.

Loans

The IBU provides a range of loans and advances to corporate customers who are outside of India in the form of long term and working capital loans, standby letter of credit and letter of credit. The Bank also provides external commercial loans for Indian companies, as well as trade loans for Indian importers.

Commercial and Retail Deposit Products

The IBU has started successfully garnering deposits from both corporate as well as retail customers. The Bank provides current accounts denominated in USD, EUR, GBP, JPY, and AUD for both individual and corporate customers, including foreign currency accounts for Indian exporters, with no minimum balance or commitment requirement. Term deposits are accepted in USD, EUR, and GBP, with a minimum deposit of 1,000 in the relevant currency, across tenors ranging from 7 days to 5 years, available with or without the option of premature withdrawal.

Global Custody Services

The IBU offers global custody services providing end-to-end safekeeping of global securities, supported by robust infrastructure and local market expertise, alongside seamless trade settlement across geographies to ensure operational efficiency and reduced counterparty risk. The service includes proactive management of

corporate actions such as dividends, mergers, and e-voting, integrated foreign exchange solutions to support global investment strategies and cash flow efficiency, and a centralised platform providing unified access to holdings and transactions across markets for enhanced transparency and informed decision-making.

Derivative Clearing Services

The IBU also provides Derivative Clearing Services on NSE International Exchange and India INX, offering specialised clearing for derivatives traded on both exchanges in accordance with applicable exchange protocols and regulatory frameworks. The service features real-time risk management through dynamic margining and exposure monitoring calibrated to international trading hours and cross-border participation, supported by direct connectivity with the respective clearing corporations for straight-through processing and operational efficiency. Clients benefit from a centralised dashboard providing unified visibility over cleared positions, margin status, and settlement timelines across both exchanges.

MANAGEMENT

Board of Directors

As per the articles of association of our Issuer, the number of Directors in the Issuer shall be not less than three and not more than 15, excluding the Debenture Directors, Government Directors or the Directors, as may be appointed by the RBI, provided that our Issuer must have at least one woman director. The composition of our Board shall be in accordance with applicable law, including the Banking Regulation Act. At present, our Issuer has 12 Directors including two women Directors.

The Banking Regulation Act, 1949 requires that not less than fifty-one per cent. of Directors have special knowledge or practical experience in one or more of the following areas: accountancy, agriculture and rural economy, banking, cooperation, economics, finance, law, small-scale industry, information technology, payment & settlement systems, human resources, risk management and business management and any other matter RBI may specify. Out of the aforesaid number of Directors, not less than two Directors are required to have special knowledge or practical experience in agriculture and rural economy, co-operation or small-scale industry. As on the date of this Offering Circular, all of our Directors are professionals with the prescribed special knowledge or practical experience and meet the conditions specified in the Banking Regulation Act. Further, under the Banking Regulation Act, the appointment of part-time chairperson, managing director & chief executive officer and whole-time Directors requires the prior approval of the RBI. The RBI has also prescribed a “fit and proper” criteria to be considered when appointing directors of banks, with our Directors being required to make declarations confirming their on-going compliance with such criteria.

Pursuant to the provisions of the Companies Act, 2013 (the “Act”), at least two-thirds of the total number of Directors, excluding Independent Directors, appointed are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring Director, if eligible, may be re-elected. An Independent Director may be appointed for two consecutive terms of up to five consecutive years each in accordance with the Act. However, in accordance with the provisions of the Banking Regulation Act, 1949, no Director (other than the Chairman or a Whole-time Director, by whatever name called) shall hold office continuously for a period exceeding eight years. Any re-appointment of Independent Directors shall, amongst others, be based on the performance evaluation report and on such re-appointment being approved by the shareholders by way of special resolution. Our Directors are not required to hold any equity shares in our Issuer to qualify as a Director.

The following table provides information about our Directors as of the date of this Offering Circular. Except as disclosed below, there were no transactions other than in the ordinary course of business undertaken by our Issuer, in which our Directors are interested parties:

Sr. No.	Name	Designation	DIN	Current Term	Other Directorship/ Position held
1	Mr. C S Rajan	Non-Executive Independent Part-time Chairman	00126063	First term: October 22, 2022 to October 21, 2027 First term as Chairman: January 1, 2024 to December 31, 2025 Second term as Chairman: January 1, 2026 to October 21, 2027	Kotak Mahindra Life Insurance Company Limited – Independent Director
2	Mr. Uday Shankar	Independent Director	01755963	Second Term: March 16, 2024 to March 15, 2027	• The Great Eastern Shipping Company Limited –

Sr. No.	Name	Designation	DIN	Current Term	Other Directorship/ Position held
					Independent Director
					• Studio 18 Media Private Limited (formerly known as Viacom 18 Media Private Limited) – Non-Executive Director • Marigold Park Capital Advisers Private Limited – Non-Executive Director • Apollo Health and Lifestyle Limited – Independent Director • Business Standard Private Limited – Non-Executive Director • Allen Career Institute Private Limited – Nominee Director • Asia Initiative PTE Limited – Non-Executive Director • Bodhi Tree Systems VCC – Non-Executive Director • Asia Initiative 2 PTE Limited – Non-Executive Director • Vidhi Centre for Legal Policy – Non-Executive Director • JioStar India Private Limited – Non-Executive Director
3	Ms. Ashu Suyash	Independent Director	00494515	First Term: January 24, 2022 to January 23, 2027	• Hindustan Unilever Limited – Independent Director • Tata Elxsi Limited – Independent Director
4	Mr. Cornelis Petrus Adrianus Joseph	Independent Director	10438792	First Term: January 1, 2024 to December 31, 2027	• Capital One Financial Corporation (McLean (VA),

Sr. No.	Name	Designation	DIN	Current Term	Other Directorship/ Position held
	(“Eli”) Leenaars				USA) – Non-Executive Director Trilateral Commission – Member of European and the Global Executive Committee
5	Ms. Ketaki Bhagwati	Independent Director	07367868	First Term: May 18, 2024 to May 17, 2028	TransUnion CIBIL Limited – Independent Director
6	Mr. Ramesh Iyer	Independent Director	00220759	First Term: February 17, 2026 to February 16, 2030	- Kotak Mahindra Prime Limited – Independent Director - Sai Life Science Limited – Independent Director - NOCIL Limited – Independent Director - Mahindra First Choice Wheels Limited - Non-Executive Director & Chairman - Mahindra Susten Private Limited - Non-Executive Director - TVS Capital Funds Private Limited - Non-Executive Director
7	Mr. Amit Desai	Non-Executive Director	00310510	Not Applicable. Mr. Desai can hold office up to March 17, 2030 as per the provisions of the Banking Regulation Act, 1949 (“BR Act”)	Kotak Mahindra Trustee Company Limited Non-Executive Director
8	Mr. Uday Kotak	Non-Executive Director	00007467	September 2, 2023 to September 1, 2028	- Kotak Mahindra Prime Limited – Non-Executive Director & Chairman - Kotak Mahindra Investments Limited – Non-Executive Director & Chairman - Kotak Mahindra Asset Management Company Limited –

Sr. No.	Name	Designation	DIN	Current Term	Other Directorship/ Position held
					- Non-Executive Director & Chairman - Kotak Mahindra Life Insurance Company Limited – Non-Executive Director & Chairman - Kotak Mahindra Capital Company Limited – Non-Executive Director & Chairman - The Mahindra United World College of India - Independent Director and Governing Member - The Anglo Scottish Education Society - Director & Member-Board of Governors - Gujarat International Finance Tec-City Company Limited – Non-Executive Director & Chairman
9	Mr. Ashok Vaswani	Managing Director & CEO	10227550	January 1, 2024 to December 31, 2026	Kotak Mahindra (UK) Limited – Non-Executive Director
10	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)	02234625	February 11, 2025 to February 10, 2028	- Kotak Securities Limited – Non-Executive Director and Chairman - Kotak Mahindra Asset Management Company Limited – Non-Executive Director - Kotak Mahindra Life Insurance Company Limited – Non-Executive Director - Kotak Alternate Asset Managers Limited – Non-Executive Director

Sr. No.	Name	Designation	DIN	Current Term	Other Directorship/ Position held
					- Zurich Kotak General Insurance Company (India) Limited – Nominee Director - Anukriya Foundation – Director
11	Mr. Paritosh Kashyap	Whole-time Director (Executive Director)	07656300	September 1, 2025 to August 31, 2028	- Kotak Mahindra Investments Limited – Non-Executive Director - Kotak Infrastructure Debt Fund Limited – Non-Executive Director - Kotak Mahindra Capital Company Limited – Non-Executive Director - Kotak Securities Limited – Non-Executive Director
12	Mr. Anup Kumar Saha	Whole-time Director (Executive Director)	07640220	March 6, 2026 to March 5, 2029	-

Note:

Mr. Uday Kotak is the Promoter of the Bank.

Biographies of our Directors

Brief profiles of all the Directors, their shareholding in the Issuer and directorship in other companies as on the date of this Offering Circular are, given below:

1. Mr. C S Rajan

Mr. C S Rajan is an accomplished leader with 48 years of experience in public life. He was appointed as an Independent Director on the Board of the Bank, with effect from October 22, 2022 and as Chairman, with effect from January 1, 2024.

An IAS officer of the 1978 batch, Mr. Rajan retired as the Chief Secretary of the Government of Rajasthan in 2016. He served in leadership roles for twelve years in key Infrastructure sectors, such as Energy, Highways, Water Resources and Industry, including Small Scale Industry / Micro, Small and Medium Enterprise and enjoyed a long stint of fourteen years in Agriculture and Rural Development. During his years as an IAS officer, he has also been exposed to the fields of Human Resources, Finance and General Administration. He has served on inter-disciplinary teams for review of World Bank Agriculture projects in other states and as a Consultant to the World Bank

in a study on 'Farmer Participation in Agricultural Research and Extension System' which was later on published as a book co-authored by him.

After his retirement from active service in July 2016, Mr. Rajan served as Deputy Chairman in the Chief Minister of Rajasthan's Advisory Council for a period of two and half years. In October 2018, Mr. Rajan was appointed by the Government of India on the Board of Infrastructure Leasing and Financial Services Limited ("IL&FS"), initially as Director (from October 2018 to April 2019), thereafter, as Managing Director (from April 2019 to April 2022), then as Chairman & Managing Director (from April 2022 to October 2022) and finally, as the Non-Executive Chairman of IL&FS (from October 2022 until his resignation in September 2024).

Mr. Rajan is a Postgraduate in History and has been an IAS (Retd.) Officer.

1. **Mr. Uday Shankar**

Mr. Uday Shankar is the former Executive Chairman of Star India and President of Disney, Asia-Pacific ("APAC") region, where he excelled at creating not just the biggest media enterprise in the region but was also a pioneer of the digital media revolution across the region. He is the visionary creator of some of the world's most successful digital services, such as Hotstar and JioCinema that have become the mobile models for the entire world. He is also the Vice Chairperson on the Board of JioStar India Private Limited.

The tech stacks created under his leadership still remain the go-to model for mobile heavy, large-scale markets, which are now being adopted by media companies around the world. He is known to have created talent nurseries at a time when the industry was still in its nascent stage in India and the developing world.

Mr. Shankar is an acclaimed entrepreneur, executive, technologist experienced in building scalable web applications, leveraging a wide range of technologies. In the world of consumer digital products and initiatives, over the last three decades, he has been instrumental in introduction of technologies, integrating cloud infrastructure and content delivery networks to ensure high availability and low latency of millions of users globally and has helped deliver high-quality world class products.

Mr. Shankar's adept working in agile environments and leading teams to solve complex problems through innovative technology solutions, brings a unique blend of strategic vision, operational expertise and digital innovation to the forefront. Besides building businesses, he has also trained professionals who are currently running some of the largest technology companies.

Mr. Shankar integrated Hotstar into the Star and was deeply involved in all aspects of technology, i.e., design, speed, capacity, hardware, software, cyber-security, fall back mechanism, Nil or minimum disruption, protection of customer information & content, commercial aspects of charging, etc., besides serving as a mentor and providing guidance and feedback on product development, design, tech and innovation roadmap and recruiting the entire leadership, attracting and building talent from the globally-known tech companies. Under his leadership, Star transformed into the region's leading company and led multiple large scale digital initiatives, data driven content strategies and technology integrations which helped scale businesses.

He is credited with pioneering the streaming revolution in India and the APAC region which was possible only using latest technology where diverse content was made available to more than 500 million users. Beyond his corporate roles, Mr. Shankar is also the first media executive who has been the President of the Federation of Indian Chambers of Commerce and Industry (FICCI). He

is associated with the US–India Strategic Partnership Forum (USISPF) and his social initiatives include Malaria No More (MNM).

After a distinguished corporate journey, Mr. Shankar turned entrepreneur in 2021. He launched Bodhi Tree Systems, as a founder director, to use technology to redefine consumer sectors that represent significant opportunities, but suffer from lack of capital and innovation—media, education and healthcare.

Mr. Shankar’s exceptional accomplishments have earned him numerous honours. Recognised by Forbes India as the “Best CEO (MNC)” for 2015 and named “Entrepreneur of the Year (Entrepreneurial CEO)” by EY for 2016, his achievements resonate widely. His inclusion in distinguished listings like the Indian Express’ “100 Most Powerful Indians” and India Today’s “50 Most Powerful People in India” reinforces his impact. Moreover, he was named the “Impact Person of the Decade–Media” (2004–2014) by Impact Magazine.

Mr. Shankar holds a Masters in Philosophy (M. Phil.) and Master of Arts (M. A.) Honors from Jawaharlal Nehru University

2. Ms. Ashu Suyash

Ms. Ashu Suyash is a successful leader, with over three decades of experience across banking, investment management and the global information services sectors. As the Founder & CEO of Colossa Ventures LLP (“Colossa Ventures”), she leverages her extensive expertise to foster innovative startups, drive growth and sponsor diversity within the venture capital ecosystem. Her strategic vision and business acumen have been honed through a distinguished career of leading Indian and multinational enterprises, setting up and scaling new businesses and driving transformation and change.

Prior to founding Colossa Ventures, Ms. Suyash was the Managing Director & CEO of CRISIL Limited (“CRISIL”) and a member of the Global Operating Committee of S&P Global Inc. She played a pivotal role in enabling CRISIL consolidate its ratings leadership position in India, grow globally and transform to become a leading Global analytics company.

Ms. Suyash’s previous roles were as CEO of L&T Investment Management Limited and as the Country Head and Managing Director of Fidelity’s Indian Mutual Fund Business, a business she helped set up and grow. She started her career with Citibank India, where she held several key positions across their corporate and investment banking group.

Beyond her executive roles, Ms. Suyash’s influence extends to corporate governance, education and societal progress. She is on the Advisory Board of Aseema Charitable Trust and CII’s Corporate Governance Council.

Ms. Suyash, over the years, has been recognised as one of the top 50 women in business in India and Asia and has received awards for her contributions to the Financial Services Industry.

She is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a Bachelor’s Degree in Commerce from the University of Mumbai.

3. Mr. Cornelis Petrus Adrianus Joseph Leenaars

Mr. Eli Leenaars has over 36 years of experience in the financial services sector, covering institutional & investment banking, asset management, corporate & retail banking and life & general insurance. With a track–record in digital banking, Mr. Leenaars has experience in

managing businesses through a wide range of matters including mergers & acquisitions, complex corporate restructurings, strategic initiatives and challenging financial environments.

Mr. Leenaars enjoyed a 24-year career (since 1991) at ING Group N.V., a Dutch multinational banking and financial services company and its various subsidiaries. He held numerous key management positions in Central & Eastern Europe, the United States of America, Latin America and Asia. Between 2004 and 2015, Mr. Leenaars was a member of ING's Executive Board with responsibility for ING's Global Retail & Private Banking operations and Group Technology and Operations. This also included him serving from 2010 until 2015 as CEO of ING Direct N.V., at that time, the world's largest digital bank.

From April 2015 to May 2021, Mr. Leenaars served as Group Managing Director at UBS Group AG, a Swiss multinational investment bank and financial services company and as Vice-Chairman of the Global Wealth Management Division, based in Zurich.

Mr. Leenaars has served as a Partner & Group Chief Operating Officer of Quintet Private Bank, a medium-sized Luxembourg-headquartered bank and wealth manager with operations in six European countries, from June 2021 to April 2024.

Since 2009, Mr. Leenaars is a member of the European and the Global Executive Committee of the Trilateral Commission (Paris, Tokyo and Washington, DC) and as its Treasurer between 2009 to 2022 and currently, from October 2025. Since 2009, he has held a number of supervisory roles for the Royal Concertgebouw in Amsterdam. Between 2013 and 2015, he was member of the Board and Treasurer of the Carnegie Foundation in The Hague by Royal Decree.

Mr. Leenaars has completed LL.M. from the Catholic University Nijmegen, Netherlands and the European University Institute, Florence, Italy and attended the Program for Management Development (PMD) at Harvard Business School, Boston, USA.

4. Ms. Ketaki Bhagwati

Ms. Ketaki Bhagwati serves various entities as an Independent Director and Senior Advisor, providing leadership in strategy, business development, operations, governance, financial, credit and risk management. She acts as a Senior Advisor to the Board of KPMG India Private Limited. She is also a member of the Investment Committee at Encourage Capital, a US-based impact fund focused on investments in India. She actively supports women leaders in business as a member of the Wellesley College Business Leadership Council.

Previously, Ms. Bhagwati served as an Independent Director on the Boards of Axis Bank Limited, Bayer Cropscience (India) Limited and Omniactive Technologies Private Limited. She was also a Nominee Director on the Board of Tikona Infinet Private Limited.

Prior to her board roles, Ms. Bhagwati held the position of Chief Investment Officer in the Financial Institutions Group at the International Finance Corporation ("IFC") where she worked for nearly twenty five years, specialising in private equity, mergers & acquisitions, debt & structured finance and distressed asset workouts across various sectors in Asia, the Middle East and Africa. Before joining IFC, she worked at CRISIL Limited in Mumbai.

Ms. Bhagwati is a Master of Public Administration in Economic Development and Finance (from Harvard University's John F. Kennedy School of Government) and Bachelor of Arts in Political Science (from Wellesley College).

5. **Mr. Ramesh Iyer**

Mr. Ramesh Iyer has been associated with the Mahindra Group for over four decades in various roles. He was instrumental in building Mahindra & Mahindra Financial Services Limited (“MMFSL”) into one of India’s leading rural finance institutions. In his last role, he served as MMFSL’s Vice Chairman & Managing Director and as President–Financial Services Sector & Member of the Group Executive Board–Mahindra and Mahindra Limited, until his superannuation in April 2024.

As CEO of MMFSL since 1999, he led MMFSL’s growth with a strong focus on rural and inclusive finance, scaling it significantly in assets, reach and customer base. He has also played a key role in establishing subsidiaries in rural housing finance, insurance broking and asset management and in forging international joint ventures.

In view of his multi–faceted achievements, he was honoured as Entrepreneur of the Year by Ernst & Young in 2013 and has received the CNBC Leadership Award in 2016, Business Today Best CEO (Financial Services–Mid–sized companies) Award in 2014 and several other accolades within the Mahindra Group over the years.

Mr. Iyer currently serves on the boards of several listed and unlisted companies and advises leading institutions across financial services and technology spheres.

Mr. Iyer is a Commerce graduate and holds a Doctor of Letters (D.Litt.) degree.

6. **Mr. Amit Desai**

Mr. Amit Desai, B. Com., LL.B., is a lawyer, with several decades of experience.

7. **Mr. Uday Kotak**

Mr. Uday Kotak is the Founder and Director of the Bank. He has played an important role in the growth of the Kotak Group over the past 40 years. He was the Managing Director & CEO of the Bank till 1st September, 2023, prior to becoming a Non–Executive Non–Independent Director, with effect from 2nd September, 2023. Under his leadership, the Kotak Group has emerged as one of India’s leading diversified and integrated financial services conglomerates, providing a range of financial solutions covering banking, asset management, alternate asset management, life and general insurance stock broking, investment banking, private banking, microfinance and asset reconstruction.

He has played an important role in defining and developing India’s banking and financial sector over three decades. Mr. Kotak leads several key bodies and is currently Co–Chairman of the Indo–UK Financial Partnership (IUKFP). He was on the International Advisory Panel of Monetary Authority of Singapore until December 2023 and was President of the Confederation of Indian Industry (CII) from June 2020 until May 2021. Mr. Kotak is on the International Advisory Board of the Government of Singapore Investment Corporation. From October 2018 to April 2022, he served as the Non–Executive Chairman of a specially constituted board of Infrastructure Leasing and Financial Services Limited (“IL&FS”) (a state–funded non–banking financial company) by the Government of India to steer IL&FS out of a deep crisis, which he served as his national duty. In 2017, a Committee on Corporate Governance constituted by SEBI under the leadership of Mr. Kotak recommended sweeping changes towards more robust and transparent corporate governance. In February 2026, Mr. Kotak has been appointed as the Non–Executive Chairman (Nominee of Government of Gujarat) of Gujarat International Finance Tec–City Company Limited (“GIFT City”).

The President of India conferred the Padma Bhushan to Mr. Uday Kotak on 25th May, 2026 for his transformative role in building Kotak Mahindra Bank as one of India's leading private sector banks and shaping the modern financial landscape. He was honoured with the 'Lifetime Achievement Award' at the Mint India Investment Summit 2025 and the 'Lifetime Achievement Award' by CNBC–TV18 at the India Business Leader Awards 2023. In the past, he has been a recipient of the 'Ernst & Young World Entrepreneur of the Year Award' in 2014, 'Economic Times Business Leader of the Year Award' in 2015, 'Businessman of the Year 2016' by Business India, 'Lifetime Achievement Award' at Financial Express' Best Banks' Awards 2016, 'USIBC Global Leadership Award' at the 2018 India Ideas Summit organised by the U.S.–India Business Council, 'Life Time Achievement Award' at Magna Awards 2019 by Businessworld, 'Best CEO in Banking Sector' by the Business Today Best CEO Awards 2019 and 'India Business Leader of the Year' by CNBC–TV18 at the India Business Leader Awards 2021.

Mr. Kotak holds a Bachelor's degree in Commerce from Mumbai University and a Master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai.

8. Mr. Ashok Vaswani

Mr. Ashok Vaswani has a proven track record spanning three and half decades, initially at Citigroup and, thereafter, at Barclays, of building and growing global businesses at scale, nurturing winning teams, establishing transformational partnerships, leveraging forward leaning technology, with a compelling business vision to deliver strong bottom–line growth. Mr. Vaswani is widely known as the person who led the transformation of Barclays from the analogue age to the digital age. This involved a complete technology architecture redesign, hollowing out of the proprietary core banking platform to deliver a high level of resilience, redesign, digitalisation of customer journeys and data lead operations.

He brings with him significant executional experience with high degree of compliance and industrial strength across financial services.

Mr. Vaswani was Chief Executive Officer of Barclays Bank, UK and, subsequently as CEO of their Global Consumer, Private, Corporate and Payments businesses and member of the Group Executive Committee. Earlier, he was CEO of Citigroup Asia Pacific and member of the Citigroup Global Operating & Management Committees. Mr. Vaswani also built and ran various country and regional businesses across geographies. He also held the position as President of Pagaya Technologies Limited, a US–Israeli AI Fintech based out of New York. In his last role as President of Pagaya, Mr. Vaswani led the efforts to scale up the company through institutional selling and technology connectivity with very low latency and a high degree of resilience.

Mr. Vaswani supports various philanthropic organisations, including Pratham and Lend–A–Hand.

He was on the board of several prestigious institutions, such as London Stock Exchange Group, The Forward Institute (UK), Telenor, SP Jain Institute of Global Management (UK), VISA Asia Pacific and VISA (UK), Entercard (Chairman), UK Finance Limited and Barclays Africa Group Limited (including as a member of its Audit and Technology Committee). He was also the Chairman of Retail Committee of British Bankers Association and a Trustee of Citizens Advice Bureau.

Mr. Vaswani is a Bachelor of Commerce (Economics and Accountancy), Chartered Accountant from the Institute of Chartered Accountants of India, Company Secretary from the Institute of Company Secretaries of India and has also received Executive Education from the Stanford Graduate School of Business.

9. **Mr. Jaideep Hansraj**

Mr. Jaideep Hansraj has over three decades of leadership experience within the Kotak Group. He oversees the Bank's Private Bank segment along with key enterprise functions including Human Resources Legal, Company Secretarial, Strategic Relations and Efficiency Management.

He is an integral member of the Executive Leadership across Bank's subsidiaries (spanning Kotak Securities Limited, Kotak Mahindra Life Insurance Company Limited, Kotak Asset Management Company Limited, Kotak Alternate Asset Managers Limited and Kotak Mahindra (International) Limited) where he champions the 'One Kotak' philosophy, driving seamless collaboration and a unified client experience across the Group.

He joined Kotak Group in 1993 and has held several pivotal leadership roles across businesses. He previously served as Managing Director & CEO of Kotak Securities, where he led a strong focus on digitalisation and innovation, delivering significant growth and transformation. Earlier, he was CEO at Kotak Mahindra International and also led the Private Client business within Kotak Securities. In 2004, he established and scaled the Bank's Wealth Management franchise, earning industry recognition.

Known for his client-centric approach and long-standing relationships, Mr. Hansraj combines strategic insight with deep market expertise to deliver holistic financial solutions to clients.

Mr. Hansraj is a Commerce graduate.

10. **Mr. Paritosh Kashyap**

With over 30 years of experience in the Banking and Financial Services in the Kotak Group, Mr. Paritosh Kashyap has held various key roles, including as the Group President and Business Head – Wholesale Banking Group and as a Senior Management Personnel of the Bank. During his tenure, he has spearheaded and grown to scale, a number of businesses in the Kotak Group.

During his early part of the career, he built the Debt Capital Market ("DCM") Business. Under his leadership, the Bank has achieved a strong position in the DCM Business. In July 2022, Mr. Kashyap took charge of the Wholesale Banking business at the Bank which then included amongst others, Corporate & SME Banking, Structured Finance, Infrastructure Lending, the Banking and Financial Institutions Group, Debt Capital Markets, Custody, GIFT City, Trade and Transaction Banking businesses. Prior to this, he was responsible for Large Corporate business, Real Estate Lending, Structured Finance, Infrastructure, Banking & Financial Institutions Group and Debt Capital Markets businesses. In the past, he has held the position as the Managing Director & CEO of Kotak Mahindra Investments Limited and has been instrumental in building the Real Estate and Structured Lending business and creating a name for the firm. Both, the Real Estate and Structured Lending businesses, are today Centres of Excellence for the Bank. Mr. Kashyap has extensive experience dealing with Large Corporates and NBFCs and advising them on capital structuring, financing and securitisation. He has originated, structured and led many structured financing transactions, including acquisition financing, sponsor financing, securitisation, cross border, high yield credit, etc. In his role as the Head of the Wholesale Bank, Mr. Kashyap has been driving a number of initiatives aimed towards excellence, including increasing usage of data and analytics, building a granular customer base, focusing on increasing share of Trade and Transaction Banking with corporate customers, enhancing the technology profile of the business, achieving growth without compromising on quality and health of the book and driving higher profitability and ATROE amongst others.

Mr. Kashyap is a Commerce Graduate, Chartered Accountant and Cost & Management Accountant.

11. **Mr. Anup Kumar Saha**

Mr. Anup Kumar Saha has over 32 years of professional experience, of which, 25 years has been in financial services across banking and non-banking financial institutions.

Prior to the Bank, Mr. Saha was associated with Bajaj Finance Limited (“BFL”) (from October 2017 to January 2026) where he progressively held senior roles, starting as President–Consumer Finance (from October 2017 to March 2019), then as Deputy CEO–Consumer, MSME, Marketing, Operations & Service and Digital platform (from April 2019 to March 2022), as Executive Director (April 2022–March 2024), Deputy Managing Director (April 2024–March 2025) and finally, as the Managing Director & CEO (from April 2025 until his resignation in July 2025). In his Executive Directorship roles at BFL, Mr. Saha was responsible for the entire standalone business of BFL.

Prior to BFL, Mr. Saha spent 14 years at ICICI Bank Limited (ICICI Bank) (May 2003–June 2017), where he served in senior roles, leading Retail Secured Assets, Business Intelligence, Retail and Rural Collections, Credit Cards and Retail Structured Finance. He also served as a Nominee Director of ICICI Bank on the boards of TransUnion CIBIL Limited and ICICI Home Finance Limited.

Earlier in his career, Mr. Saha worked with GE Capital (1999–2003) looking after credit cards, sales and analytics and Bharat Heavy Electricals Limited (1991–1995) in production engineering, following a brief stint in consumer durable sales.

Mr. Saha has a B. Tech degree in Engineering from IIT Kharagpur and has also completed his MBA from IIM Lucknow.

Shareholding of our Directors

The shareholding of our Directors as of 30 June 2026, is set forth below:

Sr. No.	Name of the Director	Shareholding in the Issuer	Percentage of shareholding in the Issuer (%)
1	Mr. C S Rajan	Nil	Nil
2	Mr. Uday Shankar	2,455	0.00
3	Ms. Ashu Suyash	Nil	Nil
4	Mr. Cornelis Petrus Adrianus Joseph Leenaars	Nil	Nil
5	Ms. Ketaki Bhagwati	Nil	Nil
6	Mr. Ramesh Iyer	3,756	0.00
7	Mr. Amit Desai	68,76,985	0.07
8	Mr. Uday Kotak	2,55,63,07,280 (Includes 11,71,780 equity shares held in the name of Kotak Trustee Company Private Limited as trustee for USK Benefit Trust-III,	25.70

of which,
Mr. Uday Kotak is the sole
beneficiary)

9	Mr. Ashok Vaswani	77,720	0.00
10	Mr. Jaideep Hansraj	14,20,240	0.01
11	Mr. Paritosh Kashyap	16,08,530	0.02
12	Mr. Anup Kumar Saha	Nil	Nil

Remuneration of our Directors

Remuneration of the Whole-time Director (Executive Director) for the last three years and current financial year.

I As on 30 June 2026

Particulars	Mr. Ashok Vaswani	Mr. Jaideep Hansraj	Mr. Paritosh Kashyap	Mr. Anup Kumar Saha
	(Rs. in lakh)			
Basic	132.75	72.27	70.50	57.00
Allowances and Benefits	25.47	13.57	13.14	44.69
Provident Fund	18.57	8.67	8.46	6.84
SARs Pay-out	34.70	76.60	48.67	—
Annual Incentive.....	—	—	—	—
Deferred Cash	132.70	114.58	88.75	—
Others	—	—	—	—
Total.....	344.19	285.69	229.52	108.53
Number of Stock options granted to the Directors	—	—	—	—

Notes:

- (2) The amounts shown above exclude Gratuity, insurance premium, car and value of car perquisites under the Income Tax Act, 1961 and perquisites value on Employee Stock Options (“ESOPs”) exercised.
- (3) Deferred Cash represents and includes Deferred Cash for the previous financial year(s) as per the approval of the RBI.
- (4) Variable Pay: As per the RBI (Commercial Banks- Governance) Directions, 2025 governing the compensation for Whole Time Directors/ Chief Executive Officers/Risk Takers and Control Function Staff, etc. issued by the RBI on November 28, 2025, the total Variable Pay of an Executive Director needs to be capped within the overall limit of 300% of the fixed pay. Such Variable Pay is inclusive of cash as well as non-cash components. The amount of Stock Appreciation Rights (“SARs”) pay-out, cash bonus, Deferred Cash and the ESOPs in the above table are part of the Variable Pay and are linked to the performance of the respective Directors, the performance of the Bank as a whole and such other performance based criteria, as may be determined by the NRC, from time to time.
- (5) Malus and Clawback provisions apply to the Variable Pay of Executive Directors, as given in the Compensation Policy of the Bank.
- (6) The terms of employment of Executive Directors provide for termination by mutual consent or by giving three months’ notice in writing. In the event of termination of employment, the liability of the Bank shall be limited to providing only the salary, retiral benefits and perquisites as prescribed by the terms of employment for a period of three months from the date of notice.

II Paid during FY 2025-2026

Particulars	Mr. Ashok Vaswani	Mr. Jaideep Hansraj	Mr. Paritosh Kashyap	Mr. Anup Kumar Saha	Ms. Shanti Ekambaram
			(Rs. in lakh)		
Basic.....	531.00	289.08	133.33	15.83	178.98
Allowances and Benefits	102.44	50.08	65.24	12.50	25.41
Provident Fund	74.27	34.69	19.74	1.90	21.48
Superannuation.....	1.00	1.00	0.58	0.08	—
SARs Pay-out	667.72	139.50	92.02	—	170.96
Annual Incentive	320.00	137.50	58.33	—	140.00
Deferred Cash.....	26.04	102.08	48.37	—	103.41
Others	1.00	1.00	0.58	0.22	47.03
Total	1,723.47	754.93	418.19	30.53	687.27
Number of Stock options granted to the Directors.....	355,500	152,750	—	—	—

Notes:

- (1) The amounts shown above exclude Gratuity, insurance premium, car and value of car perquisites under the Income Tax Act, 1961 and perquisites value on Employee Stock Options (“ESOPs”) exercised.
- (2) Ms. Shanti Ekambaram retired as the Deputy Managing Director of the Bank on October 31, 2025. Her remuneration also includes emoluments paid to her as part of her full & final settlement.
- (3) Mr. Paritosh Kashyap was appointed as a Whole-time Director, designated as Whole-time Director (Executive Director) of the Bank, with effect from September 1, 2025.
- (4) Mr. Anup Kumar Saha was appointed as a Whole-time Director, designated as Whole-time Director (Executive Director) of the Bank, with effect from March 6, 2026.
- (5) The Annual Incentives represent an amount of cash bonus for the previous financial year(s), paid during FY 2025–26, as per the approval of the RBI.
- (6) Deferred Cash represents and includes Deferred Cash for the previous financial year(s), paid during FY 2025-26, as per the approval of the RBI.
- (7) Variable Pay: As per the RBI (Commercial Banks–Governance) Directions, 2025 governing the compensation for Whole Time Directors/ Chief Executive Officers/Risk Takers and Control Function Staff, etc. issued by the RBI on November 28, 2025, the total Variable Pay of an Executive Director needs to be capped within the overall limit of 300% of the fixed pay. Such Variable Pay is inclusive of cash as well as non-cash components. The amount of Stock Appreciation Rights (“SARs”) pay-out, cash bonus, Deferred Cash and the ESOPs in the above table are part of the Variable Pay and are linked to the performance of the respective Directors, the performance of the Bank as a whole and such other performance based criteria, as may be determined by the NRC, from time to time.
- (8) Malus and Clawback provisions apply to the Variable Pay of Executive Directors, as given in the Compensation Policy of the Bank.
- (9) The terms of employment of Executive Directors provide for termination by mutual consent or by giving three months’ notice in writing. In the event of termination of employment, the liability of the Bank shall be limited to providing only the salary, retiral benefits and perquisites as prescribed by the terms of employment for a period of three months from the date of notice

III Paid during FY 2024-2025

Particulars	Mr. Ashok Vaswani	Ms. Shanti Ekambaram	Mr. Jaideep Hansraj	Mr. KVS Manian
	(Rs. in lakh)			
Basic	493.20	284.10	34.20	22.14
Allowances	81.69	40.00	10.91	3.33
Provident Fund	67.31	34.09	4.10	2.66
SARs Pay-out	573.96	98.69	—	—
Annual Incentive.....	78.13	116.75	—	—
Long term Deferred Cash	—	87.50	—	—
Others	1.00	1.00	0.14	45.43
Total.....	1,295.29	662.13	49.35	73.56
Number of Stock options granted to the Directors	18,580	27,760	—	—

Notes:

- (1) The amount shown above excludes Gratuity, insurance premium, car and value of car perquisites under the Income Tax Act, 1961 and perquisites value on Employee Stock Options (“ESOPs”).
- (2) Mr. KVS Manian resigned as the Joint Managing Director of the Bank on April 30, 2024. His remuneration also includes emoluments paid to him as part of his full & final settlement.
- (3) Mr. Jaideep Hansraj was appointed as the Whole-time Director (Executive Director) of the Bank, with effect from February 11, 2025.
- (4) The Annual Incentives represent an amount of Cash Bonus for the previous financial year(s), paid during FY 2024-25, as per the approval of the RBI.
- (5) Long Term Deferred Cash represents Long Term Deferred Cash for the previous financial year(s), paid during FY 2024-25, as per the approval of the RBI.
- (6) Variable Pay: As per the prevailing RBI Guidelines on Compensation for Whole Time Directors / Chief Executive Officers / Risk Takers and Control Function Staff, etc. issued by the RBI on November 4, 2019 (RBI Guidelines on Compensation), the total variable pay of an Executive Director needs to be capped within the overall limit of 300% of the fixed pay. Such variable pay is inclusive of Cash as well as Non-Cash components. The amount of SARs payout, cash bonus, Long Term Deferred Cash and the Employee Stock Options in the above table are part of the variable pay and are linked to the performance of the respective Directors, the performance of the Bank as a whole and such other performance based criteria as may be determined by the NRC, from time to time.
- (7) Malus and Clawback provisions apply to the variable pay of Executive Directors, as given in the Compensation Policy of the Bank.
- (8) The terms of employment of Executive Directors provide for termination by mutual consent or by giving three months’ notice in writing. In the event of termination of employment, the liability of the Bank shall be limited to providing only the salary, retiral benefits and perquisites as prescribed by the terms of employment for a period of three months from the date of notice.

IV Paid during FY 2023-2024

Particulars	Mr. Ashok Vaswani	Ms. Shanti Ekambaram	Mr. Uday Kotak	Mr. Dipak Gupta	Mr. KVS Manian
	(Rs. in lakh)				
Basic.....	123.30	245.47	0.00	228.96	265.63
Allowances.....	20.42	40.00	—	33.75	40.00

Particulars	Mr. Ashok Vaswani	Ms. Shanti Ekambaram	Mr. Uday Kotak	Mr. Dipak Gupta	Mr. KVS Manian
			(Rs. in lakh)		
Provident Fund	16.83	29.46	—	27.47	31.88
SARs Pay-out	—	148.13	—	152.96	52.27
Annual Incentive	—	93.50	—	125.50	116.00
Long term Deferred Cash	—	76.17	—	88.33	80.12
Others	1.00	1.00	—	0.75	1.00
Total	161.55	633.73	0.00	657.72	586.90
Number of Stock options granted to the Directors.....	51,813	25,337	—	—	31,267

Note:

- (1) The amount shown above excludes Gratuity, insurance premium, car and value of car perquisites under the Income Tax Act, 1961 and perquisites value on ESOPs.
- (2) Mr. Uday Kotak had opted to forego his fixed salary and accepted a token salary of Re. 1 during his tenure as Managing Director & CEO of the Bank, till September 1, 2023.
- (3) Mr. Dipak Gupta superannuated on December 31, 2023 and thus ceased to be the Managing Director & CEO and Director of the Bank.
- (4) The Annual Incentives represent an amount of Cash Bonus for the previous financial year(s), paid during FY 2023-24, as per the approval of the RBI.
- (5) Long Term Deferred Cash represents Long Term Deferred Cash for the previous financial year(s), paid during FY 2023-24, as per the approval of the RBI.
- (6) Variable Pay: As per the prevailing RBI Guidelines on Compensation for Whole Time Directors/Chief Executive Officers/Risk Takers and Control Function Staff, etc. issued by the RBI on November 4, 2019 (RBI Guidelines on Compensation), the total variable pay of an Executive Director needs to be capped within the overall limit of 300% of the fixed pay. Such variable pay is inclusive of Cash as well as Non-Cash components. The amount of SARs payout, cash bonus, Long Term Deferred Cash and the Employee Stock Options in the above table are part of the variable pay and are linked to the performance of the respective Directors, the performance of the Bank as a whole and such other performance based criteria as may be determined by the NRC, from time to time.
- (7) Malus and Clawback provisions apply to the variable pay of Executive Directors, as given in the Compensation Policy of the Bank.
- (8) The terms of employment of Executive Directors provide for termination by mutual consent or by giving three months' notice in writing. In the event of termination of employment, the liability of the Bank shall be limited to providing only the salary, retiral benefits and perquisites as prescribed by the terms of employment for a period of three months from the date of notice.

Remuneration of Non-Executive Non-Independent Directors for the last three years and current financial year

I As on 30 June 2026

Sr. No.	Director	Sitting Fees	Fixed Remuneration
		(Rs. in lakh)	
1	Mr. Amit Desai.....	5.25	—
2	Mr. Uday Kotak	14.25	—

II For FY 2025-26

Sr. No.	Director	Sitting Fees	Fixed Remuneration
		(Rs. in lakh)	
1	Mr. Amit Desai.....	18.00	30.00
2	Mr. Uday Kotak	50.50	30.00

III For FY 2024-25

Sr. No.	Director	Sitting Fees	Fixed Remuneration
		(Rs. in lakh)	
1	Mr. C. Jayaram (till April 30, 2024).....	3.75	7.50
2	Mr. Amit Desai.....	14.50	30.00
3	Mr. Uday Kotak	58.25	30.00

Note:

As per the Compensation Policy, fixed remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter) and also considers attendance of Directors at Board meetings.

IV For FY 2023-24

Sr. No.	Director	Sitting Fees	Fixed Remuneration
		(Rs. in lakh)	
1	Mr. C. Jayaram	59.10	20.00
2	Mr. Amit Desai.....	21.00	20.00
3	Mr. Uday Kotak	40.25	10.00

(appointed as a Non-Executive Director with effect from September 2, 2023 and, thereafter, was eligible for receiving sitting fees and fixed remuneration. Mr. Uday Kotak waived off his fixed remuneration as a Non-Executive Director, for the quarter ended September 30, 2023)

Note:

As per the Compensation Policy, Fixed Remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter).

Remuneration of Independent Directors for the last three years and current financial year

I As on 30 June 2026

Sr. No.	Director	Sitting Fees	Fixed Remuneration
(Rs. in lakh)			
1	Mr. C S Rajan.....	12.00	11.00
2	Mr. Uday Shankar	4.25	—
3	Ms. Ashu Suyash.....	12.50	—
4	Mr. Eli Leenaars.....	13.25	—
5	Ms. Ketaki Bhagwati.....	12.00	—
6	Mr. Ramesh Iyer.....	10.25	—

II For FY 2025-26

Sr. No.	Director	Sitting Fees	Fixed Remuneration ^s
(Rs. in lakh)			
1	Mr. C S Rajan.....	39.25	42.50*
2	Mr. Uday Shankar	23.25	30.00
3	Dr. Ashok Gulati (till March 5, 2026).....	29.75	30.00
4	Ms. Ashu Suyash.....	36.00	30.00
5	Mr. Eli Leenaars.....	34.25	30.00
6	Ms. Ketaki Bhagwati.....	48.25	30.00
7	Mr. Ramesh Iyer (w.e.f. February 17, 2026).....	2.75	7.50

Notes:

\$ Fixed Remuneration of Non-Executive Directors (other than Non-Executive Independent Part-time Chairman) paid / payable to them during FY 2026-27.

* Fixed Remuneration as Non-Executive Independent Part-time Chairman, paid on quarterly basis.

- As per the Compensation Policy, fixed remuneration is computed on a pro-rata basis, if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter) and also considers attendance of Directors at Board meetings.

III For FY 2024-25

Sr. No.	Director	Sitting Fees	Fixed Remuneration ^s
(Rs. in lakh)			
1	Mr. C S Rajan.....	41.50	39.75*
2	Mr. Uday Khanna (till September 15, 2024).....	19.50	15.00
3	Mr. Uday Shankar	27.00	30.00

Sr. No.	Director	Sitting Fees	Fixed Remuneration ^{\$}
4	Dr. Ashok Gulati	36.00	30.00
5	Ms. Ashu Suyash.....	39.75	30.00
6	Mr. Eli Leenaars.....	30.50	30.00
7	Ms. Ketaki Bhagwati (w.e.f. May 18, 2024)	41.25	30.00

Notes:

\$ Fixed Remuneration of Non-Executive Directors (other than Non-Executive Independent Part-time Chairman) paid to them during FY 2025-26.

* Fixed Remuneration as Non-Executive Independent Part-time Chairman
- As per the Compensation Policy, fixed remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter) and also considers attendance of Directors at Board meetings.

IV For FY 2023-2024

Sr. No.	Director	Sitting Fees	Fixed Remuneration ^{\$}	Fixed Remuneration as Non-Executive Part-time Chairman
1	Mr. C S Rajan*	43.10	15.00	8.25
2	Mr. Uday Khanna.....	44.75	20.00	NA
3	Mr. Uday Shankar	35.00	20.00	NA
4	Dr. Ashok Gulati	42.00	20.00	NA
5	Ms. Ashu Suyash.....	62.85	20.00	NA
6	Mr. Eli Leenaars (appointed w.e.f. January 1, 2024)...	9.00	5.00	NA
7	Mr. Prakash Apte (till December 31, 2023).....	35.60	NA	22.50

Notes:

\$ Fixed Remuneration of Non-Executive Directors (other than Non-Executive Independent Part-time Chairman) paid to them during FY 2024-25.

* Mr. C S Rajan was appointed as a Part-time Chairman of the Bank, with effect from January 1, 2024.
- As per the Compensation Policy, Fixed Remuneration is computed on a pro-rata basis if a Non-Executive Director holds directorship for a part of the financial year, based on the number of quarters for which such Director was on the Board (with a part of quarter considered as a full quarter).

Changes in our Board of Directors during the last three years

Name of the Director	Date of Change	Reasons for Change
FY 2025-26		
Mr. Paritosh Kashyap	September 1, 2025	Appointed as a Whole-time Director, designated as Whole-time Director (Executive Director), for a period of three years
Ms. Shanti Ekambaram	October 31, 2025	Retired from the services of the Bank on completion of her term as Deputy Managing Director
Mr. C S Rajan	January 1, 2026	Re-appointed as the Part-time Chairman, for a further period from January 1, 2026 to October 21, 2027.
Mr. Ramesh Iyer	February 17, 2026	Appointed as an Independent Director for an initial term of four years
Dr. Ashok Gulati	March 5, 2026	Retired as an Independent Director of the Bank on completion of his term
Mr. Anup Kumar Saha	March 6, 2026	Appointed as a Whole-time Director, designated as Whole-time Director (Executive Director) for a period of three years
FY 2024-25		
Mr. C. Jayaram	April 30, 2024	The term as a Non-Executive Non-Independent Director ended on completion of eight continuous years, in line with the provisions of the Banking Regulation Act, 1949.
Mr. KVS Manian	April 30, 2024	Resigned as the Joint Managing Director
Ms. Ketaki Bhagwati	May 18, 2024	Appointed as an Independent Director of your Bank for an initial term of four years
Mr. Uday Khanna	September 15, 2024	The term as an Independent Director ended on completion of eight continuous years in line with the provisions of the BR Act and the expiry of his second consecutive term as an Independent Director.
Mr. Jaideep Hansraj	February 11, 2025	Appointed as a Whole-time Director, designated as Whole-time Director (Executive Director) for a period of three years
FY 2023-24		
Mr. Uday Kotak	September 1, 2023	Resigned as the Managing Director & CEO of the Bank
	September 2, 2023	Became a Non-Executive Director
Mr. Dipak Gupta	September 2, 2023	The then Joint Managing Director, assumed the duties of Managing Director & CEO, as an interim arrangement, for the period up to December 31, 2023.

Name of the Director	Date of Change	Reasons for Change
	December 31, 2023	Mr. Gupta ceased to be a Director and Managing Director & CEO of the Bank, upon completion of his term
Mr. Prakash Apte	December 31, 2023	Ceased to be a Director and Non-Executive Independent Part-time Chairman
Mr. Ashok Vaswani	January 1, 2024	Appointed as the Managing Director & CEO of the Bank, for a period of three years
Mr. Eli Leenaars	January 1, 2024	Appointed as a Director and an Independent Director of the Bank, for a term of four years
Mr. C S Rajan	January 1, 2024	Appointed as the Non-Executive Independent Part-time Chairman of the Bank, for a period of two years
Mr. Uday Shankar	March 16, 2024	Re-appointed as an Independent Director of the Bank for a second consecutive term of three years
Mr. KVS Manian	March 19, 2024,	Re-designated as Joint Managing Director till the end of his term on October 31, 2025.
Ms. Shanti Ekambaram	March 19, 2024,	Re-designated as Deputy Managing Director till the end of her term on October 31, 2025.

Key Management Personnel

Particulars of Key Management Personnel (“KMP”) and changes since the close of the previous financial year:

Sr. No.	KMP	Designation	Particulars of change in KMP
1	Mr. Ashok Vaswani	Managing Director & CEO	—
2	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)	—
3	Mr. Paritosh Kashyap	Whole-time Director (Executive Director)	—
4	Mr. Anup Kumar Saha	Whole-time Director (Executive Director)	—
5	Mr. Devang Gheewalla	Group Chief Financial Officer	—
6	Ms. Avan Doomasia	Company Secretary	—

Brief Profile of KMPs

Mr. Ashok Vaswani

Mr. Ashok Vaswani has a proven track record spanning three and half decades, initially at Citigroup and, thereafter, at Barclays, of building and growing global businesses at scale, nurturing winning teams, establishing transformational partnerships, leveraging forward leaning technology, with a compelling business vision to deliver strong bottom-line growth. Mr. Vaswani is widely known as the person who led the transformation of

Barclays from the analogue age to the digital age. This involved a complete technology architecture redesign, hollowing out of the proprietary core banking platform to deliver a high level of resilience, redesign, digitalisation of customer journeys and data lead operations.

He brings with him significant executional experience with high degree of compliance and industrial strength across financial services.

Mr. Vaswani was Chief Executive Officer of Barclays Bank, UK and, subsequently as CEO of their Global Consumer, Private, Corporate and Payments businesses and member of the Group Executive Committee. Earlier, he was CEO of Citigroup Asia Pacific and member of the Citigroup Global Operating & Management Committees. Mr. Vaswani also built and ran various country and regional businesses across geographies. He also held the position as President of Pagaya Technologies Limited, a US–Israeli AI Fintech based out of New York. In his last role as President of Pagaya, Mr. Vaswani led the efforts to scale up the company through institutional selling and technology connectivity with very low latency and a high degree of resilience.

Mr. Vaswani supports various philanthropic organisations, including Pratham and Lend–A–Hand.

He was on the board of several prestigious institutions, such as London Stock Exchange Group, The Forward Institute (UK), Telenor, SP Jain Institute of Global Management (UK), VISA Asia Pacific and VISA (UK), Entercard (Chairman), UK Finance Limited and Barclays Africa Group Limited (including as a member of its Audit and Technology Committee). He was also the Chairman of Retail Committee of British Bankers Association and a Trustee of Citizens Advice Bureau.

Mr. Vaswani is a Bachelor of Commerce (Economics and Accountancy), Chartered Accountant from the Institute of Chartered Accountants of India, Company Secretary from the Institute of Company Secretaries of India and has also received Executive Education from the Stanford Graduate School of Business.

Mr. Jaideep Hansraj

Mr. Jaideep Hansraj has over three decades of leadership experience within the Kotak Group. He oversees the Bank's Private Bank segment along with key enterprise functions including Human Resources Legal, Company Secretarial, Strategic Relations and Efficiency Management.

He is an integral member of the Executive Leadership across Bank's subsidiaries (spanning Kotak Securities Limited, Kotak Mahindra Life Insurance Company Limited, Kotak Asset Management Company Limited, Kotak Alternate Asset Managers Limited and Kotak Mahindra (International) Limited) where he champions the 'One Kotak' philosophy, driving seamless collaboration and a unified client experience across the Group.

He joined Kotak Group in 1993 and has held several pivotal leadership roles across businesses. He previously served as Managing Director & CEO of Kotak Securities, where he led a strong focus on digitalisation and innovation, delivering significant growth and transformation. Earlier, he was CEO at Kotak Mahindra International and also led the Private Client business within Kotak Securities. In 2004, he established and scaled the Bank's Wealth Management franchise, earning industry recognition.

Known for his client–centric approach and long–standing relationships, Mr. Hansraj combines strategic insight with deep market expertise to deliver holistic financial solutions to clients.

Mr. Hansraj is a Commerce graduate.

Mr. Paritosh Kashyap

With over 30 years of experience in the Banking and Financial Services in the Kotak Group, Mr. Paritosh Kashyap has held various key roles, including as the Group President and Business Head – Wholesale Banking Group and as a Senior Management Personnel of the Bank. During his tenure, he has spearheaded and grown to scale, a number of businesses in the Kotak Group.

During his early part of the career, he built the Debt Capital Market (“DCM”) Business. Under his leadership, the Bank has achieved a strong position in the DCM Business. In July 2022, Mr. Kashyap took charge of the Wholesale Banking business at the Bank which then included amongst others, Corporate & SME Banking, Structured Finance, Infrastructure Lending, the Banking and Financial Institutions Group, Debt Capital Markets, Custody, GIFT City, Trade and Transaction Banking businesses. Prior to this, he was responsible for Large Corporate business, Real Estate Lending, Structured Finance, Infrastructure, Banking & Financial Institutions Group and Debt Capital Markets businesses. In the past, he has held the position as the Managing Director & CEO of Kotak Mahindra Investments Limited and has been instrumental in building the Real Estate and Structured Lending business and creating a name for the firm. Both, the Real Estate and Structured Lending businesses, are today Centres of Excellence for the Bank. Mr. Kashyap has extensive experience dealing with Large Corporates and NBFCs and advising them on capital structuring, financing and securitisation. He has originated, structured and led many structured financing transactions, including acquisition financing, sponsor financing, securitisation, cross border, high yield credit, etc. In his role as the Head of the Wholesale Bank, Mr. Kashyap has been driving a number of initiatives aimed towards excellence, including increasing usage of data and analytics, building a granular customer base, focusing on increasing share of Trade and Transaction Banking with corporate customers, enhancing the technology profile of the business, achieving growth without compromising on quality and health of the book and driving higher profitability and ATROE amongst others.

Mr. Kashyap is a Commerce Graduate, Chartered Accountant and Cost & Management Accountant.

Mr. Anup Kumar Saha

Mr. Anup Kumar Saha has over 32 years of professional experience, of which, 25 years has been in financial services across banking and non-banking financial institutions.

Prior to the Bank, Mr. Saha was associated with Bajaj Finance Limited (“BFL”) (from October 2017 to January 2026) where he progressively held senior roles, starting as President–Consumer Finance (from October 2017 to March 2019), then as Deputy CEO–Consumer, MSME, Marketing, Operations & Service and Digital platform (from April 2019 to March 2022), as Executive Director (April 2022–March 2024), Deputy Managing Director (April 2024–March 2025) and finally, as the Managing Director & CEO (from April 2025 until his resignation in July 2025). In his Executive Directorship roles at BFL, Mr. Saha was responsible for the entire standalone business of BFL.

Prior to BFL, Mr. Saha spent 14 years at ICICI Bank Limited (ICICI Bank) (May 2003–June 2017), where he served in senior roles, leading Retail Secured Assets, Business Intelligence, Retail and Rural Collections, Credit Cards and Retail Structured Finance. He also served as a Nominee Director of ICICI Bank on the boards of TransUnion CIBIL Limited and ICICI Home Finance Limited.

Earlier in his career, Mr. Saha worked with GE Capital (1999–2003) looking after credit cards, sales and analytics and Bharat Heavy Electricals Limited (1991–1995) in production engineering, following a brief stint in consumer durable sales.

Mr. Saha has a B. Tech degree in Engineering from IIT Kharagpur and has also completed his MBA from IIM Lucknow.

Mr. Devang Gheewalla

Mr. Devang Gheewalla is the Group Chief Financial Officer and responsible for Group Finance, Taxation, Strategy, Investor Relations and Operations. Over 21 years with Kotak, he has served as Internal Audit Head and Financial Controller for over a decade and played a key role in the acquisition and integration of ING Vysya Bank. Earlier, he was Associate Director at KPMG India. Devang is a Commerce graduate, a Chartered Accountant and a Cost Accountant.

Ms. Avan Doomasia

Ms. Avan Doomasia is the Company Secretary at Kotak Mahindra Bank Limited, overseeing the Corporate Secretarial function and ensuring compliance with applicable regulations and governance norms. Prior to joining the Bank, she was the Company Secretary of Tata Capital Limited and Tata Capital Financial Services Limited and has also worked with CEAT Limited and Tata Motors.

She is a fellow member of the Institute of Company Secretaries of India (ICSI) and a Law and Commerce Graduate. She brings over 3 decades of rich and varied expertise in corporate secretarial, governance and regulatory compliance.

Shareholding of the KMPs in the Issuer as on June 30, 2026

Name of the KMP	Number of Equity Shares	Percentage of total number of outstanding equity shares
		(%)
Mr. Ashok Vaswani, Managing Director & CEO	77,720	0.00
Mr. Jaideep Hansraj, Whole-time Director (Executive Director).....	14,20,240	0.01
Mr. Paritosh Kashyap, Whole-time Director (Executive Director)	16,08,530	0.02
Mr. Anup Kumar Saha, Whole-time Director (Executive Director).....	Nil	Nil
Mr. Devang Gheewalla, Group Chief Financial Officer	7,44,535	0.01
Ms. Avan Doomasia, Company Secretary	10,365	0.00

Changes in the KMP during the last three years

Name of the KMP	Date of Change	Reasons for Change
FY 2025-26		
Mr. Paritosh Kashyap	September 1, 2025	Appointed as a Whole-time Director, designated as Whole-time Director (Executive Director), for a period of three years
Mr. Anup Kumar Saha	March 6, 2026	Appointed as a Whole-time Director, designated as Whole-time Director (Executive Director) for a period of three years
Ms. Shanti Ekambaram	October 31, 2025	Retired from the services of the Bank on completion of her term as Deputy Managing Director
FY 2024-25		
Mr. KVS Manian	April 30, 2024	Resigned as the Joint Managing Director
Mr. Jaideep Hansraj	February 11, 2025	Appointed as a Whole-time Director, designated as Whole-time Director (Executive Director) for a period of three years

Name of the KMP	Date of Change	Reasons for Change
Mr. Devang Gheewalla	April 1, 2024	Appointed as the Group Chief Financial Officer and KMP
FY 2023-24		
Mr. Uday Kotak	September 1, 2023	Resigned as the Managing Director & CEO of the Bank
	September 2, 2023	Became a Non-Executive Director
Mr. Dipak Gupta	September 2, 2023	The then Joint Managing Director, assumed the duties of Managing Director & CEO, as an interim arrangement, for the period up to December 31, 2023.
	December 31, 2023	Mr. Gupta ceased to be a Director and Managing Director & CEO of the Bank, upon completion of his term
Mr. Ashok Vaswani	January 1, 2024	Appointed as the Managing Director & CEO of the Bank, for a period of three years
Mr. KVS Manian	March 19, 2024,	Re-designated as Joint Managing Director till the end of his term on October 31, 2025.
Ms. Shanti Ekambaram	March 19, 2024,	Re-designated as Deputy Managing Director till the end of her term on October 31, 2025.
Mr. Jaimin Bhatt	March 31, 2024.	Superannuated as the Group Chief Financial Officer and KMP

Corporate Governance

The Issuer believes that Corporate Governance is a reflection of its value system, encompassing its culture, policies and relationship with the stakeholders such as shareholders, regulators, employees, customers, vendors, government and the community at large. Corporate Governance for the Issuer is a system of well-established practices, processes and rules, which directs its affairs in an efficient manner and helps to maximise value for its stakeholders. Corporate Governance is more than just adherence to the regulatory and statutory requirements, it is equally about focusing on the voluntary practices that underlie the highest levels of transparency.

Corporate Governance provides a framework for attaining the objectives of the Issuer and encompasses every sphere of management from action plans and internal controls to performance measurement, ethics and corporate disclosures. Good Corporate Governance helps to build trust with the investors and the community and in creating, enhancing and safeguarding long-term interest and sustainable value for all its stakeholders.

The Issuer is committed to meeting the aspirations of all its stakeholders and creating a valuable relationship with them. Strong Corporate Governance practices form the foundation of the Issuer's consistent performance and have helped in gaining the respect and long-term association with its stakeholders. In this regard, the Issuer is committed to achieving and adhering to the highest standards of Corporate Governance and ethical practices and constantly benchmarks itself with best practices. The Bank's philosophy on Corporate Governance is based on the core principles of Accountability and Responsibility, Integrity, Independence, Leadership, Excellence, Fair, Transparent and Timely Dealings and Disclosures, Equality, Sustainability and Social Responsibility.

The Board of Directors (“**Board**”) of the Issuer ensures the basis of an effective Corporate Governance framework by safeguarding and enhancing the shareholders’ capital, ensuring independence of the Board and effectiveness of the management, legal and compliance functions and responsible leadership.

The Issuer has adopted the Codes of Conduct for Directors and employees, which lay down the values and standards of conduct that are expected from them, while performing their roles and responsibilities across various functions. The Issuer has also adopted the Policy on Board Diversity, Vigilance Policy, Whistle Blower Policy, Policy against Sexual Harassment in the Workplace, Policy for Determination of Materiality of Events or Information and the Insider Trading Code of Conduct, amongst others.

During FY 2025-26, thirteen (13) meetings of the Board of Directors were held, i.e., on May 3, 2025, May 31, 2025, June 28, 2025, July 26, 2025, September 27, 2025, October 25, 2025, November 21, 2025, December 12, 2025, December 20, 2025, January 12, 2026, January 23-24, 2026, February 17, 2026 and March 20-21, 2026.

Committees of our Board of Directors

The Board has constituted several Board and Non–Board Committees to deal with specific matters and has delegated powers for different functional areas as required under the Act, the BR Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**SEBI Listing Regulations**”) and the various applicable directions/guidelines/regulations/circulars, etc. issued from time to time, by the RBI. These Committees monitor the activities falling within their specific terms of reference and support the Board in discharging its functions.

The details of Board Committees are, as under:

Audit Committee

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Ms. Ashu Suyash (Chairperson)	Independent Director
2	Mr. Eli Leenaars	Independent Director
3	Ms. Ketaki Bhagwati	Independent Director
4	Mr. Ramesh Iyer	Independent Director

Notes:

- (1) All the members of the Audit Committee are Independent Directors.
- (2) All the members of the Audit Committee are financially literate and have the ability to read and understand financial statements. Ms. Ashu Suyash also possesses accounting and financial management expertise.
- (3) The composition of the Audit Committee is in accordance with the provisions of Section 177 of the Act read with relevant rules made thereunder, Regulation 18 of the SEBI Listing Regulations and the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.
- (4) The quorum for the meetings of the Audit Committee is three members, with at least two–third of the members attending the meeting, being Independent Directors.
- (5) The Company Secretary acts as the Secretary to the Audit Committee.
- (6) Ms. Ashu Suyash, the Chairperson of the Audit Committee, was present at the last annual general meeting (“AGM”) to answer the queries of the members.

- (7) The Head–Internal Audit meets the Audit Committee, on a one–to–one basis without the presence of management.
- (8) The Head–Internal Audit, reports to the Audit Committee and attends the meetings of the Audit Committee.
- (9) Besides the members of the Audit Committee, meetings of the Audit Committee are generally attended by invitees who are representatives of the management.
- (10) The Audit Committee meets the Chief Compliance Officer, on a one–to–one basis, without the presence of management, on a quarterly basis.
- (11) The Joint Statutory Auditors are invited to attend the meetings of the Audit Committee. The members of the Audit Committee meet the Statutory Auditors independently at least once a year.

Roles, Responsibilities and Functions:

The terms of reference of the Audit Committee, as amended and forming part of its comprehensive Charter document are, *inter alia*, as follows:

- (i) To provide directions and oversee the operation of the audit function in the Bank and issue, whenever necessary, suitable directions and timely completion of audit.
- (ii) Oversight of the Bank’s financial reporting process and the disclosure of its financial information to ensure the fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements and provisions of Companies Act, 2013 and to ensure that the financial statements are true, fair, sufficient and credible.
- (iii) Review with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s Report in terms of clause (c) of sub–section 3 of Section 134 of the Companies Act, 2013.
 - (b) Changes, if any, in accounting policies and practices and reasons for the same.
 - (c) Compliance with accounting standards, selection of accounting policies, significant judgements, estimates and assumptions that affect reported amounts in financial statements.
 - (d) Significant adjustments made in the financial statements arising out of audit findings.
 - (e) Compliance with regulatory guidelines, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and other legal requirements relating to financial statements.
 - (f) Disclosure of any related party transactions.
 - (g) Modified opinion(s) in the draft audit report.
 - (h) Going concern assumption.
 - (i) Management Discussion and Analysis of financial condition and results of operations.
 - (j) Bank’s earnings, press releases, as well as financial information and earnings guidance, if any, provided to analysts and rating agencies.
- (iv) Review with the management, the quarterly financial statements/results before submission to the Board for approval.

- (v) Reviewing with management, the statement of uses/application of funds, wherever necessary, raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or preferential issue or qualified institutions placement or right issue and making appropriate recommendations to the Board to take up steps in this matter wherever necessary.
- (vi) Approve or ratify, as may be permitted by law, transactions of the Bank with related parties (as defined under the applicable laws) and review significant transactions and matters related thereto. Grant of omnibus approval for related party transactions proposed to be entered into by the Bank or its subsidiary companies subject to such conditions as prescribed and as amended from time to time. Members of the Audit Committee who are Independent Directors shall approve the related party transactions. Related Parties to have the same meaning as provided in the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- (vii) The Audit Committee shall recommend policy on “materiality of related party transactions and on dealing with related party transactions” including clear threshold limits, in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- (viii) To set forth the Policies relating to and overseeing the implementation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”), as amended from time to time and the Trading Code of Conduct for Prevention of Insider Trading (“**Code**”) and to take on record such reports as may be required from the compliance officer under the Code and to decide penal and disciplinary action in respect of violation of the Regulations/Code and to review compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended from time to time) at least once in a FY and shall verify that the systems for internal control are adequate and are operating effectively.
- (ix) Valuation of undertakings or assets of the Bank, wherever it is necessary.
- (x) To evaluate the adequacy and operational effectiveness of internal financial control of the Bank and also to evaluate risk management systems of the Bank.
- (xi) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividend declared) and creditors.
- (xii) Approval of appointment of Chief Financial Officer, after assessing the qualifications, experience and background, etc. of the candidate.
- (xiii) Review reasons for revenue leakage and approve corrective action plan and monitor them at regular interval. Monitor areas of repeat occurrences, if any and ensure immediate actions are taken to prevent such repeat occurrences of revenue leakage.
- (xiv) Review the financial statements of unlisted subsidiary company/ies and more particularly the investments made by them.
- (xv) Review the key audit observations pertaining to the subsidiaries selected from the ones presented to the respective Audit Committee / Board, as the case may be.
- (xvi) Reviewing the utilization of loans and / or advances from / investment by the Bank in the subsidiary exceeding Rs.100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

- (xvii) Consider and comment on rationale, cost-benefits and impact of schemes involving Merger, Demerger, Amalgamation, etc., on the Bank and its shareholders.
- (xviii) Review details presented to the Audit Committee, at prescribed frequency, vide RBI circular dated November 10, 2010 and as updated from time to time.
- (xix) Discuss significant issues raised in the Long Form Audit Report and follow up there on with statutory auditors.
- (xx) Scrutiny of inter-corporate loans and investments to the extent applicable.
- (xxi) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (xxii) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (xxiii) To perform any other function, duty as stipulated by the Board of Directors and as mentioned under the Companies Act, 2013, the Reserve Bank of India, the Securities & Exchange Board of India, the Stock Exchanges and any other regulatory or statutory authority or under any applicable law, as prescribed from time to time and also to review the findings by regulatory agencies.

Reporting Responsibilities

- (i) The Audit Committee shall recommend to the Board, the quarterly, half yearly and annual financial statements after reviewing the same.
- (ii) The recommendations of the Audit Committee on any matter relating to financial management, management discussion and analysis of financial condition and result of operations after its review, including the auditors' report, shall be binding on the Board
- (iii) If the Board does not accept the recommendations of the Audit Committee, it shall disclose the same in the Board's Report, together with the reasons thereof.

Compliance

- (i) Reviewing the effectiveness of the system for monitoring compliance with laws and regulations and the results of the management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- (ii) Reviewing the findings of any examinations by regulatory agencies and any auditors' observations.
- (iii) Reviewing the process for communicating the Code of Conduct to the Bank's personnel and for monitoring compliance therewith.
- (iv) Obtaining regular updates from the management and the Bank's legal and compliance team regarding legal and regulatory compliance matters.

Independent Statutory Auditors

- (i) Recommend to the Board of Directors the appointment, re-appointment, replacement and removal of the statutory auditors for both domestic and overseas operations, considering independence and effectiveness, terms of appointment, the fees and other compensation to be paid to the independent statutory auditors.
- (ii) Approve all payments for services rendered by the statutory auditors other than as statutory auditors.

- (iii) Review and monitor auditors' independence performance and effectiveness of audit process, both for domestic and overseas operations.
- (iv) Periodically consult with the statutory auditors in the absence of management about internal controls and fair presentation of financial statements in accordance with accounting principles generally accepted in India, applicable regulatory requirements and provisions of Companies Act, 2013.
- (v) Discuss with statutory auditors the nature and scope of the audit.
- (vi) Discuss and ascertain from the statutory auditors post the completion of the audit, areas of concern, if any.
- (vii) Review management letters / letters of internal control weaknesses issued by the statutory auditors.
- (viii) Provide a right to be heard to the independent statutory auditors and the key management personnel in the meetings of the Audit Committee when it considers the auditor's report but not the right to vote.

Internal Audit Department

- (i) Approve appointment, re-appointment, replacement and removal of the concurrent auditors and outsourced internal auditors and the fees and other compensation to be paid to them.
- (ii) Review with management for performance of internal audit department.
- (iii) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and qualification of personnel in the department including the seniority of the official heading the department, reporting structure, coverage and frequency of internal audit including information systems audit.
- (iv) Discuss with internal auditors any significant findings and follow up there on.
- (v) Review the internal audit reports relating to internal control weaknesses.
- (vi) Review the findings of any internal investigations and report the matter to the Board of Directors.
- (vii) Approve, review and monitor the risk based internal audit plan.
- (viii) Review appointment, removal and performance of Head – Internal Audit.
- (ix) Annually, review and recommend changes (if any) to the internal audit charter.
- (x) Review the key observations emanating from internal audit reports or summaries thereof including action plans agreed by management and their status.

Whistleblowing/ Vigil mechanism

- (i) The Committee shall review the Bank's mechanism for its Directors and Employees to raise genuine concerns; whether it provides adequate safeguards against victimization of persons who use such mechanism and provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.
- (ii) Ensure the integrity and effectiveness of the Bank's Whistleblower mechanism, whereby all complaints regarding potential fraud or suspicious activities are appropriately investigated and resolved.
- (iii) Initiate and oversee the examination of accountability in fraud cases, if any, involving very senior executives like Managing Director & CEO, Executive Director, and other Executives of equivalent rank.
- (iv) Review Statement of Deviations, if any:

- (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32 (1) of SEBI Listing Regulations.
- (b) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

Inspections conducted by regulators

- (i) Review the audit inspection reports of the inspection team of Reserve Bank of India or any other regulator, approve action plans for corrective actions to be taken and monitor compliance thereof.
- (ii)
- (iii) Review the implementation and effectiveness of the financial policies and process and highlight any gaps observed to the Board of Directors.

Process Improvement

- (i) Establish a process of reporting by the management or independent statutory auditor or internal auditors, as the case may be, to the Audit Committee with regard to any significant judgment made in preparation of the financial statements along with their views on appropriateness of such Judgments.
- (ii) Following completion of the annual audit and internal audit plan, review separately with each of management, the statutory auditors and the internal auditing department any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (iii) Review any significant disagreement among management and the independent statutory auditors including auditors in connection with the preparation of the financial statements.
- (iv) Review any significant disagreement among management and the internal audit department in connection with the observations made in the internal audit report.
- (v) Review with management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.
- (vi) Perform any other activities consistent with this Charter and governing law, as the Audit Committee or the Board deems necessary or appropriate.

Nomination and Remuneration Committee (the “NRC”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Uday Shankar (Chairman)	Independent Director
2	Mr. C S Rajan	Independent Director
3	Mr. Uday Kotak	Non-Executive Non-Independent Director

Notes:

- (1) The composition of the NRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder, Regulation 19 of the SEBI Listing Regulations and the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

- (2) The quorum for the meetings of the NRC of the Bank is three members, including half of the members attending the meeting being Independent Directors and one member of the Risk Management Committee.
- (3) The Company Secretary acts as the Secretary to the NRC.
- (4) Mr. Uday Shankar, Chairman of the NRC, was present at the last AGM to answer the queries of the members.

Roles, Responsibilities and Functions:

The terms of reference of the NRC, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and specify the manner for effective Evaluation of Performance of Board, its Committees and Individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance.
- (ii) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, KMP and other Employees.
- (iii) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - (a) use the services of external agencies, if required;
 - (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - (c) consider the time commitments of the candidates.
- (iv) To formulate the criteria for Evaluation of Performance of Independent Directors and the Board of Directors.
- (v) To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of Performance Evaluation of Independent Directors.
- (vi) While formulating the Policy ensure that:
 - (a) the Level and Composition of Remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Bank successfully;
 - (b) relationship of Remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) Remuneration to Directors, KMP and Material Risk Takers involves a balance between Fixed and Incentive Pay reflecting short and long-term performance objectives appropriate to the working of the Bank and its Goals.
- (vii) To recommend to the Board, Remuneration (in whatever form payable) to senior management.

- (viii) To review the current board composition and determine future requirements and making recommendations to the Board for approval.
- (ix) To devise a Policy on Board Diversity.
- (x) To satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors and senior management.
- (xi) To recommend to the Board, the appointment and changes in the following positions:
 - (a) Chief Financial Officer;
 - (b) Company Secretary;
 - (c) Compliance Officer; and
 - (d) Chief Risk Officer
 - (e) Such other official, whose appointment shall have to be recommended by the Nomination and Remuneration Committee under applicable laws
- (xii) To review adequacy and appropriateness of Human Resource Strategy of the Bank.
- (xiii) To review:
 - (a) the composition of the existing committees of the Board and to examine annually whether there is any need to have a special committee of Directors to meet the business requirements of the Bank and accordingly recommend to the Board for formation of a special committee.
 - (b) the Terms of Reference of the Board Level Committees and recommend the changes therein, if any, to the Board.
- (xiv) To Validate 'Fit and Proper' status of all Directors on the Board of the Bank in terms of the guidelines issued by the Reserve Bank of India ("RBI") or other regulatory authorities.
- (xv) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (xvi) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.

Stakeholders' Relationship Committee (the "SRC")

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. C S Rajan (Chairman)	Independent Director
2	Mr. Eli Leenaars	Independent Director
3	Mr. Amit Desai	Non-Executive Non-Independent Director
4	Mr. Ashok Vaswani	Managing Director & CEO
5	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)

Notes:

- (1) The composition of SRC is in accordance with the provisions of Section 178 of the Act read with relevant rules made thereunder and Regulation 20 of the SEBI Listing Regulations.
- (2) The quorum for the meetings of the SRC is three members, including at least one Independent Director.
- (3) The Company Secretary functions as the Compliance Officer under the SEBI Listing Regulations and acts as the Secretary to the SRC.
- (4) Mr. C S Rajan, Chairperson of the SRC, was present at the last AGM to answer the queries of the members.

Roles, Responsibilities and Functions:

The terms of reference of SRC, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To resolve the grievances of the security holders of the Bank including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- (ii) To oversee and review the performance of registrar and share transfer agents and recommend measures for improvements in the quality of investors services.
- (iii) To review measures for effective exercise of voting rights by shareholders.
- (iv) To review adherence to the service standards adopted by the Bank in respect of various services being rendered by the Registrar & Transfer Agent.
- (v) To review measures and initiatives taken for reducing quantum of unclaimed dividend and ensuring timely receipt of dividend/ annual report/statutory notices by the shareholders of the Bank.
- (vi) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (vii) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (viii) Carry out such other functions as may be delegated by the Board from time to time.

Risk Management Committee (the “RMC”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Eli Leenaars (Chairman)	Independent Director
2	Mr. C S Rajan	Independent Director
3	Ms. Ashu Suyash	Independent Director
4	Mr. Uday Kotak	Non-Executive Non-Independent Director
5	Mr. Ashok Vaswani	Managing Director & CEO

Notes:

- (1) The composition of the RMC is in accordance with the provisions of Regulation 21 of the SEBI Listing Regulations and the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.
- (2) The quorum for the meetings of the RMC is three members, including at least half of the members attending the meeting being Independent Directors, of which, one member having professional expertise/qualification in risk management.
- (3) The Company Secretary acts as the Secretary to the RMC.
- (4) The RMC meets the Chief Risk Officer on a one-to-one basis, without the presence of the Managing Director & CEO, on a quarterly basis.

Roles, Responsibilities and Functions:

The terms of reference of RMC, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To identify, monitor and measure the risk profile of the Bank.
- (ii) To develop policies and procedures pertaining to credit, market, liquidity, operational and reputation risks. To monitor and review the Risk Management Plan.
- (iii) To seek, if required, information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (iv) To review the cyber security framework of the Bank.
- (v) To oversee formulation of a detailed Risk Management Policy which shall include:
 - (a) A framework for identification of internal and external risks specifically faced by the Bank, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
 - (c) Business Continuity Plan.
 - (d) Overseeing the methodology, processes and systems that are in place to monitor and evaluate risks associated with the business of the Bank.
- (vi) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- (vii) To periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- (viii) To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- (ix) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- (x) To review and approve risk appetite statements for the Bank and the Group.
- (xi) To review performance against approved risk appetite.

- (xii) To oversee establishment of the overall risk management framework for credit, market, liquidity, operational and information risks (including technology and cyber risks).
- (xiii) To review assessment of various risks on a periodic basis and overall Bank risk profile; identify emerging risks and ensure that exposures are in line with the risk appetites and approved limits.
- (xiv) To review the Bank's credit concentration.
- (xv) To review exposure to industries and outlook.
- (xvi) To review and comment on stress testing scenarios, methodologies and results if any, placed before the committee.
- (xvii) To monitor compliance of various risk parameters by operating departments.
- (xviii) To review the adequacy of capital, under the Internal Capital Adequacy Assessment Process ("ICAAP") and approve the outcomes for placing to the Board.
- (xix) To have oversight over the Asset Liability Committee (ALCO), Credit Risk Management Committee (CRMC), Operational Risk Executive Committee (OREC) and Executive Group Risk Management Committee ("EGRMC").
- (xx) To oversee the effectiveness of the Bank's framework for Early Warning Signal (EWS) and Red Flagged Accounts (RFA).
- (xxi) To approve the EWS indicators used for monitoring credit facilities/loan accounts and other banking transactions.
- (xxii) To review the status of red flagged accounts, including the EWS Alerts/Triggers and remedial actions
- (xxiii) To coordinate its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the Board of Directors.
- (xxiv) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (xxv) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (xxvi) To approve and recommend Charter of the Executive Group Risk Management Committee.
- (xxvii) To approve the various policies or amendments to various policies applicable for managing Group Risk, as may be deemed appropriate and applicable.

Group Risk Management Committee (the "GRMC") (Integrated with Risk Management Committee, w.e.f. March 21, 2026)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Eli Leenaars (Chairman)	Independent Director
2	Ms. Ashu Suyash	Independent Director
3	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)

Notes:

- (1) The quorum requirement for the meetings of the GRMC was three members, including two Independent Directors.
- (2) The Company Secretary was the Secretary to the GRMC.

Roles, Responsibilities and Functions:

The terms of reference of the GRMC, as amended and forming part of its comprehensive Charter document are, as follows:

- (i) Issues relating to the group from risk perspective.
- (ii) To oversee/monitor Group Risk Appetite.
- (iii) To analyse the material risks to which the group, its businesses and subsidiaries would be exposed. It would discuss all risk strategies, both at an aggregated level and by type of risk and make recommendations to the Board in accordance with the Group's overall risk appetite.
- (iv) To review failures in internal controls.
- (v) To articulate the leverage of the group and monitor the same.
- (vi) To approve the constitution/re-constitution of various non-Board committees of the Bank, as may be deemed appropriate and applicable.
- (vii) To approve the formulation/implementation/recommendation to the Board for its approval, various policies or amendments to various policies of the Bank, as may be deemed appropriate and applicable.

Corporate Social Responsibility and Environmental, Social and Governance Committee (the "CSR & ESG Committee")

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. C S Rajan (Chairman)	Independent Director
2	Mr. Ramesh Iyer	Independent Director
3	Mr. Amit Desai	Non-Executive Non-Independent Director
4	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)

Note:

- (1) The composition of the CSR & ESG Committee is in accordance with the provisions of Section 135 of the Act read with relevant rules made thereunder.
- (2) The quorum for the meetings of CSR & ESG Committee is three members, including one Independent Director.
- (3) The Company Secretary acts as the Secretary of the CSR & ESG Committee.

Roles, Responsibilities, Functions and Powers for CSR:

The terms of reference of the CSR & ESG Committee, as regards CSR activities, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To review and recommend the following to the Board for its approval:
 - (e) Bank's CSR Policy defines the activities to be undertaken by the Bank and that the policy conforms to the CSR mandate as specified under Sections 134 and 135 of the Act read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time and in line with the Government of India's notifications issued from time to time ("applicable CSR laws and rules");
 - (f) Bank's prescribed CSR expenditure requirement for the financial year is as per applicable CSR laws and rules;
 - (g) Bank's CSR Projects, CSR Programme Budget and CSR Project Expenditure for the financial year are as per applicable CSR laws and rules;
 - (h) Bank's CSR annual action plan for implementing the Board approved CSR Projects, CSR Programme Budget and CSR Project Expenditure, payments are as per applicable CSR laws and rules;
 - (i) Review of impact assessment of the Bank's CSR projects, if and where required, as per applicable under CSR laws and rules;
 - (j) Amendment of the Bank's CSR annual action plan, programme budget, design, and scope of CSR Projects including the budget and expenditure.
- (ii) To review, note and update on the following to the Board, for its noting:
 - (k) Periodical review/progress of CSR projects including ensuring adherence to the CSR Projects (both—the ones implemented directly by the Bank or implemented through eligible organisations), as per the design and scope approved by the Board
 - (l) Certification by the Chief Financial Officer (CFO) or the person responsible for financial management regarding the utilisation of the CSR Expenditure/payments
 - (m) Periodical update on the CSR payment, fund utilisation and progress of Bank's CSR Projects
- (iii) To approve the constitution/re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (iv) To approve the formulation/implementation/recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (v) To carry out such other functions as may be prescribed under applicable CSR laws and rules amended from time to time including the functions delegated by the Board from time to time.

Roles, Responsibilities, Functions and Powers for ESG:

The terms of reference of the CSR & ESG Committee, as regards ESG activities, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To assist the Board in development of the Group's ESG goals and objectives:
- (ii) To oversee the development and implementation of a framework for achievement of the Group's ESG goals and objectives

- (iii) To oversee compliance with ESG regulations applicable to the Bank
- (iv) To monitor progress on the Group's ESG framework implementation from time to time
- (v) To oversee reporting and disclosure of the Group's ESG performance in accordance with appropriate regulations and standards
- (vi) To approve the constitution/re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (vii) To approve the formulation/implementation/recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable

Special Committee of the Board for Monitoring and Follow-up of Frauds ("Special Committee on Frauds Monitoring")

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. C S Rajan (Chairman)	Independent Director
2	Ms. Ketaki Bhagwati	Independent Director
3	Mr. Paritosh Kashyap	Whole-time Director (Executive Director)
4	Mr. Anup Kumar Saha	Whole-time Director (Executive Director)

Notes:

- (1) The composition of the Special Committee on Frauds Monitoring is in accordance with the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.
- (2) The quorum for the meetings of the Special Committee on Frauds Monitoring is three members, including one Independent Director.
- (3) The Company Secretary acts as the Secretary to the Special Committee on Frauds Monitoring.

Roles, Responsibilities and Functions:

The terms of reference of the Special Committee on Frauds Monitoring as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To monitor and review all fraud cases as per the limits mentioned in the Fraud Risk Management Policy of the Bank.
- (ii) To oversee the effectiveness of the Bank's fraud risk management and the functioning/constitution of the Fraud Risk Management Committee.
- (iii) To review and monitor trends in fraud cases, including a root cause analysis for the same wherever necessary, delays in fraud reporting, pendency in staff accountability in fraud cases.
- (iv) To review the mitigating measures taken by Bank to strengthen internal controls, fraud risk management framework to minimize the fraud risk.
- (v) To review quarterly report on fraud risks and significant incidents.
- (vi) To monitor and review the cases remaining in Red Flag Account status beyond 180 days.

- (vii) To review electronic banking frauds and monitor the progress of mitigating steps taken by the Bank in case of electronic frauds and the efficacy of the same in containing fraud numbers and values.
- (viii) To review large value past frauds.
- (ix) To approve the constitution/re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (x) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (xi) To review the quarterly note submitted by Internal Audit on any vulnerabilities identified during audit that may have a potential fraud risk.

Customer Service Committee (the “CSC”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Uday Shankar (Chairman)	Independent Director
2	Mr. Ramesh Iyer	Independent Director
3	Mr. Amit Desai	Non-Executive Non-Independent Director
4	Mr. Anup Kumar Saha	Whole-time Director (Executive Director)

Notes:

- (1) The composition of the CSC is in accordance with the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.
- (2) The quorum for the meetings of the CSC is three members, including one Independent Director.
- (3) The Company Secretary acts as the Secretary to the Customer Service Committee.

Roles, Responsibilities and Functions:

The terms of reference of the Customer Service Committee, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To bring about ongoing improvements in the quality of customer services provided by the Bank.
- (ii) To oversee the functioning of the customer service standing committee, compliance with the recommendations of the committee on procedures and performance audit and public services and also mount innovative measures for enhancing the quality of customer service and improving the level of customer satisfaction for all categories of clientele, at all times.
- (iii) To review matters pertaining to customer service, grievance redressal mechanism, fair practices, recovery mechanism, outsourcing and other customer service related matters.
- (iv) To review customer service/customer care aspects in the Bank and submit a detailed memorandum in this regard to the Board of Directors, once every six months.
- (v) To initiate prompt corrective action wherever service quality/skill gaps have been noticed

- (vi) To review and monitor Comprehensive Deposit Policy, setting out the rights of the depositors in general and small depositors in particular and other aspects as laid down in the guidelines of Reserve Bank of India (“RBI”).
- (vii) To review the status of settlement of claims in regard to deceased depositors.
- (viii) To review and monitor the product approval processes with a view to include suitability and appropriateness
- (ix) To review and monitor Banking Ombudsman Awards passed by Banking Ombudsman relating to the Bank.
- (x) To review and monitor the steps and remedial actions taken by the Bank to reduce the customer complaints.
- (xi) To review and monitor the service delivery channels.
- (xii) To review and monitor the customer rights policy as mandated by RBI.
- (xiii) To formulate, review and monitor comprehensive policies for customer satisfaction and conduct annual survey of customer satisfaction.
- (xiv) To review the feedback obtained from the triennial audit of customer services.
- (xv) To review of branding, marketing, digital and customer engagement activities of the Bank.
- (xvi) To control measure for ATMs and reconciliation of transactions at ATMs failure – time limit.
- (xvii) To understanding the broad trends and concentration in the growth of customer grievances and their resolution including mis-selling, particularly third-party products and appropriateness of products to different customer segments.
- (xviii) To examine any other issues having a bearing on the quality of customer services rendered.
- (xix) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (xx) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.

Review Committee for Classification and Declaration of Borrowers as Willful Defaulters (“Review Committee”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Ashok Vaswani (Chairman)	Managing Director & CEO
2	Mr. C S Rajan	Independent Director
3	Ms. Ketaki Bhagwati	Independent Director

Notes:

- (1) The composition of the Review Committee is in accordance with the criteria specified by the RBI vide its various applicable regulations, guidelines, notifications, directions, circulars, etc.

- (2) The quorum for the meetings of the Review Committee is three members, including one Independent Director and Managing Director & CEO.
- (3) The Managing Director & CEO is the Chairman of the Review Committee.
- (4) The Company Secretary acts as a Secretary to the Review Committee.

Roles, Responsibilities and Functions:

The terms of reference of the Review Committee of the Board, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To consider the Recommendation order passed by the Identification Committee and 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. However, if the opportunity is not availed or if the personal hearing is not attended by the borrower/guarantor/promoter/director/persons who are in charge and responsible for the management of the affairs of the entity, the Review Committee shall, after assessing the facts or material on record, including written representation, if any, consider the proposal of the Identification Committee and take a decision and pass an order, in accordance with law.
- (ii) To put in place a system for proper and timely classification of borrowers as willful defaulters or/as non-cooperative borrowers and review the efficacy of the said system at least on an annual basis.
- (iii) To review the status of non-cooperative borrowers at least on half yearly or at such other intervals as may be required by Reserve Bank of India ("RBI").
- (iv) To decide on removal of the names from the list of non-cooperative borrowers as reported to Central Repository of Information of Large Credits ("CRILC").
- (v) To review, note and decide on any matter pertaining to willful defaulters or non-cooperative borrowers.
- (vi) To review order passed by the Committee which decides classification of the borrower as non-cooperative borrower.
- (vii) To review the information relating to the non-cooperative borrowers to be submitted to CRILC.
- (viii) To hear the grievance of the borrowers who represent that they have been wrongly classified as willful defaulters.
- (ix) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (x) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (xi) To carry out such other functions as may be delegated by the Board from time to time.

Large Expenditure and Share Transfer and Other Matters Committee (the "LESTOM Committee")

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. CS Rajan (Chairman)	Independent Director
2	Mr. Uday Kotak	Non-Executive Non-Independent Director
3	Mr. Ashok Vaswani	Managing Director & CEO
4	Mr. Paritosh Kashyap	Whole-time Director (Executive Director)

Notes:

- (1) The quorum for the meetings of the LESTOM Committee is any three members.
- (2) The Company Secretary acts as the Secretary to the LESTOM Committee.

Roles, Responsibilities and Functions:

The terms of reference of the LESTOM Committee, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) To approve transfer, transmission, transposition, name deletion, dematerialisation, rematerialisation, consolidation and splitting/ sub-division of share, debenture or any other securities certificates of the Bank to the extent permitted in line with the provisions of applicable laws.
- (ii) To issue new/duplicate share/debenture certificates.
- (iii) To apply for registration of the Bank with various authorities of any state or centre including GST tax authorities, income tax authorities, shops & establishment authorities and to do or perform all matters relating to such matters.
- (iv) To apply, in the name of and for the Bank for telephone, telex, fax and other telecommunication and electrical/electronic connections and to do all matters relating to such applications.
- (v) To open, operate and close bank accounts of the Bank and change the operating instructions of existing bank accounts of the Bank.
- (vi) To authorise persons to sign on behalf of the Bank's share certificates, share allotment letters and fixed deposit receipts.
- (vii) To authorise persons to represent the Bank at General Meetings of any company or cooperative society of which the Bank is a shareholder/member.
- (viii) To fix the dates for closure of the Bank's register of members and debenture holders and transfer books of shares or debentures and/ or fixing record dates, in consultation with the stock exchanges.
- (ix) To authorise the opening of securities general ledger account or any other account with any scheduled banks or with any department of the Reserve Bank of India.
- (x) To authorise persons to execute loan agreements, demand promissory notes and any other documents as may be necessary for lending out of any line of credit sanctioned to the Bank.
- (xi) To authorise officials of the Bank to sign documents for registration of motor vehicles and to do all acts and things for the transfer of any such motor vehicles.

- (xii) To authorise employee(s) or others to execute, for and on behalf of the Bank, agreements, applications, deeds, documents and any other writings in connection with the business of the Bank and, if required, to issue power of attorney in favour of such persons for the purpose.
- (xiii) To authorise employee(s) or others to represent the Bank before any court, tribunal, consumer redressal forum or any statutory or other authority on any matter relating to the operations of the Bank or with which the Bank is in any way connected or to represent the Bank generally or for any specific purpose or purposes and, if required, issue power of attorney in favour of such persons for the purpose.
- (xiv) To appoint or change nominees to hold shares for and on behalf of the Bank in any subsidiary/associate companies.
- (xv) To grant permission and authorise incorporation of companies, with a prefix “Kotak Mahindra” before the name.
- (xvi) To authorise the use of the common seal of the Bank and to appoint persons to sign/countersign documents, etc. on which the common seal is to be affixed.
- (xvii) To approve appointment of any employee /Director of the Bank or any other person as a nominee on the Board of other companies under certain circumstances to protect the interest of the Bank’s exposures / investments in such companies.
- (xviii) To approve appointment of any employee of the Bank as a part-time employee of any other company under certain circumstances to protect the interest of the Bank’s exposures / investments in such companies.
- (xix) To approve appointment of any employee / director of the Bank or any other person as an appointee on the Board of other companies (including Section 8 companies), LLPs, firms, if so invited.
- (xx) To carry out the following activities in respect of equity shares of erstwhile ING Vysya Bank Ltd. being rights shares held in abeyance for various reasons:
 - to allot shares in respect of rights shares held in abeyance and bonus entitlement thereon, after the resolution of the court case, transmission, dispute, etc. as the case may be and upon receipt of application money and other necessary documents.
 - to authorise officials of the Bank to take necessary action for credit of shares to the demat account of the concerned shareholder(s) or issue of physical share certificates as the case may be.
 - to authorise officials of the Bank to make the necessary applications to the Stock Exchanges for listing and trading of the shares so allotted, file the various regulatory returns and refund the excess share application money received, if any.
- (xxi) To authorise employee(s) to delegate authority to any other employee(s) or others in respect of any of the matters stated herein subject to it being permissible under applicable law.
- (xxii) To authorise employee(s) to execute, for and on behalf of the Bank, agreements, applications, or documents in connection with the minority investments made by the Bank, which have been approved in accordance with Bank’s policies or by the Board and its various Committees, from time to time.

- (xxiii) To authorise employee(s) to execute, for and on behalf of the Bank, non-binding term sheets, expression of interest, and any other writings in connection with evaluation of inorganic growth opportunities (such as acquisitions, mergers, joint ventures, asset purchases etc.) or minority financial investments.
- (xxiv) To evaluate tie ups with multiple insurers after assessing the overall impact of the open architecture regime in insurance distribution and studying the market conduct under the applicable regulations, and recommend to the Board for further tie up with other insurance companies as permitted by regulations.
- (xxv) To, inter alia, finalise the structure and terms and conditions of the Non-Convertible Debentures, within the approval granted by the Board from time to time. (Arising out of authority given by the Board at its earlier meetings for issuance of NCDs).
- (xxvi) To approve expenses as mentioned in the Expense Approval Authorities, as approved by the Board from time to time.
- (xxvii) To allot shares in accordance with the terms and conditions of the various share-linked incentive scheme(s) of the Bank.
- (xxviii) To undertake periodic reviews of the Bank's performance and key strategic initiatives, as it may deem relevant.
- (xxix) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (xxx) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.

Management Committee

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Ashok Vaswani (Chairman)	Managing Director & CEO
2	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)
3	Mr. Paritosh Kashyap	Whole-time Director (Executive Director)
4	Mr. Anup Kumar Saha	Whole-time Director (Executive Director)

Notes:

- (1) The quorum for the meetings of the Management Committee is any two members.
- (2) The Company Secretary acts as the Secretary to the Management Committee.

Roles, Responsibilities and Functions:

The terms of reference of the Management Committee, as amended and forming part of its comprehensive Charter document are, as follows:

- (i) To consider credit proposals in relation to individuals/entities connected with the Directors of other banks'.

- (ii) To discharge other responsibilities prescribed in different directives of Reserve Bank of India from time to time.
- (iii) To approve the constitution/re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (iv) To approve the formulation/implementation/recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (v) To carry out such other functions as may be delegated by the Board from time to time

Committee on Derivative Products

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Ashok Vaswani (Chairman)	Managing Director & CEO
2	Mr. Eli Leenaars	Independent Director
3	Mr. Paritosh Kashyap	Whole-time Director (Executive Director)

Notes:

- (1) The quorum for the meetings of the Committee on Derivative Products is three members.
- (2) The Company Secretary acts as the Secretary to the Committee on Derivative Products.

Roles, Responsibilities and Functions:

The terms of reference of the Committee on Derivative Products, as amended and forming part of its comprehensive Charter document are, as follows:

- (i) To examine and accord approval, after approval from the Senior Management Committee of the Bank, for the new products after their comprehensive evaluation (including of various parameters), before being offered to the customers of the Bank.
- (ii) To decide on the implementation of adequate and effective measures toward ensuring compliance with regulatory guidelines and framework regarding foreign exchange and rupee derivative products including Suitability and Appropriateness (S&A) framework for derivative products.
- (iii) To review and ensure adequate and effective risk management and internal control policies and procedures, commensurate with the complexity of the products.
- (iv) To ensure there is an appropriate organisation structure (with clear lines of responsibility and accountability), staff and other resources for prudent conduct of the derivative business, risk management function, internal control function and internal audit.
- (v) To ensure effective measures to address observations from internal and external audits.
- (vi) To approve the constitution/re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (vii) To approve the formulation/implementation/recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.

Credit and Investment Committee (the “CIC”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Ms. Ketaki Bhagwati (Chairperson)	Independent Director
2	Mr. Uday Kotak	Non-Executive Non-Independent Director
3	Mr. Ashok Vaswani	Managing Director & CEO

Notes:

- (1) The quorum for the meetings of the CIC is two members, of which, one shall be the Managing Director & CEO.
- (2) The Company Secretary acts as the Secretary to the CIC.

Roles, Responsibilities and Functions:

The brief terms of reference of CIC, as amended and forming part of its comprehensive Charter document are, as follows:

- (i) To approve and/or recommend to the Board credit exposures (Single and/or and Group exposures) as per the thresholds determined by the Board of Directors from time to time.
- (ii) To approve and/or recommend to the Board investments in Initial Public Offerings as per the thresholds determined by the Board of Directors from time to time.
- (iii) To approve the constitution/re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (iv) To approve the formulation/implementation/recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.

Subsidiary Oversight and Governance Committee (the “SOGC”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Ms. Ketaki Bhagwati (Chairperson)	Independent Director
2	Ms. Ashu Suyash	Independent Director
3	Mr. Uday Kotak	Non-Executive Non-Independent Director
4	Mr. Ashok Vaswani	Managing Director & CEO
5	Mr. Jaideep Hansraj	Whole-time Director (Executive Director)

Note:

- (1) The quorum for the meetings of the SOGC is higher of one-third of total strength or two members.
- (2) The Company Secretary acts as the Secretary to the SOGC.

Roles, Responsibilities and Functions:

The SOGC has been constituted to review such matters as may be delegated to it or as it may deem fit for oversight and governance function.

IT Strategy & Digital Payments Promotion Committee (the “ITSC”)

Current Composition:

Sr. No.	Members	Designation in the Issuer
1	Mr. Uday Shankar (Chairman)	Independent Director
2	Mr. Eli Leenaars	Independent Director
3	Mr. Ashok Vaswani	Managing Director & CEO
4	Mr. Anup Kumar Saha	Whole-time Director (Executive Director)

Notes:

- (1) The quorum for the meetings of the ITSC is two members, including at least one Independent Director.
- (2) The Chief Technology Officer (“**CTO**”) and Chief Information Security Officer (“**CISO**”) are permanent invitees to the ITSC meetings.
- (3) The CISO acts as the Secretary to the ITSC.

Roles, Responsibilities and Functions:

The terms of reference of the ITSC, as amended and forming part of its comprehensive Charter document are, inter alia, as follows:

- (i) Decide the composition and perform oversight functions over the IT Steering Committee (at a senior management level) and Information Security Committee.
- (ii) Work in partnership with other Board committees and Senior Management to provide inputs on relevant matters.
- (iii) Drive, monitor and promote/facilitate Digital Payments.
- (iv) Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy of the Bank towards accomplishment of its business objectives.
- (v) Ensure that the Bank has put an effective IT strategic planning process in place.
- (vi) Satisfy itself that the IT Governance and Information Security Governance structure fosters accountability, is effective and efficient, has adequate skilled resources, well defined objectives and unambiguous responsibilities for each level in the Bank.
- (vii) Ensure that the Bank has put in place processes for assessing and managing IT and cybersecurity risks.
- (viii) Review the cyber security risks/arrangements/preparedness of the Bank on a quarterly basis. CISO to make a presentation to the Committee and to the Board/Risk Management Committee, if requested.

- (ix) Assist the Risk Management Committee of Board in periodic review of IT related risks and Cyber Security related risks at least on a yearly basis.
- (x) Ensure that the budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Bank's IT maturity, digital depth, threat environment and industry standards and are utilised in a manner intended for meeting the stated objectives.
- (xi) Review, at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management of the Bank.
- (xii) Assess the IT capacity requirements of the Bank and measures taken to address the issues.
- (xiii) Approve documented standards and procedures and keep them up to date for administering need-based access to an information system.
- (xiv) Approve Recovery Time Objective (RTO) and Recovery Point Objective (RPO), wherever necessary, for all critical information systems.
- (xv) The Committee may investigate activities within its scope, seek information from any employee, obtain outside legal or professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary, in order to carry out the responsibilities assigned to it.
- (xvi) To approve the constitution / re-constitution of various non-Board committees, as may be deemed appropriate and applicable.
- (xvii) To approve the formulation / implementation / recommendation to the Board for its approval, various policies or amendments to various policies, as may be deemed appropriate and applicable.
- (xviii) Such other matters as may be delegated from time to time by the Board of Directors or any Committee thereof or as prescribed under any applicable law.

Other Confirmations

None of the Directors, Promoter or Key Management Personnel or Senior Management Personnel of the Issuer have any financial or other material interest in the Issue.

None of the Directors or Promoter or the Issuer have ever been identified, classified or designated as Wilful Defaulters. Neither the Directors or Promoter or the Issuer have been debarred from accessing capital markets under any offence under any order or direction made by SEBI. Further, none of the Issuer's Directors or Promoter have been declared as a Fugitive Economic Offender.

No change in control in our Issuer will occur consequent to the issuance of the Notes.

SIGNIFICANT SHAREHOLDERS

A list of shareholders holding 1% or more of the paid-up share capital as also on a fully diluted basis of the Issuer, as of 30 June 2026, is set forth in the table below:

Sr. 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	Uday Kotak *	255,63,07,280**	25.70	25.65
2	Life Insurance Corporation of India	68,60,48,175	6.90	6.88
3	SBI Mutual Fund.....	63,90,29,037	6.42	6.41
4	HDFC Mutual Fund	34,95,82,376	3.51	3.51
5	ICICI Prudential Mutual Fund	29,40,02,833	2.96	2.95
6	National Pension System Trust	22,78,16,490	2.29	2.29
7	UTI Mutual Fund	19,94,08,544	2.00	2.00
8	Parag Parikh Mutual Fund.....	16,47,40,127	1.66	1.65
9	Nippon Life Mutual Fund	14,44,19,028	1.45	1.45
10	Government Pension Fund Global	13,15,86,660	1.32	1.32
11	SBI Life Insurance Company Limited	10,44,17,644	1.05	1.05

Notes:

* Promoter of the Issuer

** Comprises 255,51,35,500 equity shares (25.69% of the equity share capital and 25.64% of the equity share capital on a fully diluted basis) held directly and 11,71,780 equity shares (0.01% of the equity share capital and equity share capital on a fully diluted basis) held by Kotak Trustee Company Private Limited as a Trustee of USK Benefit Trust III of which Mr. Uday Kotak is the sole beneficiary.

As of the date of this Offering Circular, there are no arrangements known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

OVERVIEW OF 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 RBI and the Indian Banks Association, and has not been prepared or independently verified by the Bank, the Arrangers, the Dealers, the Trustee or any of their affiliates or advisors.

The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources they believe to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based on such information. Figures used in this section are presented as in the original sources and have not been adjusted, restated or rounded off for presentation in this Offering Circular.

Introduction

The Reserve Bank of India, the central banking and monetary authority of India, is the central regulatory and supervisory authority for the Indian financial system. A variety of financial intermediaries in the public and private sectors participate in India's financial sector, including the following:

- scheduled commercial banks;
- co-operative banks;
- small banks and payment banks;
- long-term lending institutions;
- non-banking finance companies, including housing finance companies;
- other specialized financial institutions, and state-level financial institutions;
- insurance companies;
- all India financial institutions; and
- mutual funds.

Until the 1990s, the Indian financial system was strictly controlled. Interest rates were administered by the Government. Formal and informal parameters governed asset allocation and strict controls limited entry into and expansion within the financial sector. Bank profitability was low, non-performing assets (“**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 Reserve Bank of India Act, 1934 (“**RBI Act**”). These banks comprise scheduled commercial banks and scheduled cooperative banks.

This discussion presents an overview of the role and activities of the Reserve Bank of India 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 and key reform measures announced or proposed in recent years. Finally, measures announced by the Reserve Bank of India in the most recent monetary policy statements 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. The Reserve Bank of India manages the country's money supply and foreign exchange and also serves as a bank for the Government of India and for the country's commercial banks. In addition to the traditional central banking roles, the Reserve Bank of India undertakes certain developmental and promotional roles.

The Reserve Bank of India 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-bank finance companies. The Reserve Bank of India requires these institutions to furnish information relating to their businesses to it on a regular basis. For further discussion regarding the Reserve Bank of India's role as the regulatory and supervisory authority of India's financial system and its impact on us, see *"Supervision and Regulation"*.

Commercial Banks

Commercial banks in India meet the short-term financial needs, or working capital requirements, of industry, trade and agriculture. In recent years they have also focused on increasing long-term financing to sectors like infrastructure and provide retail loan products. As at March 31, 2026, there were more than 140 scheduled commercial banks in the country including 21 private sector banks, 12 small finance banks, 28 regional rural banks, etc. Scheduled commercial banks are banks that are listed in the second schedule of the RBI Act, as amended, and are further categorized as public sector banks, private sector banks and foreign banks. Scheduled commercial banks have a presence throughout India, with the 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 at March 31, 2026, there were 12 public sector banks in India and these banks make up the largest category in the Indian banking system. The State Bank of India is the largest bank in India in terms of total assets. In one of the largest consolidations in the Indian banking industry, the State Bank of India merged its five associate banks and the Bharatiya Mahila Bank effective from April 1, 2017. In September 2018, the Government announced the amalgamation of three public sector banks, of which one bank was under the Reserve Bank of India's prompt corrective action framework. In fiscal year 2019, the ownership of a public sector bank, IDBI Bank, was acquired by Life Insurance Corporation of India, following which IDBI Bank was reclassified as a private sector bank by the RBI.

During the fiscal 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.

Bank of Baroda, the country's third-largest public sector bank by assets, completed integration and migration of 3,898 branches of erstwhile Vijaya Bank and Dena Bank with itself. Effective April 1, 2019, Dena Bank and Vijaya Bank were officially merged into Bank of Baroda.

Bank of Baroda completed the integration of 1,770 erstwhile Dena Bank branches in December 2020 and had earlier completed the integration of 2,128 erstwhile Vijaya Bank branches in September 2020.

Regional rural banks were established from 1976 to 1987 by the Indian 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 labourers. The National Bank for Agriculture and Rural Development is responsible for supervising the functions of the regional rural banks functioning in 26 states and 2 union territories in India.

Private Sector Banks

After the first phase of bank nationalization was completed in 1969, public sector banks made up the largest portion of Indian banking. In July 1993, as part of the banking reform process and as a measure to induce competition in the banking sector, the Reserve Bank of India permitted entry of the private sector into the banking system. This resulted in the introduction of private sector banks, including us. These banks are collectively known as the “new” private sector banks. As at March 31, 2026, there were a total of 21 private sector banks.

Foreign Banks

As of March 31, 2026, there are approximately 44 foreign banks operating in India. As part of the liberalization process, the Reserve Bank of India has permitted foreign banks to operate more freely, subject to requirements largely similar to those imposed on domestic banks. 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-bank finance company, investment banking, securities broking, insurance and asset management subsidiaries or joint ventures for both corporate and retail lending.

Under current Reserve Bank of India regulations, foreign banks are permitted to operate in India either through branch mode or as wholly owned subsidiaries. At present, DBS Bank India and SBM Bank India operate as wholly-owned subsidiary entities.

Co-Operative Banks

Co-operative 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 light of the liquidity and insolvency problems experienced by some co-operative banks in fiscal 2001, the Reserve Bank of India undertook several interim measures, pending formal legislative changes, including measures related to lending against shares, borrowings in the call market and term deposits placed with other urban co-operative banks. Presently, the Reserve Bank of India is responsible for the supervision and regulation of urban co-operative banks, and the National Bank for Agriculture and Rural Development (NABARD) for state co-operative banks and district central co-operative banks.

The Banking Regulation Act has been amended to provide additional powers to the Reserve Bank of India for more effective regulation of Co-operative banks vide Banking Regulation (Amendment) Act, 2020 (“**2020 Act**”). The major amendments pertain to areas such as management, audit, capital, liquidation, reconstruction/amalgamation, etc. The provisions of the 2020 Act have been brought into force for Urban Co-operative Banks (UCBs) with effect from 26 June 2020. Post these amendments, inter alia, the governance/management related provisions of the Banking Regulation Act, 1949 have become applicable to co-operative banks. Urban cooperative banks that fulfil certain eligibility criteria are allowed direct access to the negotiated dealing system order matching, subject to obtaining prior approval from the Reserve Bank of India. 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 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 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. RBI vide its letter dated March 8, 2022 has advised that The National Bank for Financing Infrastructure and Development 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.

Pursuant to the recommendations of the Narasimham Committee II and the Khan Working Group, which was constituted in 1999 to harmonize the role and operations of long-term lending institutions and banks, in fiscal 2000, the Reserve Bank of India announced that long-term lending institutions would have the option of transforming themselves into banks subject to compliance with the prudential norms as applicable to banks.

In April 2001, the Reserve Bank of India issued guidelines on several operational and regulatory issues, which needed to be addressed, and laid down a path for how long-term lending institutions can transition into universal banks. The long-term funding needs of Indian companies are met primarily by banks, Life Insurance Corporation of India and specialized non-bank finance companies. Indian companies also issue bonds to institutional and retail investors.

Non-banking Finance Companies

There were 8,561 non-banking finance companies in India as at June 30, 2026, mostly in the private sector. All non-banking finance companies are required to register with the Reserve Bank of India. Non-banking finance companies have previously been categorized into entities which take public deposits and those which do not.

The Reserve Bank of India, in an effort to provide a more streamlined regulatory framework, issued the Master Direction — Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 effective immediately, intended to consolidate the various regulations for non-banking finance companies of different scales and functions in one place. On November 28, 2025, the same was consolidated by way of the Reserve Bank of India (Non-Banking Financial Companies - Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and various other regulations and laws. The regulatory structure envisages scale base as well as activity based regulation.

Presently, the regulatory structure for non-banking finance companies comprises of four layers based on their size, activity and perceived riskiness. Non-banking finance companies in the lowest layer are known as NBFCs-Base Layer (NBFCs-BL). Non-banking finance companies in middle layer and upper layer are known as NBFCs-Middle Layer (NBFCs-ML) and NBFCs Upper Layer (NBFCs-UL), respectively. The top layer is ideally expected to be empty and will be known as NBFCs-Top Layer (NBFCs-TL).

Base Layer

The Base Layer comprises: (i) non-deposit taking non-banking finance companies below the asset size of INR 1,000 crore; and (ii) non-banking finance companies undertaking specified activities, namely, NBFC-Peer to Peer Lending Platforms, NBFC-Account Aggregators, Non-Operative Financial Holding Companies, and NBFCs not availing public funds and not having any customer interface.

Middle Layer

The Middle Layer consists of: (i) all deposit taking non-banking finance companies (NBFCs-D), irrespective of asset size; (ii) non-deposit taking non-banking finance companies with asset size of INR 1,000 crore and above; and (iii) non-banking finance companies undertaking certain specified activities, including Standalone Primary Dealers, Infrastructure Debt Fund-NBFCs, Core Investment Companies, Housing Finance Companies and NBFC-Infrastructure Finance Companies.

Upper Layer

The Upper Layer comprises those non-banking finance companies which are specifically identified annually by the Reserve Bank as warranting enhanced regulatory requirements based on a set of parameters and scoring methodology as provided in the SBR Directions. The top ten eligible NBFCs in terms of their asset size shall always reside in the upper layer, irrespective of any other factor. Once an NBFC is classified as NBFC-UL, it is subject to enhanced regulatory requirements, at least for a period of five years from its classification in the upper layer, even in case it does not meet the parametric criteria in the subsequent year.

Top Layer

The Top Layer will ideally remain empty and may be populated if the Reserve Bank is of the opinion that there is a substantial increase in the potential systemic risk posed by specific non-banking finance companies in the Upper Layer. Such non-banking finance companies shall move to the Top Layer from the Upper Layer and shall, inter alia, be subject to a higher capital charge and enhanced and intensive supervisory engagement.

In the past, the Reserve Bank of India has issued banking licenses to non-banking finance companies. In 2003, Kotak Mahindra Finance Limited was granted a banking license by the Reserve Bank of India and converted itself into Kotak Mahindra Bank. In April 2014, the Reserve Bank of India issued in-principle banking licenses to two non-banking finance companies, IDFC Limited and Bandhan Financial Services Private Limited. Both began operations during fiscal 2016. In September 2015, the Reserve Bank of India granted in-principle licenses to 10 applicants for small finance banks, most of which are microfinance non-banking finance companies. The 10 small finance banks have begun operations. In July 2016, IDFC Bank acquired a microfinance company, making it the first acquisition of a microfinance company by a bank. In fiscal 2018, IndusInd Bank acquired Bharat Financial Inclusion Limited, a microfinance company.

Unregistered Type I NBFCs

The RBI has recently issued the Reserve Bank of India (Non-Banking Financial Companies-Registration, Exemptions and Framework for Scale Based Regulation) Amendment Directions, 2026 (“**NBFC Amendment Directions**”), introducing a new category of NBFCs, unregistered type I NBFCs, which are exempt from mandatory registration under Section 45-IA of the Reserve Bank of India Act, 1934, as they do not access public funds and do not have a customer interface.

The RBI vide notification dated April 29, 2026, issued the NBFC Amendment Directions, amending the Reserve Bank of India (Non-Banking Financial Companies, Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025. The NBFC Amendment Directions are in effect from July 1, 2026. The NBFC Amendment Directions seek to relax the regulatory compliances required from NBFCs that do not access public funds and do not have a customer interface. These entities, by their very nature, pose limited systemic and consumer risk.

Thus, this new category of NBFCs, Unregistered Type I NBFCs, are exempt from mandatory registration under Section 45-IA of the Reserve Bank of India Act, 1934, subject to compliance with prescribed conditions.

The primary activities of the non-banking financial companies are providing consumer credit, including automobile finance, home finance and consumer durable products finance, wholesale finance products such as

bill discounting for small and medium companies and infrastructure finance, and fee-based services such as investment banking and underwriting.

Housing Finance Companies

Housing finance companies (HFCs) constitute a distinct segment of non-bank finance companies (NBFCs) and play an important role in facilitating access to housing finance in India. The sector has witnessed healthy growth over the years, supported by various policy initiatives and incentives aimed at promoting housing and home ownership. The National Housing Bank and Housing and Urban Development Corporation Limited are the two major financial institutions instituted through acts of Parliament to improve the availability of housing finance in India. The National Housing Bank Act, 1987 provides for securitization of housing loans, foreclosure of mortgages and setting-up of the Mortgage Credit Guarantee Scheme. Since the transfer of the regulation of housing finance companies from the National Housing Bank to the RBI with effect from August 9, 2019, various regulations have been issued treating housing finance companies, as a category of NBFCs. On November 28, 2025, RBI consolidated the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2025 and covers all the specific provisions governing the operations and governance of HFCs. In addition to specialized HFCs, banks and other financial institutions also participate in the housing finance market. National Housing Bank serves as the principal institution for the promotion and development of housing finance in India and provides refinance support to Housing Finance Companies in respect of eligible housing loans extended to individuals.

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.

As per the Reserve Bank of India (Non-Banking Financial Companies — Microfinance Institution) Directions, 2025, a non-banking finance company microfinance institution is a non-deposit taking non-banking finance company which has a minimum of 60% of its total assets (netted off by intangible assets) deployed towards “microfinance loans” on an ongoing basis.

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 the National Bank for Agricultural and Rural Development, 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 small and medium-sized enterprises. The state financial institutions are expected to achieve balanced regional socioeconomic 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 November 27, 2014, issued guidelines for small finance banks and payments banks in the private sector. The primary objective of setting up the payment banks and small finance banks was to further financial inclusion by providing (i) small savings accounts and (ii) payments/remittance services to a migrant labour workforce, low income households, small businesses, other unorganized sector entities and other users, by enabling high-volume low-value transactions in deposits and payments/remittance services in a secured technology-driven environment. As at the date of this Offering Circular, there are 5 payment banks and 11 small finance banks.

The RBI has issued guidelines for on-tap licensing of small finance banks, on December 5, 2019, which were modified with effect from March 28, 2020. Subsequently, the Reserve Bank of India (Small Finance Banks – Licensing) Guidelines, 2025, dated November 28, 2025, as amended from time to time, consolidated and revised the guidelines for registration, eligibility criteria, corporate structure, scope of activities, and capital requirements for a small finance bank.

Insurance Companies

As at March 31, 2026, there were approximately 74 insurance companies in India comprising 27 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 and infrastructure sectors.

The insurance sector in India is regulated by the Insurance Regulatory and Development Authority of India. In December 1999, the Indian Parliament passed the Insurance Regulatory and Development Authority Act, 1999, which also 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 Reserve Bank of India 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 ratio, profitability track record, level of nonperforming loans and the performance of their existing subsidiary companies. As per the Reserve Bank of India (Commercial Banks — Undertaking of Financial Services) Directions, 2025, banks can undertake insurance business with risk participation only through a subsidiary/joint venture set up for the purpose, and subject to fulfilment of the eligibility criteria set out in the aforesaid directions.

Mutual Funds

The mutual fund industry in India started in 1963 with the formation of Unit Trust of India at the initiative of the Government and the RBI. From 1963 to 1987, Unit Trust of India was the only mutual fund operating in India. From 1987 onwards, several other public sector mutual funds entered this sector. There were 55 mutual funds in India with assets under management (“AUM”) as at June 30, 2026 of Rs. 84,18,486 crore. The mutual fund industry has grown at a compounded annual growth rate of approximately 17% in the last ten years. The AUM of the Indian mutual fund industry has grown from Rs. 13.81 trillion as on June 30, 2016 to Rs. 82.22 trillion as on June 30, 2026, about a six-fold increase in a span of 10 years. The mutual fund industry AUM has grown from Rs. 33.67 trillion as on June 30, 2021 to Rs. 82.22 trillion as on June 30, 2026, about a three-fold increase in a span of 5 years. The mutual fund industry AUM stood at Rs. 82.22 trillion (Rs. 82.22 lakh crore) as on June 30, 2026. The industry is regulated by the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026.

Committee on Banking Sector Reform

The second Committee on Banking Sector Reform (“**Narasimham Committee II**”) submitted its report in April 1998. The major recommendations of the committee were in respect of capital adequacy requirements, asset classification and provisioning, risk management and merger policies. The RBI accepted and began implementing many of these recommendations in October 1998.

Banks implemented new prudential accounting norms for the classification of assets, income recognition and loan loss provisioning. Following the Bank for International Settlements guidelines, capital adequacy norms were also prescribed. To meet additional capital requirements, public sector banks were allowed to access the market for funds. Interest rates were deregulated, while the rate of directed lending was progressively reduced.

Pension Sector

Currently, the pension schemes operating in India can be broadly classified in the following categories: pension schemes for the Government of India’s employees, the employees’ provident fund and employees’ pension schemes for employees in the organized sector, voluntary pension schemes and the new pension system. In case of pension schemes for the Government of India’s employees, the Government of India pays its employees a defined periodic benefit upon their retirement. Further, the contribution towards the pension scheme is funded solely by the Government of India and not matched by a contribution from the employees. The Employees Provident Fund, established in 1952, is a mandatory program for employees of certain establishments. It is a contributory program that provides for periodic contributions of 10% to 12% of the basic salary by both the employer and the employees. The contribution is invested in prescribed securities and the accumulated balance in the fund (including the accretion thereto) is paid to the employee as a lump sum on retirement. Besides these, there are voluntary pension schemes administered by the Government of India (the Public Provident Fund to which contribution may be made up to a maximum of Rs. 150,000 per year) or offered by insurance companies, where the contribution may be made on a voluntary basis. Such voluntary contributions are often driven by tax benefits offered under the scheme. The new pension system (NPS) was launched in January 2004 and offers a defined contribution based pension scheme with the individual having the option to decide where to invest the funds. The subscribers to the new pension system also have the option to partially withdraw funds from their accounts for higher education, marriage of children, medical treatment/hospitalization, purchasing/constructing a residential property, and settling an authorized financial obligation.

The Government of India initially made it mandatory for its new employees (excluding defence personnel) to join the new pension system where both the Government of India and the employee would make monthly contributions of 10% of the employee’s basic salary. In 2009, the Government of India extended the New Pension System to all citizens of India on a voluntary basis, effective from May 1, 2009. With a view to encourage people to invest towards old age security, the Government of India launched a pension scheme in fiscal 2016, called the Atal Pension Yojana. The scheme focuses on individuals in the unorganized sector to join the National Pension System. In 2024, the Government of India introduced NPS Vatsalya to foster early financial planning, build a disciplined habit of saving for children, and secure a strong long-term retirement corpus through the power of compounding. Furthermore, in 2025, Unified Pension Scheme (UPS) was introduced as an option for eligible Central Government employees.

The Government of India set up the Pension Fund Development and Regulatory Authority to regulate the pension industry in August 2003. In October 2013, the Pension Fund Regulatory and Development Authority Act, 2011 was enacted giving powers to the Pension Fund Development and Regulatory Authority to regulate pension schemes and funds and frame investment guidelines for pension funds. Foreign direct investments in the pension sector are allowed up to 49%. Private sector participation in managing pension assets was permitted for the first time in fiscal 2009, and six private sector companies have been issued licenses, including us. The minimum net worth requirement for asset management companies is Rs. 500 million at all times.

Legislative Framework for Recovery of Debts due to Banks

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

In fiscal 2003, the Indian Parliament passed the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“**SARFAESI Act**”). The SARFAESI Act provides that a secured creditor may, in respect of loans classified as non-performing in accordance with the Reserve Bank of India guidelines, give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the secured creditor may take possession of the assets constituting the security for the loan, and exercise management rights in relation thereto, including the right to sell or otherwise dispose of the assets. The SARFAESI Act also provides for the setting up of asset reconstruction companies regulated by the Reserve Bank of India to acquire assets from banks and financial institutions. The Reserve Bank of India has issued guidelines for asset reconstruction companies in respect of their establishment, registration and licensing by the Reserve Bank of India, and operations. Asset Reconstruction Company (India) Limited, set up by us, Industrial Development Bank of India, State Bank of India and certain other banks and institutions, received registration from the Reserve Bank of India and commenced operation in August 2003. Foreign direct investment is now permitted in the equity capital of asset reconstruction companies and investment by foreign institutional investors registered with the Securities and Exchange Board of India is permitted in security receipts issued by asset reconstruction companies, subject to certain conditions and restrictions.

In November 2004, the Government of India issued an ordinance amending the SARFAESI Act and subsequently passed this ordinance as an Act. This Act, as amended, provided that a borrower may make an objection or representation to a secured creditor after a notice is issued by the secured creditor to the borrower under such Act demanding payment of dues. The secured creditor has to give reasons to the borrower for not accepting the objection or representation. The Act also introduces a deposit requirement for borrowers if they wish to appeal the decision of the debt recovery tribunal. Further, this Act permits a lender to take over the business of a borrower under the SARFAESI Act under certain circumstances (unlike the earlier provisions under which only assets could be taken over).

In fiscal 2017, amendments were made to the SARFAESI Act and the debt recovery acts to further strengthen the recovery process. The Enforcement of Security Interest and Recovery of Debts Law Amendment Act, 2016, was enacted in this regard. As per the Act, it requires the process of possession of collateral by banks, in the event of a default, to be completed by the district magistrate within 30 days. It also empowers the district magistrate to assist banks in taking over the management of the company, where the bank has converted the debt into equity and holds 51.0% or more in the company. A central registry has been created to maintain records of transactions related to secured assets, known as the Central Registry of Securitisation Asset Reconstruction and Security Interest.

Resolution of Stressed Assets

The Reserve Bank of India has periodically announced mechanisms for the resolution of stressed accounts, particularly with a view to address the stress faced by the Indian corporate sector and the increase in non-performing and restructured corporate loans in the Indian banking sector. This included the CDR system and the Joint Lenders’ Forum under which schemes like Strategic Debt Restructuring and the Scheme for Sustainable Structuring of Stressed Assets were announced. Subsequently the Indian Parliament passed the Insolvency and Bankruptcy Code (“**IBC, 2016**”) in May 2016 providing a legal and time bound resolution framework for corporations under stress. Further, the Banking Regulation Act (“**BR Act**”) was amended empowering the Reserve Bank of India to participate in the resolution of stressed assets and authorizing it to intervene where required.

On 7 June 2019, the Reserve Bank of India issued the ‘Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions, 2019’ (“**Stressed Asset Directions**”). Pursuant to the Stressed

Asset Directions, the Reserve Bank of India repealed restructuring schemes such as corporate debt restructuring, strategic debt restructuring and the joint lenders forum, etc. The new rule mandates the lenders to initiate insolvency resolution under the IBC if a Borrower fails to pay even at the end of the 180 days of first default. Directions are issued with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. These directions are issued without prejudice to issuance of specific directions, from time to time, by the Reserve Bank of India to banks, in terms of the provisions of Section 35AA of the BR Act, for initiation of insolvency proceedings against specific borrowers under the IBC.

Pursuant to the Reserve Bank of India's regulatory overhaul, the aforementioned directions have been withdrawn and the provisions have been consolidated in the Reserve Bank of India (Commercial Banks — Resolution of Stressed Assets) Directions, 2025 read with Reserve Bank of India (Commercial Banks - Transfer and Distribution of Credit Risk) Directions, 2025 ("**Stressed Asset Guidelines**") with a view to providing a framework for early recognition, reporting and time bound resolution of stressed assets. Similar directions have been issued for various regulated entities. Lenders shall recognize incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts ("**SMA**") as per the following categories:

SMA Sub-categories	Basis for classification — Principal or interest payment or any other amount wholly or partly overdue between
SMA-01	1-30 days
SMA-02	31-60 days
SMA-03	61-90 days
In the case of revolving credit facilities like cash credit, the SMA sub-categories will be as follows:	
SMA Sub-categories	Basis for classification — Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-01	31-60 days
SMA-02	61-90 days
Timeline for implementation of viable resolution plan	Additional provisions to be made as a percentage of total outstanding, if resolution plan not implemented within the timeline
180 days from the end of review period	20%
365 days from the commencement of review period	15% (i.e. total additional provisioning of 35%)

As per the Stressed Asset Guidelines, in the event of a default by a borrower, all lenders to the borrower would put in place a resolution plan ("**RP**") within 30 days of such default ("**Review Period**"). During this Review Period, the lenders would decide on a resolution strategy, which includes sale of loan, legal action for debt recovery, immediate referral to the National Company Law Tribunal ("**NCLT**"), restructuring or change in ownership. The resolution plan should be implemented within 180 days from the end of the review period. In the event a RP is implemented, the lenders would enter into an inter creditor agreement ("**ICA**") during the Review Period. The ICA shall provide that any decision agreed by lenders representing 75 per cent. by value of total outstanding credit facilities (fund based as well non-fund based) and 60 per cent. of the lenders by number shall be binding upon all the lenders. In addition, the ICA would provide for rights and duties of majority

lenders, duties and protection of rights of dissenting lenders and treatment of lenders with priority in cash flows and differential security interest.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code was introduced in 2016, with the aim to provide for the efficient and timely resolution of insolvency of all persons, including companies, partnership firms, limited liability partnerships and individuals. The recent amendments to the Insolvency and Bankruptcy Code introduce significant changes, including a creditor-initiated insolvency resolution process, personal insolvency, enabling frameworks for group and cross-border insolvency etc. The recent amendments to the IBC pursuant to the Insolvency and Bankruptcy Code (Amendment) Act, 2026, which received Presidential assent on April 6, 2026, will come into force upon notification, which introduces significant changes to the IBC, including a creditor-initiated insolvency resolution process, enabling frameworks for group and cross-border insolvency.

Other measures proposed for resolution of stressed assets

In the Union Budget for 2021-22, the Government announced a proposal for setting up the National Asset Reconstruction Company Limited (“**NARCL**”), popularly termed as a “bad bank”, to consolidate and take over stressed debt from banks, based on decided characteristics. It acquires and consolidates large-value, stressed Non-Performing Assets (NPAs) from commercial banks to clear their balance sheets and accelerate loan resolution. The aggregation of assets is expected to assist in turning around the assets and eventually offloading them to Alternative Investment Funds (“**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. The NARCL has emerged as a key pillar in the nation’s stressed asset resolution framework, supporting the strengthening of the banking sector’s balance sheets. During 2025-26, NARCL marks a significant acceleration in recovery efforts as the company has realized Rs. 4,364 crore, accounting for around 70% of its cumulative recoveries.

NARCL is registered with the Reserve Bank of India as an asset reconstruction company set up with a strategic initiative to clean up the legacy stressed assets above a specified exposure in the Indian Banking system.

Structural Reforms

Base Rate System

The Reserve Bank of India issued a circular on 4 September 2019 making it mandatory for banks to link all floating rate personal or retail loans and floating rate loans to micro and small enterprise borrowers to an external benchmark with effect from 1 October 2019. The banks are free to choose one of the several benchmarks indicated in the circular. The banks are also free to choose their spread over the benchmark rate, subject to the condition that the credit risk premium may undergo change only when borrower’s credit assessment undergoes a substantial change, as agreed upon in the loan contract. Following the introduction of an external benchmark system, the monetary policy transmission has improved in respect of the sectors where new floating rate loans have been linked to external benchmarks. With a view to further strengthening monetary policy transmission, it has been decided that all new floating rate loans to medium-sized enterprises extended by banks from 1 April 2020, shall be linked to the external benchmarks.

As per the Reserve Bank of India, (Commercial Banks — Interest Rates on Advances) Directions, 2025, all floating rate loans are to be priced with reference to a benchmark. A bank can offer all categories of advances on fixed or floating interest rates. When the floating rate advances are linked to a reference benchmark rate,

banks can determine actual lending rates by adding the components of spread to the reference benchmark rate. Banks cannot lend below the benchmark rate for a particular maturity for all loans linked to that benchmark.

Banking Laws (Amendment) Act, 2025

The Lok Sabha passed the “Banking Laws (Amendment) Bill, 2024” on 3 December 2024. The Bill introduced comprehensive provisions to amend existing banking laws in India. The proposed amendments encompassed various critical aspects of banking regulations and governance, including changes to the Reserve Bank of India Act, the State Bank of India Act, 1955, the Banking Regulation Act and the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980. The Banking Laws (Amendment) Act, 2025 came into effect on August 1, 2025.

This amendment sought to improve governance standards in the banking sector, ensure enhanced protection for depositors and investors, improve audit quality in public sector banks, and increase the tenure of directors (other than the chairperson and whole-time directors) in cooperative banks. The amendment revised the threshold of ‘substantial interest’ from INR 5 lakh to INR 2 crore. Further, director tenures in co-operative banks were increased from 8 years to 10 years (excluding the chairperson and whole-time director). Public sector banks (PSBs) are now permitted to transfer unclaimed shares, interest, and bond redemption amounts to the Investor Education and Protection Fund (IEPF), bringing them in line with practices followed by companies under the Companies Act, 2013. The amendments also empower PSBs to offer remuneration to statutory auditors, facilitating the engagement of high-quality audit professionals and enhancing audit standards. Further, rules regarding nominations in lockers were revised. The amendments to the Reserve Bank of India Act redefine the term “fortnight” and omit certain sub-sections, with the objective of aligning reporting periods and ensuring consistency in reporting by banks to the Reserve Bank of India. These changes are intended to streamline reporting processes and enhance regulatory oversight. These changes seek to strengthen investor protection and governance standards within public sector banks.

The Banking Regulation Act is also subject to significant revisions. The bill aims to redefine “substantial interest” and enhance the threshold for shareholding of a beneficial interest by an individual. Furthermore, it addresses the tenure of directors in co-operative banks and revises reporting dates, with the goal of easing services for depositors and their nominees and aligning reporting periods. These amendments are designed to enhance depositor protection and governance standards within the banking sector.

The proposed amendments to the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980 provide for the transfer of unclaimed dividends, shares, and interest to the Investor Education and Protection Fund. They also allow individuals to claim transfers or refunds from that fund. These changes aim to ensure the efficient transfer and protection of unclaimed funds, thereby enhancing investor protection and regulatory compliance.

The amendment also introduces provisions for multiple and simultaneous nominations for deposits and lockers, with specific conditions and rules for validity and succession.

Reserve Bank of India (Government Securities Lending) Directions

In order to add depth and liquidity to the Government securities market and aid efficient price discovery, the Reserve Bank permitted lending and borrowing of Government securities, which will augment the existing market for ‘special repos’. These Directions are applicable to all Government securities lending transactions undertaken in over-the-counter markets. Government securities (excluding Treasury Bills) issued by the Central Government are eligible for lending/borrowing under a Government Securities Lending transaction. Government securities issued by the Central Government (including Treasury Bills) and the State Governments are eligible as collateral under a Government Securities Lending transaction.

Acquisition Finance Framework by the Reserve Bank of India

The Reserve Bank of India notified the Reserve Bank of India (Commercial Banks — Credit Facilities) Amendment Directions, 2026 on 13 February 2026 and updated pursuant to an updated amendment on 30 March 2026. Banks in India were largely restricted from lending to finance the acquisition of shares, with limited exceptions, notably in the context of acquisitions in the infrastructure sector, and overseas acquisitions.

Under the framework, banks are permitted to finance up to 75% of the acquisition value of equity shares, compulsorily convertible preference shares or compulsorily convertible debentures of a target entity, where the objective is to secure long-term strategic control. The framework is available exclusively to non-financial entities satisfying a minimum net worth of Rs. 500 crore and a net profit track record in each of the previous three consecutive financial years.

Consolidation of Master Directions by the Reserve Bank of India

The Reserve Bank of India 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 of India has continuously endeavoured to optimise its regulatory framework. The Reserve Bank of India issues directions and notifications on credit facilities, prudential norms, governance, asset classification, and compliance for banks and financial institutions.

The Reserve Bank of India has recently undertaken a fundamental reorganisation of the regulatory instructions administered by its Department of Regulation - marking a shift in its regulatory communication. On 28 November 2025, the Reserve Bank of India issued a circular consolidating and streamlining regulatory directions across various banking and financial sectors. This move aims to enhance compliance, promote transparency, and ensure uniformity in regulatory guidelines. These span credit card facilities, credit resource management, prudential norms, governance standards, Cash Reserve Ratio (“**CRR**”), Statutory Liquidity Ratio (“**SLR**”), interest rate regulations, asset liability management, income recognition, asset classification, and treatment of wilful defaulters. The comprehensive framework applies to commercial banks, NBFCs, small finance banks, payment banks, local area banks, regional rural banks, urban cooperative banks, all-India financial institutions, and rural cooperative banks, reflecting Reserve Bank of India’s intent to strengthen prudential oversight and ensure stability across India’s diverse financial ecosystem. In addition, notifications on KYC compliance and consolidation of regulations were also issued, superseding and replacing earlier circulars.

The comprehensive exercise involved consolidation of more than 9,000 existing circulars/guidelines administered by the 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.

Under this consolidation effort, instructions contained in approximately 3,500 directions, circulars, and guidelines, were consolidated into 238 Master Directions, across 11 types of regulated entities. For this purpose, the 11 types of regulated entities identified are: (a) Commercial Banks; (b) Small Finance Banks; (c) Payments Banks; (d) Local Area Banks; (e) Regional Rural Banks; (f) Urban Co-operative Banks; (g) Rural Co-operative Banks; (h) All India Financial Institutions; (i) Non-Banking Financial Companies; (j) Asset Reconstruction Companies; and (k) Credit Information Companies. Instructions contained in remaining directions/circulars were identified as obsolete and marked for repeal once the consolidated MDs are issued.

Consequently, the following set of final documents were issued by the Reserve Bank of India on 28 November 2025: (i) 244 Master Directions consolidating the instructions currently administered by the Department of Regulation on an 'as-is' basis. These instructions have been issued separately for 11 types of regulated entities and are cohesively organised across various regulatory areas; and (ii) List of 9445 circulars that are being repealed/withdrawn following the issue of these consolidated Master Directions.

Credit Policy Measures

The Reserve Bank of India issues an annual policy statement setting out its monetary policy stance and announcing various regulatory measures in April of every financial year. The Committee is responsible for inflation targets and monetary policy decisions. The first meeting of the Monetary Policy Committee was held in October 2016.

Monetary Policy Statement for meeting in June 2026

The Monetary Policy Committee (MPC) held its 62nd meeting from August 3 to 5, 2026, under the chairmanship of Shri Sanjay Malhotra, Governor, Reserve Bank of India. The MPC members Dr. Nagesh Kumar, Shri Saugata Bhattacharya, Prof. Ram Singh, Dr. Poonam Gupta and Shri Indranil Bhattacharyya attended the meeting.

After a detailed assessment of the evolving macroeconomic and financial developments and the outlook, the MPC voted unanimously to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.25%. Consequently, the standing deposit facility (SDF) rate remains at 5.00% and the marginal standing facility (MSF) rate and the Bank Rate remain at 5.50%. The MPC also decided to continue with the neutral stance. CPI inflation edged up above the target, primarily on account of higher food and fuel inflation, though the pass-through of cost pressures remained limited and core inflation excluding precious metals continues to be benign. Although headline inflation is projected to rise further in the near term and peak in Q3:2026-27, it is not getting broad-based and remains primarily driven by supply side pressures. The outlook remains hazy because of uncertainties regarding the south-west monsoon, El Niño, geopolitics and global trade policy, and the MPC felt there is a need for greater clarity to emerge, especially regarding inflation, its path and composition, before taking any policy action. Accordingly, the MPC voted to keep the policy rate unchanged. At the same time, the MPC underscored that it will maintain a close vigil and remain resolute in its commitment to align inflation with the target, while also considering the need for recalibration of policy rates in line with the evolving growth-inflation dynamics, especially the normalisation of the underlying inflation from its benign levels seen hitherto. The MPC also decided to retain the neutral stance to respond appropriately to macroeconomic developments.

SUPERVISION AND REGULATION

The following is a summary of certain key regulations and policies prescribed by central, state and regulatory bodies in India that apply to the Bank and its Subsidiaries. This description is not exhaustive and is intended only to provide investors with general information on some of the principal regulations and policies applicable to us.

Establishment and incorporation requirements

The principal 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 supplementary to, and not, except as expressly provided therein, in derogation of, the Companies Act and any other law for the time being in force. Other legislation applicable to banking companies includes the Reserve Bank of India Act, 1934, the Negotiable Instruments Act, 1881, the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (the “**SARFAESI Act**”), the Bankers’ Books Evidence Act, 1891 and the Insolvency and Bankruptcy Code, 2016, each as amended from time to time. The RBI also issues guidelines, circulars, directions and policies from time to time relating to our businesses. Compliance with regulatory requirements is assessed by reference to financial statements prepared under Indian GAAP. In April 2026, the Reserve Bank of India issued two key regulatory instruments — the Reserve Bank of India (Commercial Banks — Income Recognition, Asset Classification and Provisioning) Amendment Directions, 2026 and the Reserve Bank of India (Commercial Banks — Capital Charge for Credit Risk — Standardized Approach) Direction, 2026 — each effective from 1 April 2027. The Bank is also subject to regulation by various other regulators, including SEBI and the RBI.

The RBI Act and other RBI Regulations

The Issuer is a scheduled bank included in the Second Schedule to the Reserve Bank of India Act, 1934 (“**RBI Act**”), and the provisions of the RBI Act applicable to scheduled banks apply to the Bank. The Issuer holds a license issued by the Reserve Bank of India and is accordingly regulated under the RBI Act. Under the RBI Act, the Issuer is required to furnish statements, information and other particulars relating to its business. The Reserve Bank of India has issued guidelines for commercial banks covering recognition of income, classification of assets, valuation of investments, maintenance of capital adequacy and provisioning for non-performing and restructured assets.

Banking Regulation Act and recent amendments

One of the Reserve Bank of India’s most significant regulatory initiatives in financial year 2026 was a comprehensive consolidation of its regulatory framework. The central bank rationalised its extensive and often fragmented body of regulations, consolidating over 9,000 circulars, notifications and clarifications into approximately 244 Master Directions.

Under the Banking Regulation Act, commercial banks in India are required to obtain a license from the Reserve Bank of India to carry on banking business in India. Such license is subject to conditions that the Reserve Bank of India may impose. Prior to granting a license, the Reserve Bank of India must be satisfied that specified conditions are complied with, including, but not limited to (i) that the bank is in a position to pay its present and future depositors in full as their claims accrue; (ii) that the affairs of the bank will not be, or are unlikely to be, conducted in a manner detrimental to the interests of present or future depositors; (iii) that the bank possesses adequate capital and earnings prospects; (iv) that it will be in the public interest to grant such license to the bank; (v) that the general character of the proposed management of the bank will not be prejudicial to the public interest or the interest of its depositors; (vi) that having regard to the banking facilities available in the proposed principal area of operations of the bank, the potential scope for expansion of banks already

operating in the area and other relevant factors, the grant of the license would not be prejudicial to the operation and consolidation of the banking system consistent with monetary stability and economic growth; and (vii) any other condition, the fulfillment of which would, in the Reserve Bank of India's opinion, be necessary to ensure that the carrying on of banking business in India by the bank will not be prejudicial to the public interest or the interests of the depositors. The Reserve Bank of India may cancel the license if the bank, at any time, fails to meet the foregoing conditions or if the bank ceases to carry on banking operations in India.

The Reserve Bank of India is empowered to frame a scheme for the reconstruction or amalgamation of a banking company without first being required to make an order of moratorium.

Capital Adequacy Requirements

The Issuer is required to comply with the Reserve Bank of India's capital adequacy guidelines. The Reserve Bank of India implemented the Basel III framework in India with effect from 1 April 2013. The Basel III and capital adequacy framework currently applicable to the Bank is set out in the Capital Adequacy Directions.

A bank's total regulatory capital is categorised into Tier 1 capital, comprising common equity Tier 1 and Additional Tier 1, and Tier 2 capital. Pursuant to the Capital Adequacy Directions, common equity Tier 1 capital comprises paid-up equity capital (common shares), stock surplus (share premium), statutory reserves, capital reserves representing surplus arising out of sale proceeds of assets, the AFS-Reserve, the discounted value of revaluation reserves and of foreign currency translation reserves, other disclosed free reserves and the eligible balance in the profit and loss account. Additional Tier 1 capital includes perpetual debt instruments, perpetual non-cumulative preference shares and any other type of instrument generally notified by the Reserve Bank of India from time to time for inclusion in Additional Tier 1 capital. Tier 2 capital, inter alia, includes general provisions and loss reserves, debt capital instruments classified into Tier 2, and any other type of instrument generally notified by the Reserve Bank of India from time to time for inclusion in Tier 2 capital.

Pursuant to the Capital Adequacy Directions, the capital adequacy requirements are as follows:

Minimum capital ratios (as % of risk weighted assets)	Requirement (in %)
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 ⁽¹⁾	9.00
Minimum Total Capital Ratio + CCB	11.50

Note:

- (1) 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.

Under the Capital Adequacy Directions, Additional Tier 1 instruments are required to have principal loss absorption at an objective pre-specified trigger, through either conversion into common shares or a write-down

mechanism, and all non-common equity regulatory capital instruments (Additional Tier 1 and Tier 2) must be written off or converted into common equity upon the occurrence of the point of non-viability trigger. Additional Tier 1 instruments may be issued with either a conversion or a write-down (temporary or permanent) mechanism. The guidelines permit call options on perpetual debt instruments and perpetual non-cumulative preference shares only after the instrument has been outstanding for at least five years. Banks may issue Tier 2 debt capital instruments with a minimum maturity of five years. Banks are also permitted to issue Additional Tier 1 and Tier 2 capital instruments to retail investors, subject to approval by their boards and adherence to prescribed investor protection requirements.

Coupons on Additional Tier 1 capital instruments must be paid out of “distributable items” and, in particular, out of current year profits. If the current year’s profits are insufficient, coupon may be paid subject to the availability of (i) profits brought forward from previous years; and/or (ii) reserves representing appropriation of net profits, including statutory reserves, but excluding share premium, revaluation reserves, foreign currency translation reserves, investment reserves, unrealised gains transferred to the AFS-Reserve and reserves created on amalgamation. Appropriation from the statutory reserve shall be the last resort, available only where the aggregate of current year profits, profits brought forward and the other permissible reserves (net of accumulated losses and deferred revenue expenditure) is less than the coupon amount.

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

For the purpose of computing risk-weighted assets for capital adequacy, the Bank applies the standardised approach to measure credit and market risks and the basic indicator approach to measure operational risk. In determining risk-weighted assets on account of credit risk, degrees of credit risk expressed as percentage weightings are applied to various balance sheet asset items and off-balance sheet items. The credit equivalent value of off-balance sheet items is derived by applying credit conversion factors to their notional amount. The resulting credit equivalent amount is then multiplied by the risk weight applicable to the counterparty, purpose or type of asset to produce the risk-adjusted values of assets and off-balance sheet items.

Further, pursuant to the Reserve Bank of India (Commercial Banks - Concentration Risk Management) Directions, 2025 dated 28 November 2025 (“**CRM Directions**”), the Large Exposures Framework shall be applied by a bank at the same level as the risk-based capital requirements, i.e., at two levels: (i) the consolidated (group) level, after consolidating the assets and liabilities of its subsidiaries/joint ventures/associates (including overseas operations through the bank’s branches), excluding those engaged in insurance and any non-financial activities. The exposures of all entities within the banking group that are under the regulatory scope of consolidation shall be considered and the aggregate of such exposures shall be compared with the banking group’s eligible consolidated capital base; and (ii) the solo level, at the standalone level also (including overseas operations through branches), which should measure exposures to a counterparty based on the bank’s standalone capital strength and risk profile.

Legal Reserve Requirements

Cash Reserve Ratio

Banks are required to maintain CRR on a daily basis, being a specified percentage of total Net Demand and Time Liabilities adjusted for exemptions, by way of a balance in a current account with the Reserve Bank of India in terms of the Reserve Bank of India (Commercial Banks — Cash Reserve Ratio and Statutory

Liquidity Ratio) Directions, 2025 dated 28 November 2025 (“**Reserves Directions**”). The CRR percentage is specified by the Reserve Bank of India from time to time. The Reserve Bank of India does not pay interest on CRR balances. The CRR must 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 Reserve Bank of India. The Reserve Bank of India 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 required CRR on a particular day and if the shortfall continues further the penal interest charged shall be increased to 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 provided under Section 42(3) of the RBI Act.

Statutory Liquidity Ratio

Banks are required to maintain SLR, being a specified percentage of total Net Demand and Time Liabilities by way of liquid assets such as cash, gold or approved unencumbered securities in terms of Section 24 of the Banking Regulation Act and the Reserve Bank of India (Commercial Banks — Cash Reserve Ratio and Statutory Liquidity Ratio) Directions, 2025. The SLR percentage is specified by the Reserve Bank of India from time to time. Approved unencumbered securities for SLR purposes comprise: (i) Dated securities of the Government of India issued from time to time under the market borrowing programme and the Market Stabilization Scheme; (ii) Treasury Bills of the Government of India; (iii) State Development Loans of the State Governments issued from time to time under the market borrowing programme; and (iv) Any other instrument as may be notified by the Reserve Bank of India. Under the Marginal Standing Facility, banks have the option to borrow overnight by dipping into their SLR holdings up to a specified percentage of their respective NDTL outstanding at the end of the second preceding fortnight, at a rate of interest above the LAF repo rate, as decided by the RBI from time to time.

Securities lodged in the Gilt Account of the bank maintained with Clearing Corporation of India Ltd. under Constituent Subsidiary General Ledger account facilities remaining unencumbered at the end of any day may be reckoned for SLR purposes by the bank concerned. Funds borrowed under repo including tri-party repo in government securities are exempted from CRR/SLR computation and the security acquired under repo is eligible for SLR provided it is primarily eligible for SLR as per the provisions of the Act under which it is required to be maintained. Borrowings by a bank through repo in corporate bonds and debentures shall be reckoned as liabilities for Cash Reserve Ratio/Statutory Liquidity Ratio requirement and, to the extent such liabilities are to the banking system, they shall be netted as per Section 42(1)(d) of the RBI Act, 1934.

Liquidity Coverage Ratio

Pursuant to the Reserve Bank of India (Commercial Banks — Asset Liability Management) Directions, 2025 dated 28 November 2025 (“**ALM Directions**”), commercial banks in India are required to maintain Liquidity Coverage Ratio (LCR). The LCR measures a bank’s ability to manage and survive a significant stress scenario for 30 days that combines idiosyncratic and market-wide shock situations that would result in: (i) the run-off of a proportion of retail deposits; (ii) a partial loss of unsecured wholesale funding capacity; (iii) a partial loss of secured, short-term financing with certain collateral and counterparties; (iv) additional contractual outflows due to downgrade in a bank’s public credit rating by up to three notches, including collateral posting requirements; (v) increases in market volatilities that impact the quality of collateral or potential future exposure of derivative positions; (vi) unscheduled draws on committed but unused credit and liquidity facilities; and (vii) the potential need for a bank to buy back debt or honour non-contractual obligations in the interest of mitigating reputational risk. Banks must maintain an LCR of 100% on an ongoing basis. A bank shall have the option to use its stock of high quality liquid assets during a period of financial stress, thereby allowing the LCR to fall below 100%, and shall immediately report the shortfall to DoS, RBI. 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 its asset composition. The NSFR is required to be at least 100% on an ongoing basis.

Loan Loss Provisions and Non-Performing Assets

Pursuant to the Reserve Bank of India (Commercial Banks — Income Recognition, Asset Classification and Provisioning) Directions, 2025 dated November 28, 2025 (as amended), a non-performing asset is defined as an asset, including a leased asset, that has ceased to generate income for a bank. Banks must follow prudential guidelines on income recognition, asset classification and provisioning of advances for restructured accounts as set out in the Stressed Assets Directions, in addition to the IRACP Directions. A bank is required to classify a loan or an advance as non-performing upon the satisfaction of prescribed conditions, as described below.

Guidelines on Sale and Purchase of Non-Performing Assets

Master Direction — Reserve Bank of India (Asset Reconstruction Companies) Directions, 2024 dated 24 April 2024 as consolidated by: (i) the Reserve Bank of India (Asset Reconstruction Companies) Directions, 2025; the Reserve Bank of India (Asset Reconstruction Companies — Credit Information Reporting) Directions, 2025; the Reserve Bank of India (Asset Reconstruction Companies — Know Your Customer) Directions, 2025; and the Reserve Bank of India (Asset Reconstruction Companies — Treatment of Wilful Defaulters and Large Defaulters) Directions, 2025) (collectively, the “**ARC Directions**”).

Pursuant to the Transfer and Distribution of Credit Risk Directions (*defined below*), the board of directors must establish policies governing the transfer and acquisition of loan exposures, including stressed loans. A bank must ensure that, following a transfer of loan exposures, it retains no continuing involvement with the assets transferred and assumes no operational, legal or other risk in relation to them, and any transfer must effect a transfer of economic interest without recourse to the transferor. A loan transfer should result in immediate separation of the transferor from the risks and rewards associated with the loans to the extent that the economic interest has been transferred. The transferee(s) should have the unrestricted right to transfer or otherwise dispose of the loans free of any restraining condition to the extent of economic interest transferred to them.

Pursuant to the Transfer and Distribution of Credit Risk Directions (*defined below*), in no circumstances can a sale to other banks be made at a contingent price whereby, in the event of shortfall in the realisation by the purchasing banks, the selling banks would have to bear a part of the shortfall. Banks may only sell non-performing financial assets to other banks on a cash basis. The entire sale consideration should be received upfront and the asset can be taken out of the books of the selling bank only on receipt of the full sale consideration. The selling bank shall pursue staff accountability aspects as per existing instructions in respect of non-performing assets sold to other lenders. Purchases and sales of NPAs must be without recourse to the seller and on a cash basis, with full consideration being paid upfront. The bank acquiring stressed loans shall hold the acquired stressed loans in its books for a minimum period of six months before transferring to other lenders. Additionally, banks are generally prohibited from acquiring loans that had been transferred by other lenders as stressed loans in the previous six months. The asset cannot be sold back to the original seller.

Asset Classification

A non-performing asset is an asset in respect of which any amount of interest or principal is overdue for more than 90 days. In particular, an advance is classified as a non-performing asset where:

- (a) interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan;
- (b) the account remains “out-of-order” (as defined below) in respect of an overdraft or cash credit facility;

- (c) the bill remains overdue for a period of more than 90 days in case of bills purchased and discounted;
- (d) a loan granted for short duration crops is treated as an NPA if the instalments of principal or interest thereon remain overdue for two crop seasons;
- (e) installment of principal or interest remains overdue for two crop seasons for short duration crops or for one crop season for long duration crops;
- (f) a loan granted for long duration crops will be treated as an NPA if the instalments of principal or interest thereon remain overdue for one crop season;
- (g) the amount of liquidity facility remains outstanding for more than 90 days in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Commercial Banks - Securitisation Transactions) Directions, 2025 dated 28 November 2025 (“**Securitisation Transactions Directions**”) and as updated from time to time;
- (h) an amount received remains overdue for a period of 90 days in respect of other accounts; or
- (i) in respect of derivative transactions, the overdue receivables related to positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

Banks should classify an account as an NPA only if the interest imposed during any quarter is not fully repaid within 90 days from the close of the relevant quarter.

An account is treated as “out-of-order” if the outstanding balance remains continuously in excess of the approved drawing limit for 90 days. In circumstances where the outstanding balance in the principal operating account is less than the approved drawing limit, but (i) there are no credits continuously for a period of 90 days as at the date of the balance sheet of the bank or (ii) the credits are not sufficient to cover the interest debited during the same period, such accounts are treated as “out-of-order”.

Non-performing assets are classified as set out below.

Sub-Standard Assets. Assets that have been non-performing assets for a period not exceeding 12 months. Such assets have well-defined credit weaknesses that jeopardise the liquidation of the debt and are characterised by a distinct possibility that the bank will sustain some loss if deficiencies are not corrected.

Doubtful Assets. Assets that have been non-performing assets for more than 12 months. A loan classified as doubtful has all the weaknesses inherent in assets classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

Loss Assets. Assets on which losses have been identified by the bank or internal or external auditors during the course of their audit procedures or during Reserve Bank of India inspection but the amount has not been fully written off.

Separate guidelines exist for classification of loans for projects under implementation based on financial closure and the date of approval of project financing in terms of the Credit Facilities Directions. The Reserve Bank of India also has separate guidelines for restructured assets under the Stressed Assets Directions.

As part of its supervisory processes, the Reserve Bank of India assesses banks’ compliance with extant prudential norms on income recognition, asset classification and provisioning (“**IRACP**”). To enhance transparency and reinforce discipline in complying with IRACP norms, banks must make suitable disclosures wherever either (a) the additional provisioning requirements assessed by the Reserve Bank of India exceed 15%

of the published net profits after tax for the reference period or (b) the additional Gross NPAs identified by the Reserve Bank of India exceed 15% of the published incremental Gross NPAs for the reference period, or both.

Banks must recognise incipient stress in loan accounts, immediately on default, by classifying such assets as special mention accounts (SMA) and reporting to the Central Repository of Information on Large Credits (CRILC) on all borrowers having aggregate exposure of INR 50 million and above in accordance with the Stressed Assets Directions.

In addition, lenders shall report to CRILC all borrower entities in default (with aggregate exposure of INR 50 million and above) on a weekly basis, at the close of business every Friday, or the preceding working day if Friday is a holiday. The Reserve Bank of India has specified that during the pendency of an application for restructuring of an advance, the usual asset classification norms continue to apply. Banks are required to have appropriate information technology systems for identification of NPAs and generation of related data, both for regulatory reporting and the bank's own record requirements. Asset classification rules shall be configured in the System, in compliance with regulatory stipulations, and calculation of provisioning requirements shall also be System based as per pre-set rules for various categories of assets.

On 24 September 2021, the Reserve Bank of India issued the Master Direction on Transfer of Loan Exposures, 2021, prescribing guidelines for the sale of banks' non-performing assets to securitisation companies, reconstruction companies, banks, non-banking financial companies and financial institutions. Those guidelines have since been consolidated into the Reserve Bank of India (Commercial Banks — Transfer and Distribution of Credit Risk) Directions, 2025 dated 28 November 2025 ("**Transfer and Distribution of Credit Risk Directions**").

Restructured loans

The Reserve Bank of India maintains a separate framework for restructured assets under the Stressed Assets Directions. The Stressed Assets Directions provide for early identification and reporting of stress in borrower accounts, including their classification as special mention accounts and reporting to the Central Repository of Information on Large Credits. Once a borrower is reported to be in default by any lender, lenders must carry out a prima facie review of the account within 30 days of the default (the "review period"), during which a resolution strategy may be decided. Where a resolution plan is to be implemented, all lenders must enter into an inter-creditor agreement establishing the ground rules for finalising and implementing the plan, with decisions taken by lenders representing 75% by value of total outstanding facilities and 60% by number binding on all lenders. A resolution plan may involve any action/plan/reorganization including, but not limited to, regularisation of the account by payment of all overdue by the debtor entity, sale of exposures to other entities/investors, change in ownership, extension of DCCO and restructuring. In respect of accounts with aggregate exposure above specified thresholds with the specified lenders, resolution plans must be implemented within 180 days from the end of the Review Period, failing which additional provisioning requirements apply.

Restructuring of a borrower's debt is treated as an indicator of financial difficulty based on the Basel Committee Guidelines on 'Prudential treatment of problem assets – definitions of non-performing exposures and forbearance'. Signs of financial difficulty include: (i) a default, irrespective of reasons; (ii) probability that the borrower will default in the foreseeable future without concession; (iii) outstanding securities have been delisted or are under threat of delisting; (iv) cash flows assessed to be insufficient to service all loans or debt securities; (v) credit facilities are in non-performing status or would be so categorised without the concessions; and (vi) existing exposures are categorised as having already evidenced difficulty. In the absence of a change in ownership, restructuring results in immediate downgrade of the account to non-performing status, with accounts already classified as non-performing continuing to be so classified. A restructured account may be upgraded to standard classification only after satisfactory performance during the prescribed monitoring period. Provisioning, asset classification and income recognition for restructured accounts are governed by the Stressed Assets Directions read with the IRACP Directions.

In addition, following amendments to the Banking Regulation Act in 2017, the Reserve Bank of India is empowered to direct banks to commence insolvency resolution proceedings under the IBC in respect of particular stressed accounts, and to issue directions to banks for the resolution of stressed assets, powers it has exercised in the past.

Provisioning and write-offs

Pursuant to the IRACP Directions, provisions are based on guidelines specific to the classification of assets. The following guidelines apply to the various asset classifications.

Standard Assets: With regard to standard assets, banks should make general provision for standard assets at the following rates for funds outstanding on a global loan portfolio basis:

- (a) farm credit to agricultural activities, individual housing loans and Small and Micro Enterprises (SMEs) sectors at 0.25%;
- (b) advances to Commercial Real Estate (“CRE”) Sector at 1%;
- (c) advances to Commercial Real Estate — Residential Housing Sector (“CRE — RH”) at 0.75%;
- (d) housing loans extended at teaser rates at 2%;
- (e) restructured advances — as stipulated in the Stressed Assets Directions; and
- (f) all other loans and advances not included in (a), (b), (c), (d) and (e) above at 0.40%.

Unsecured exposure: Is defined as an exposure where the realisable value of security, as assessed by the Bank, approved *valuers* and the Reserve Bank of India’s inspecting officers, does not exceed 10%, ab initio, of the outstanding exposure. “Exposure” includes all funded and non-funded exposures (including underwriting and similar commitments). “Security” means tangible security properly charged to the bank and excludes intangible securities such as guarantees and comfort letters.

Sub-Standard Assets: This means an asset which has remained a non-performing asset (NPA) for a period of twelve months or less. A general provision of 15% on total outstanding should be made without any allowance for Export Credit Guarantee Corporation (ECGC) guarantee cover and securities available. Unsecured exposures identified as sub-standard would attract additional provision of 10%, i.e. a total of 25% on the outstanding balance. However, unsecured exposures in respect of infrastructure loans classified as substandard, where certain safeguards such as escrow accounts are available, attract an additional provision of 5% (i.e., a total of 20% on the outstanding balance).

Doubtful Assets: 100% of the extent to which the advance is not covered by the realisable value of the security to which the bank has valid recourse and the realisable value is estimated on a realistic basis. With regard to the secured portion, provision may be made on the following basis, at rates ranging from 25% to 100% of the secured portion depending on the period for which the asset has remained doubtful: (i) up to one year: 25% provision; (ii) one to three years: 40% provision; and (iii) more than three years: 100% provision.

In cases of NPAs with a balance of INR 50 million and above, stock audit at annual intervals by external agencies appointed as per guidelines approved by the board of directors shall be mandatory to enhance the reliability of stock valuation and bring down divergence arising out of difference in assessment of the value of security. In cases of NPAs with a balance of INR 50 million and above, collateral such as immovable properties charged in favour of the bank shall be valued once in three years by valuers appointed as per guidelines approved by the Board of Directors.

Loss Assets: The entire asset should be written off. If, for any reason, an asset is permitted to remain on the books, 100% of the sum of the net investment should be provided for.

Floating Provisions: The Reserve Bank of India has issued prudential guidelines on the creation and utilisation of floating provisions. Floating provisions must not be used for making specific provisions as per extant prudential guidelines in respect of NPAs or for making regulatory provisions for standard assets. The guidelines state that floating provisions can be used only for contingencies under extraordinary circumstances for making specific provisions in impaired accounts after obtaining approval from the bank's board of directors and with prior permission from the Reserve Bank of India. Floating provisions for advances and investments must be held separately and cannot be reversed by credit to the profit and loss account. Until utilisation, such provisions can be netted off from gross NPAs to arrive at disclosure of net NPAs, or, alternatively, can be treated as part of Tier 2 capital within the overall ceiling of 1.25% of total RWAs. Floating provisions do not include specific voluntary provisions made by banks for advances that are higher than the minimum provision stipulated by Reserve Bank of India guidelines. Banks have a choice between deducting their existing floating provisions from gross NPAs to arrive at net NPAs or reckoning them as part of Tier 2 capital subject to the overall ceiling of 1.25% of total RWAs.

Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended ("SARFAESI Act")

The SARFAESI Act permits enforcement of a security interest without recourse to the courts. Under it, a secured creditor may recover its dues from borrowers by taking any of the measures provided for in the statute. The rights of enforcement of a security interest under the SARFAESI Act may not be exercised, however, unless the borrower's account has been classified as an NPA in the secured creditor's books in accordance with directions or guidelines issued by the Reserve Bank of India or any other applicable regulatory authority.

Secured creditors must serve a 60-day notice on the borrower demanding repayment of the amount due and specifying the borrower's assets over which the bank proposes to exercise remedies. If the borrower still fails to pay, secured creditors, on expiry of the 60-day notice period, can: (i) take possession of the secured assets; (ii) take over 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. 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, in which security interest has been created. If the secured creditor is unable to recover the entire amount due through the exercise of remedies under the SARFAESI Act, it may approach the relevant court or tribunal for recovery of the balance, and may pursue its remedies under the SARFAESI Act and before the debt recovery tribunal simultaneously.

Regulations Relating to Sale of Assets to Asset Reconstruction Companies

The SARFAESI Act provides for the establishment of asset reconstruction companies ("ARCs") and for the sale of financial assets by banks and financial institutions to ARCs. Such sales, and the process to be followed for them, are governed by the Transfer and Distribution of Credit Risk Directions (*defined below*) read with the Stressed Assets Directions.

Under these guidelines, a bank may sell financial assets to an ARC provided the asset is a stressed loan. Such assets may be sold on a 'recourse' basis, with the entire credit risk associated with the financial assets passing to the securitisation company/reconstruction company, or on a 'without recourse' basis, i.e., subject to the unrealised part of the asset reverting to the selling bank/financial institution. In either case, banks/financial institutions must ensure that the sale takes the asset off their books and that no known liability devolves on them following the sale, and that they assume no operational, legal or other risk relating to the financial assets sold.

Pursuant to the Transfer and Distribution of Credit Risk Directions (*defined below*), banks may transfer loan exposures that are not in default only to specified categories of permitted transferees, through assignment, novation or loan participation, and may transfer stressed loans (being loans classified as non-performing or as special mention accounts) to permitted transferees and ARCs, subject to prescribed conditions including board-approved policies, price discovery requirements (including auction through the Swiss Challenge method for larger exposures) and, in the case of transfers undertaken as part of a resolution plan, approval by prescribed majorities of lenders under the inter-creditor agreement. A transfer must result in the transfer of economic interest in the loan exposure without any credit enhancement or recourse to the transferor, such that no known liability devolves on the transferor following the transfer.

Banks may not transfer stressed loans at a contingent price whereby, in the event of a shortfall in realisation of the agreed price, the transferor bears a part of the shortfall. Banks may, however, in respect of specific stressed loans, enter into an agreement with the ARC to share, in an agreed proportion, any surplus realised by the ARC from such loans. Where a transfer of stressed loans is undertaken as a resolution plan under the Stressed Assets Directions with approval of signatories to the inter-creditor agreement representing 75.0% by value of total outstanding credit facilities and 60.0% of signatories by number, all signatories to the inter-creditor agreement exit the stressed loan exposure. Transfers of stressed loans to transferees other than ARCs must be on a cash basis, with full consideration received not later than at the time of transfer; consideration for transfers to ARCs may include security receipts, pass-through certificates or other securities issued by the ARC or trusts set up by it, subject to prescribed valuation and provisioning norms.

Guidelines Relating to Use of Recovery Agents by Banks

Guidelines for banks engaging recovery agents are set out in the Reserve Bank of India (Commercial Banks — Responsible Business Conduct) Directions, 2025 dated 28 November 2025 (“**Responsible Business Conduct Directions**”).

A Fair Practices Code based on the Responsible Business Conduct Directions shall be put in place by banks with approval of their Board. Banks are expected to inform borrowers of the particulars of recovery agents engaged and to maintain a grievance redressal mechanism in relation to the recovery process.

Insolvency and Bankruptcy Code, 2016

The Insolvency and Bankruptcy Code, 2016 (the “**IBC**”) amends certain provisions of existing legislation, including the Companies Act, 2013, and seeks to consolidate insolvency laws applicable to companies, corporate entities and individuals. It establishes the Insolvency and Bankruptcy Board of India (IBBI), which regulates insolvency professionals, agencies and information utilities and discharges a range of legislative, administrative and quasi-judicial functions. The IBC distinguishes between financial creditors, to whom debts are owed for financial consideration, and operational creditors, to whom debts are owed for goods, services or employment-related payments.

The IBC prescribes a 330-day timeline for resolution of insolvency applications, inclusive of time spent on related litigation. As part of the process, an insolvency resolution plan prepared by the insolvency professionals must be approved by financial creditors holding at least 66% of voting share, such voting share being determined by reference to their financial debts, including interest. Where a plan is rejected, the adjudicating authority passes a liquidation order. On the insolvency commencement date, the adjudicating authority declares a moratorium barring the institution or continuation of suits or proceedings against the corporate debtor, enforcement of judgments or security interests, transfer or disposal of its assets, and recovery of property in its possession. The moratorium continues until the corporate insolvency resolution process is completed and ceases on approval of the resolution plan or the passing of a liquidation order.

The prudential framework governing resolution of stressed assets by lenders, including provisioning-based incentives for initiation of proceedings under the IBC, is set out in the Stressed Assets Directions.

The Insolvency and Bankruptcy Code (Amendment) Act, 2026 dated 6 April 2026, introduces a comprehensive overhaul of India's insolvency regime, aimed at expediting resolution timelines, preserving asset value and enhancing certainty for creditors. Key reforms include introduction of a creditor-initiated insolvency resolution process, enabling specified financial creditors to commence a time-bound, largely out-of-court resolution while the debtor remains in possession, a statutory framework for group insolvency to facilitate coordinated proceedings across related entities, and an enabling regime for cross-border insolvency, including recognition of foreign proceedings and cooperation with overseas courts. The amendments also codify the "clean slate" principle, whereby upon approval of a resolution plan, all pre-existing claims (including statutory dues) against the corporate debtor stand extinguished and regulatory approvals forming part of the plan are preserved, subject to compliance. Further, the amendments effected by the Insolvency and Bankruptcy Code (Amendment) Act, 2026 will come into force on such date or dates as the Government of India may notify, and different dates may be appointed for different provisions of the amendment act.

A structured mechanism for coordinated enforcement of shared security and minimum recovery safeguards for dissenting financial creditors has been introduced. Additionally, a one-time "second chance" mechanism permits restoration of the corporate insolvency resolution process prior to liquidation, subject to strict timelines. Enhanced compliance requirements and penalties for operational creditors aim to deter frivolous or misleading claims. The provisions will come into force on dates to be notified by the Central Government, with phased implementation possible.

Resolution Regime for Financial Institutions

Although the Government of India has from time to time indicated that it is considering revised legislation for resolution of financial firms, no comprehensive statutory resolution regime for financial institutions has been enacted to date, and resolution of banks continues to be undertaken under the framework of the Banking Regulation Act, including through schemes of reconstruction or amalgamation. In the interim, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 provide a generic framework for insolvency resolution and liquidation of systemically important financial service providers other than banks, and have been notified in respect of non-banking financial companies (including housing finance companies) with an asset size of INR 5.00 billion or more. Further, deposit insurance cover provided by the Deposit Insurance and Credit Guarantee Corporation was increased to INR 0.5 million per depositor per bank with effect from 4 February 2020, and pursuant to the Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, 2021, insured depositors are entitled to interim payment of the insured amount within 90 days where a bank is placed under restrictions or moratorium.

Securitisation of Standard Assets

The RBI has issued Securitisation Transactions Directions, pursuant to which they require pooling and true sale of assets to a bankruptcy-remote special purpose vehicle held at arm's length from the originator, together with issuance to investors of securities representing claims on the cash flows from the asset pool, and they prescribe standards for capital adequacy, valuation, profit and loss on sale of assets, income recognition, provisioning and disclosure.

Regulations Relating to the Opening of Branches

Opening of new branches and shifting of existing branches are governed under Section 23 read with Section 35A and 51 of the Banking Regulation Act, read with the Reserve Bank of India (Commercial Banks - Branch Authorisation) Directions, 2025 dated 28 November 2025 ("**Branch Authorization Directions**"). A bank from which general permission has been withdrawn must obtain the Reserve Bank of India's prior

authorisation before opening branches, and any authorisation granted lapses automatically if the branch is not opened within its one year validity period, or any extension of that period granted by the Reserve Bank of India.

Pursuant to the Branch Authorization Directions, scheduled commercial banks may, unless specifically restricted by the Reserve Bank of India, open 'banking outlets' in tier 1 to tier 6 centres without its prior permission, subject to the conditions it prescribes. The Branch Authorization Directions define a banking outlet as a fixed point service delivery unit, manned by either a bank's staff or its business correspondent, and where services of acceptance of deposits, encashment of cheques/cash withdrawal or lending of money are provided for a minimum of four hours per day for at least five days a week. A bank is expected to carry out regular off-site and on-site monitoring of each banking outlet to ensure proper supervision, uninterrupted service delivery and timely redressal of customer grievances.

Under the branch authorisation policy, centres are classified into six tiers by population size according to the 2011 census. Banks may open banking outlets in all centres without prior approval of the Reserve Bank of India, subject to certain requirements. At least 25.0% of the total number of new banking outlets opened by a bank in a financial year must be allocated to unbanked rural centres. An unbanked rural centre is defined as an area classified as a Tier 5 or Tier 6 centre that does not have a core banking system enabled banking outlet. If a bank fails to open the requisite 25% of banking outlets in unbanked rural centres in a given financial year, the Reserve Bank of India may impose appropriate penal measures, including restrictions on opening of Tier 1 banking outlets.

Banks holding general permission may, at their discretion and without Reserve Bank of India approval, shift, merge or close banking outlets, other than rural outlets and sole semi-urban outlets. A banking outlet may be relocated to a centre within the same or a lower population category. A bank from which the Reserve Bank of India has withdrawn general permission relating to branch opening must obtain its prior authorisation for opening banking outlets going forward. Banks may install onsite and offsite Automated Teller Machines (ATMs) at centres or places of their choosing, including in SEZs, subject to conditions the Reserve Bank of India stipulates, and must report opening, closure, merger, shifting and conversion of banking outlets, branches, offices and ATMs to the Reserve Bank of India online through the Central Information System for Banking Infrastructure (CISBI) portal, ordinarily within one week.

Regulations Relating to Lending

The Reserve Bank of India issues directions regulating banks' lending activities. The principal directions currently in force include the following:

- (i) Banks are free to determine their own lending rates but each bank must disclose its minimum interest rate which takes into consideration all elements of lending rates that are common across borrowers.
- (ii) Reserve Bank of India has provided a framework of rules/regulations/instructions on statutory and other restrictions on loans and advances, which has been further updated by way of the Reserve Bank of India (Commercial Banks — Credit Facilities) Directions, 2025 dated 28 November 2025 ("**Credit Facilities Directions**").
- (iii) Reserve Bank of India has notified to banks the changes and modifications in the Micro, Small and Medium Enterprises Development Act, 2006 as notified by way of various Gazette Notifications.
- (iv) Reserve Bank of India issued the Reserve Bank of India (Housing Finance Companies) Directions, 2025 dated 28 November 2025 to provide a framework for banks deploying their

funds under housing finance allocation and ensure that bank credit is used for production, construction activities and not for activities connected with speculation in real estate.

- (v) 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 is excessive. The Banking Regulation Act provides protection to banks for interest rates charged by them.
- (vi) Pursuant to Section 19(2) of the Banking Regulation Act, banks must not hold shares in any company except as provided in Section 19(1) of the Banking Regulation Act whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. Further, in terms of Section 19(3) of the Banking Regulation Act, banks must not hold shares whether as pledgee, mortgagee or absolute owner, in any company in the management of which any managing director or manager of the Bank is in any manner concerned or interested.
- (vii) Pursuant to Section 20(1) of the Banking Regulation Act, a bank cannot grant any loans and advances against the security of its own shares. A banking company is prohibited from entering into any commitment for granting loans or advances to or on behalf of any of its directors, or any firm in which any of its directors is interested as partner, manager, employee or guarantor, or any company (not being a subsidiary of the banking company or a company registered under Section 8 of the Companies Act or a government company) of which, or the subsidiary or the holding company of which, any of the directors of the bank is a director, managing agent, manager, employee or guarantor or in which he holds substantial interest, or any individual in respect of whom any of its directors is a partner or guarantor.
- (viii) Further, the Credit Facilities Directions also deal with loans sourced over digital lending platforms. They stipulate that banks shall maintain their own website in the public domain which shall be kept up to date, inter-alia, with details including (i) Details of all digital lending products and Digital Lending Apps/Platforms (“DLAs”) (ii) Details of lending service providers (“LSPs”) and the DLAs of the LSPs along with details of the activities for which they have been engaged (iii) Particulars of the 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 Reserve Bank of India guidelines. The Credit Facilities Directions mandate that banks shall conduct enhanced due diligence before entering into an agreement with an LSP for digital lending, taking into account the LSP’s technical capabilities, robustness of data privacy policies and storage systems, fairness in conduct with borrowers, past conduct records 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.
- (ix) The Reserve Bank of India has issued the Reserve Bank of India (Commercial Banks — Interest Rate on Deposits) Directions, 2025 dated 28 November 2025 (“**Interest Rate Directions**”). Pursuant to the Interest Rate Directions, banks are required to formulate a policy approved by their 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, pursuant to the Interest Rate Directions, the interest rate for domestic savings deposits of up to INR 0.10 million shall be uniform, while for domestic savings deposits exceeding INR 0.10 million, differential rates of interest may be provided. The Interest Rate Directions also stipulate that floating rate domestic term deposits must be linked to a directly observable and transparent market determined external benchmark.

- (x) Pursuant to the Responsible Business Conduct Directions, 2025, the Bank shall provide a Key Facts Statement (“**KFS**”) to all prospective borrowers to help them take an informed view before executing the loan contract, as per standardised format. The KFS shall be written in a language understood by such borrowers. Contents of KFS shall be explained to the borrower and an acknowledgement shall be obtained that he/she has understood the same. The KFS shall also include a computation sheet of annual percentage rate (“**APR**”), and the amortisation schedule of the loan over the loan tenor. APR will include all charges levied by the regulated entity.

Concentration Risk Management Amendment Directions

The Concentration Risk Management Amendment Directions introduce structural changes to the CME framework, including insertion of aligned definitions, such as Acquisition Finance, Bridge Finance, CMIs, Collateral, Primary Security and Non-debt Mutual Funds.

Concentration Risk Management Amendment Directions introduce a comprehensive substitution of CME scope, covering investment exposures, credit exposures, acquisition finance, bridge finance, underwriting commitments, intra-day position commitments, trade exposures and financing to non-debt mutual funds.

Revised CME ceilings have been introduced, under which aggregate CME is capped at 40% of the eligible capital base, direct capital market exposure is capped at 20% of the eligible capital base, and exposure specifically towards acquisition finance is capped at 20% within the aggregate limit, with mandatory intra-day sub-limits also prescribed. A bank’s total capital market exposure on both standalone and consolidated basis is subject to this 40% cap. Detailed methodology for CME computation has been specified, including treatment of direct investments on a cost basis, sanctioned limits versus outstanding derivatives, intra-day position commitments with specified percentages for intraday and overnight exposure, and netting conditions. Provision has also been made for offsetting exposures against cash and Government securities.

Rationalised exclusions from CME have been provided, including exposures to subsidiaries, critical financial infrastructure, certain refinancing components of acquisition finance and specified underwriting commitments. In particular, refinancing of a target company’s existing debt, as part of an acquisition, while treated as acquisition finance and required to comply with prescribed conditions, will not be counted as part of the bank’s capital market exposure, thereby providing additional headroom within overall exposure limits.

The revised framework also addresses loans against securities, imposing loan-to-value ceilings such as 60% for listed shares and listed convertible debt securities, 75% for listed AA to BBB rated debt, mutual fund units (excluding debt mutual funds), ETF units and REIT or InvIT units, and 85% for listed AAA rated debt and debt mutual funds, with per-borrower limits and ongoing monitoring requirements continuing to apply. A new chapter also mandates 100% collateral for CMIs, minimum 40% equity haircuts, prohibition on financing proprietary trading and strengthened margin and risk management safeguards.

Directed Lending

Priority Sector Lending

On 24 March 2025, the Reserve Bank of India notified the Reserve Bank of India (Priority Sector Lending — Targets and Classification) Directions, 2025 (“**PSL Master Direction**”), superseding and consolidating earlier directions and setting out broad policy on priority sector lending. Under these directions, priority sectors for all scheduled banks comprise (i) agriculture; (ii) MSMEs; (iii) education; (iv) housing; (v) social infrastructure; (vi) renewable energy; (vii) export credit and (viii) others (being loans up to limits prescribed in the PSL Master Direction). PSL targets are linked to adjusted net bank credit (ANBC) or credit equivalent amount of off-balance sheet exposure (“CEOBSE”), whichever is higher, as on the corresponding date of the preceding year. At present, the total PSL target for domestic banks is 40% of ANBC or credit equivalent amount of off-balance sheet exposure, whichever is higher, and sub-targets are prescribed for small

and marginal farmers, microenterprises and weaker sections. According to the PSL Master Direction, export credit (other than that under agriculture and MSME) extended by domestic banks qualifies as PSL where incremental export credit over the corresponding date of the preceding year is up to 2% of ANBC or CEOBSE (whichever is higher), subject to a sanctioned limit of INR 500 million per borrower.

Credit Exposure Limits

Pursuant to CRM Directions, banks are required to set limits on their exposure to particular industries or sectors and the Reserve Bank of India has prescribed regulatory limits on banks' exposure to individual and group borrowers in India. Banks must also observe certain statutory and regulatory exposure limits in relation to advances against, or investments in, shares, convertible debentures or bonds, units of equity-oriented mutual funds and all exposures to alternative investment funds.

Pursuant to the CRM Directions, the Reserve Bank of India has mandated that a bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20% of such bank's eligible capital base. However, based on risk perception, more stringent exposure limits in respect of certain categories of NBFCs may be considered. Further, a bank's exposure to a single NBFC predominantly engaged in lending against collateral of gold jewellery, i.e. where such loans comprise 50% or more of its financial assets, shall not exceed 7.5% of the bank's capital funds (Tier I plus Tier II Capital). However, this exposure ceiling may go up by 5%, i.e., up to 12.5% of a bank's capital funds if additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector.

Aggregate exposure of a bank to capital markets in all forms (both fund based and non-fund based) should not exceed 40% of its net worth. 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 net worth.

In accordance with the CRM Directions, the sum of all exposure values of a bank to a single counterparty shall not exceed 20% of the bank's available eligible capital base at all times. In exceptional cases, the Board of the bank may allow an additional 5% exposure of the bank's available eligible capital base. The sum of all exposure values of a bank to a group of connected counterparties shall not exceed 25% of the bank's available eligible capital base at all times.

Limits on Exposure to Non-banking Finance Companies

The Reserve Bank of India has progressively deregulated banks' credit-related matters and, in the context of mandatory registration of NBFCs with it, most aspects of banks' financing of NBFCs have been deregulated, though restrictions on bank financing of certain NBFC activities remain in force. Reserve Bank of India guidance on bank finance to NBFCs has been consolidated into Credit Facilities Directions, while prudential limits on banks' exposures, including to NBFCs, are set out in the CRM Directions.

Under the Large Exposures Framework contained in the CRM Directions, the sum of all exposure values of a bank to a single counterparty shall not exceed 20% of the bank's available eligible capital base at all times, which may be increased by a further 5% in exceptional circumstances with approval of the bank's Board, and a bank's exposure to a group of connected counterparties shall not exceed 25% of its available eligible capital base at all times. A bank's exposure to a single NBFC (excluding gold loan companies) will be restricted to 20% of its eligible capital base. A bank's exposure to a single NBFC predominantly engaged in lending against collateral of gold jewellery (such loans comprising 50% or more of its financial assets), shall not exceed 7.5% of the bank's capital funds (Tier I plus Tier II Capital), which may go up by 5% (i.e., up to 12.5%) if additional exposure is on account of funds on-lent by such NBFCs to the infrastructure sector. A bank's exposure to a group of connected NBFCs or group of connected counterparties having NBFCs in the group will be restricted to 25% of its Tier I Capital.

Limits on intra-group transaction and exposures

Prudential limits on intra-group transactions and exposures of banks are set out in the CRM Directions, which prescribe quantitative limits for intra-group financial transactions and prudential measures for non-financial transactions. A bank's exposure to a single group entity shall not exceed 5% of its paid-up capital and reserves in case of non-financial companies and unregulated financial services companies, and 10% in case of regulated financial services companies. Aggregate exposure to all non-financial companies and unregulated financial services companies taken together shall not exceed 10%, and aggregate exposure to all group entities taken together shall not exceed 20%, of the bank's paid-up capital and reserves. Certain exposures are exempt from these limits, including a bank's equity and other capital instruments in group entities and inter-bank exposures among banks in the group operating in India. Any exposure in excess of permissible limits shall be deducted from the bank's Common Equity Tier 1 capital.

Co-Lending

On 28 November 2025, the RBI issued the Reserve Bank of India (Commercial Banks — Transfer and Distribution of Credit Risk) Directions, 2025. Under these directions, each regulated entity must retain a minimum 10% share of individual loans on its books. The interest rate ultimately charged to a borrower is to be a blended rate, computed as the average of rates charged by each of the co-lenders in accordance with their internal policies and the risk profile of a comparable borrower, subject to applicable law. The co-lending agreement must also lay down policies on customer interface, customer protection matters and the grievance redressal mechanism.

Project Finance Directions

The Credit Facilities Directions have introduced a framework for banks for financing projects in infrastructure and non-infrastructure (including commercial real estate and commercial real estate — residential housing) sectors. Pursuant to the Credit Facilities Directions, for under-construction projects where aggregate exposure of lenders is up to INR 15,000 million, no individual lender can have an exposure of less than 10% of the aggregate exposure. For projects where aggregate exposure of all lenders is more than INR 15,000 million, the exposure floor for an individual lender is required to be 5% or INR 1,500 million, whichever is higher.

Acquisition Finance Framework

The Reserve Bank of India (Commercial Banks — Credit Facilities) Amendment Directions, 2026, notified on 13 February 2026, gave effect to the proposal to permit banks to finance acquisitions and were to take effect from 1 April 2026 (or earlier, should banks elect to adopt them) (the “**Acquisition Financing Amendments**”); that date was subsequently extended to 1 July 2026 by an update to the Acquisition Financing Amendments on 30 March 2026 (“**Updated Amendments**”). Historically, banks in India were largely precluded from lending to finance acquisition of shares, subject to limited exceptions, most notably for acquisitions in the infrastructure sector and for overseas acquisitions.

Pursuant to the Updated Amendments, banks have been permitted to extend finance for acquisition of shares or compulsorily convertible debentures of a target entity or the holding company of the target where the objective is to secure long-term strategic ‘control’. Banks can therefore finance up to 75% of acquisition value. Valuation must be independently determined in line with Reserve Bank of India prescribed parameters. The acquiring company, or where the acquisition is routed through a subsidiary or SPV, the controlling acquiring company, must have a minimum net worth of Rs. 500 crore and must have been in net profit after taxes in each of the three immediately preceding consecutive financial years. Unlisted acquirers are additionally required to hold an investment-grade credit rating of BBB- or above from a recognised credit rating agency prior to disbursement.

In conjunction with the Updated Amendments, which substantially revise the existing Credit Facilities Directions, the Reserve Bank of India also issued the Reserve Bank of India (Commercial Banks —

Concentration Risk Management) Amendment Directions, 2026, the Reserve Bank of India (Commercial Banks — Prudential Norms on Capital Adequacy) Second Amendment Directions, 2026, and the Reserve Bank of India (Commercial Banks — Financial Statements: Presentation and Disclosures) Third Amendment Directions, 2026, to rationalise and align norms on Capital Market Exposure (“**CME**”), capital adequacy, and presentation and disclosure of financial statements with the revised credit facilities framework. Taken together, these instruments (the “**2026 Amendment Directions**”) establish a new framework for acquisition finance in India. They adopt a principle-based approach to capital market exposure, remove specific quantitative ceilings in favour of greater flexibility, raise lending limits in certain categories and put in place an enabling framework for financing of acquisitions.

Regulations Relating to Investments

Regulatory Limit

Pursuant to Section 19(2) of the Banking Regulation Act, banks should not hold shares in any company except as provided in subsection (1) of that Act, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30.0% of the paid-up share capital of that company or 30.0% of its own paid-up share capital and reserves, whichever is less. Further, in terms of Section 19(3) of the Banking Regulation Act, banks should not hold shares, whether as pledgee, mortgagee or absolute owner, in any company in the management of which any managing director or manager of the bank is in any manner concerned or interested.

Banks’ Investment Classification and Valuation Norms

Based on comments to the Report of the Informal Group on Banks’ Investment Portfolio, effective 3 September 2000, the Master Circular on ‘Prudential Norms for Classification, Valuation and Operating of Investment Portfolios by banks’ dated 1 July 2015, as amended from time to time, most recently consolidated by way of the Reserve Bank of India (Commercial Banks — Classification, Valuation and Operation of Investment Portfolio) Directions, 2025 (“**Investment Portfolio Directions**”) sets out guidelines on classification and valuation of banks’ investment portfolio.

Valuation, classification and other norms applicable to investments in non-SLR instruments prescribed by the Reserve Bank of India from time to time apply to lenders’ investments in debentures, bonds, security receipts and pass-through certificates issued by ARCs or trusts set up by ARCs, which investments are also required to comply with the Reserve Bank of India (Commercial Banks — Transfer and Distribution of Credit Risk) Directions, 2025. However, where any such instrument issued by an ARC is limited to actual realisation of the financial assets assigned to it, the lender is required to reckon the net asset value, obtained from the ARC from time to time, for valuation of such investments.

Investment in Alternative Investment Funds (AIFs) shall be on the basis of quoted equity shares, bonds, units of AIFs in the bank’s portfolio and shall be valued mutatis mutandis as per instructions given in the Investment Portfolio Directions for quoted securities.

Prohibition on Short-Selling

The Reserve Bank of India permits short sales of central government dated securities under the Short Sale (Reserve Bank) Directions, 2018, effective from 26 July 2018 (the “**Short Sale Directions**”). The Short Sale Directions define a short sale as a sale of a security that the seller does not own. A sale by a bank of a security held in its investment portfolio is treated as a ‘notional’ short sale, and references to short sales include notional short sales. A sale of a Government security already contracted for purchase is not treated as a short sale, provided the purchase contract is confirmed prior to the sale and the contract is guaranteed by the Clearing Corporation of India Limited or the security is contracted for purchase from the Reserve Bank of India.

The maximum amount (face value) of a security that may be short sold is, in case of liquid securities, 2% of the total outstanding stock of the security or INR 5.00 billion, whichever is higher, and in case of other securities, 1% of the total outstanding stock of the security or Rs. 2.5 billion, whichever is higher.

The Reserve Bank of India permits scheduled commercial banks and standalone primary dealers to undertake short sales of Indian central government dated securities, subject to the short position being covered within a maximum period of three months. The short-selling entity ordinarily has to borrow securities from the repo market or under the Reserve Bank of India's government securities lending framework, although in exceptional situations of market stress (such as a short squeeze), it can deliver securities from its own investment portfolio. All 'notional' short sales must be closed by an outright purchase in the market and the securities have to be brought back to the same portfolio, without any change in book value. In June 2026, the Reserve Bank of India released draft directions proposing to consolidate regulation of secondary market transactions in Government securities, including short sales, which, once finalised, would supersede the Short Sale Directions.

Limit on Transactions through Individual Brokers

Guidelines issued by the Reserve Bank of India require banks to appoint brokers for transactions in securities. These guidelines also require that a disproportionate part of the bank's business should not be transacted through only one broker or a few brokers. If for any reason this limit is breached, the Reserve Bank of India has stipulated that the board of directors of the bank should be informed on a half yearly basis of such occurrence and ratify such action.

Subsidiaries and Other Financial and Non-financial Sector Investments

Section 19(1) of the Banking Regulation Act provides that no banking company shall form any subsidiary company except a subsidiary company formed for one or more of the following purposes, namely: (a) undertaking of any business which a banking company is for the time being permitted by section 6, or by any other provision of the Banking Regulation Act or of any other law for the time being in force, to carry on; (b) with prior permission in writing of the Reserve Bank, carrying on of the business of banking exclusively outside India; or (c) undertaking of such other business, which the Reserve Bank may, with prior approval of the Central Government, consider to be conducive to the spread of banking in India or to be otherwise useful or necessary in the public interest. Section 19(2) provides that no banking company shall hold shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding thirty per cent of the paid-up share capital of that company or thirty per cent of its own paid-up share capital and reserves, whichever is less, except as provided in sub-section (1) of Section 19.

Pursuant to the Reserve Bank of India (Commercial Banks — Undertaking of Financial Services) Directions, 2025 dated 28 November 2025, the Bank is required to maintain an arm's length relationship in respect of subsidiaries sponsored by it. The subsidiary cannot set up another subsidiary or promote a new company which is not a subsidiary thereof or undertake any new business without prior approval of the Reserve Bank of India. The bank cannot grant any unsecured advances to the subsidiary without prior approval of the Reserve Bank of India. Transactions between a bank and its subsidiary shall be at arm's length. No preferential treatment shall be given to the subsidiary vis-à-vis a counterparty with similar risk characteristics.

Introduction of Credit Default Swaps for Corporate Bonds

On 25 June 2026, the Reserve Bank of India issued the Master Direction — Reserve Bank of India (Credit Derivatives) Directions, 2026 (the "**Credit Derivatives Directions**"), with immediate effect, superseding the 2022 framework which was limited to single-name credit default swaps ("**CDS**") on corporate bonds. The Credit Derivatives Directions expand the permitted product suite to include CDS and total return swaps on corporate bonds in the over-the-counter market, and standardised single-name CDS, CDS on credit indices and futures on credit indices on recognised stock exchanges with guaranteed settlement, subject to prior Reserve Bank of India approval of product design and eligible participants. At least one party to a credit

derivative transaction must be a market-maker or a central counterparty authorised by the Reserve Bank of India, with eligible market-makers including scheduled commercial banks (excluding small finance banks, payments banks, local area banks and regional rural banks), standalone primary dealers, specified NBFCs and development finance institutions.

Users are classified as retail or non-retail, with non-retail status available to regulated institutional investors (including NBFCs, insurance companies, pension funds, mutual funds and alternative investment funds), resident companies meeting prescribed net worth or turnover thresholds and foreign portfolio investors. Resident non-retail users may transact without restriction as to purpose, while retail users (other than individuals) and non-resident users may participate for hedging purposes only, and market-makers may not offer over-the-counter credit derivative contracts to individuals. Eligible reference obligations comprise money market instruments and rupee-denominated corporate bonds and debentures (including unrated bonds issued by infrastructure special purpose vehicles) in dematerialised form, with asset-backed securities, mortgage-backed securities and structured obligations expressly excluded; indices of eligible debt instruments may also serve as the underlying. The Credit Derivatives Directions also provide for a Credit Derivatives Determinations Committee, constituted by FIMMDA, whose determinations on credit events and settlement procedures are binding on market participants, and prescribe trade reporting, valuation and enforcement requirements.

Regulations Relating to Deposits

The Reserve Bank of India has issued 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 for any end-of-day savings bank account balance exceeding Rs. 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.

Regulations Relating to Customer Service and Customer Protection

The Reserve Bank of India has introduced the Reserve Bank — Integrated Ombudsman Scheme, 2026 (the “**Ombudsman Scheme**”), which comes into force with effect from 1 July 2026. The Ombudsman Scheme aims to provide a cost-effective, expeditious and non-adversarial alternate grievance redress mechanism for resolution of complaints against regulated entities covered under the Ombudsman Scheme, under Section 35A of the Banking Regulation Act, Section 45L of the RBI Act, Section 18 of the Payment and Settlement Systems Act, 2007 and Section 11 of the Credit Information Companies (Regulation) Act, 2005. The Ombudsman Scheme applies to services provided by all non-banking financial companies (subject to specified exclusions) that are either authorised to accept deposits or have a customer interface with an asset size of INR 100 Crore and above. The Ombudsman Scheme was introduced by the Reserve Bank of India with the object of enabling resolution of complaints in respect of certain services rendered by regulated entities, to facilitate satisfaction or settlement of such complaints, and matters connected therewith. The Ombudsman Scheme, among other things, establishes the office of the Reserve Bank of India Ombudsman, specifies the procedure for redressal of grievances and the mechanism for appeals against awards passed by the Reserve Bank of India Ombudsman before the appellate authority, being the executive director in-charge of the Consumer Education and Protection Department of the Reserve Bank of India.

Deposit Insurance

Pursuant to the announcement in the Statement on Developmental and Regulatory Policies dated 1 October 2025, the Deposit Insurance and Credit Guarantee Corporation (“**DICGC**”), with approval of the Reserve Bank of India, has advised insured banks on implementation of a Risk Based Premium (RBP) framework. The framework is intended to incentivise sound risk management by banks and to lower premium payable by better-rated banks.

DICGC has been operating deposit insurance since 1962 on a flat rate premium system, presently 12 paise per INR 100 of assessable deposits (AD). The flat rate premium system is simple to understand and administer but does not differentiate banks which manage risks better. DICGC Act, 1961 Section 15(1) provides for differential premium rates for different categories of insured banks. The proposal to introduce RBP for deposit insurance has been approved by the Central Board of Reserve Bank of India on 19 December 2025.

Pursuant to the RBP framework issued on 6 February 2026 and effective from 1 April 2026, there shall be two risk assessment models — Tier 1 Model and Tier 2 Model. Tier 1 Model is applicable to Scheduled Commercial Banks other than Regional Rural Banks (RRBs), and is based on supervisory ratings, quantitative assessment and potential loss to Deposit Insurance Fund (DIF) in case of failure of insured bank. Further, the RBP framework envisages a rating override policy in case of adverse material information/development, subsequent to initial risk rating. Banks will be required to maintain confidentiality of ratings and not to disclose ratings to DICGC. These shall be reviewed at least once in three years.

Regulations Relating to Know Your Customer and Anti-Money Laundering

The Reserve Bank of India has issued a number of guidelines on Know Your Customer (KYC) and Anti-Money Laundering (AML) that lay down rules on (i) customer identification and acceptance; (ii) monitoring of transactions; and (iii) vigilance when opening accounts for new customers, so as to prevent misuse of the banking system. Banks have been directed to maintain systems and procedures to control financial fraud and to detect money laundering and suspicious activity, and to monitor high-value cash transactions, including cross-border transactions. Banks have further been directed to formulate and adopt adequate KYC and AML policies.

The Reserve Bank of India has issued the Reserve Bank of India (Commercial Banks — Know Your Customer) Directions, 2025 (“**Know Your Customer Directions**”), requiring banks and financial institutions regulated by the Reserve Bank of India to periodically carry out money laundering and terrorist financing risk assessments to identify, assess and take effective measures to mitigate their money laundering and terrorist financing risk for clients, countries or geographic areas, products, services, transactions or delivery channels. Banks and financial institutions shall apply a risk based approach for mitigation and management of identified risk and should have Board approved policies, controls and procedures which take into consideration sector-specific vulnerabilities shared by regulators. Further, regulated entities are required to inform customers in advance to update their KYC, giving at least three advance intimations including at least one intimation by letter, at appropriate intervals through available communication options.

Statutes Governing Foreign Exchange and Cross-Border Business Transactions

Foreign exchange and cross-border transactions carried out by banks are subject to FEMA. Banks must monitor customer transactions on a risk-based approach using predefined rules. The transaction monitoring system is designed to identify unusual transactions, conduct due diligence on them and, where they are confirmed to be suspicious, report them to the Financial Intelligence Unit of the relevant jurisdiction. The Bank’s transaction monitoring system is reviewed periodically and is being augmented with suitable anti-money laundering software solutions.

External Commercial Borrowings

Indian companies are allowed to raise funds through external commercial borrowings (“ECB”), including loans and bonds (whether floating or fixed rate), in foreign currency or Indian Rupees and such ECB can be secured or unsecured, under the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 issued by the Reserve Bank of India, in each case as amended, updated, modified, replaced or substituted from time to time (“**ECB Guidelines**”). The ECB Guidelines were substantially amended by the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026, effective from 16 February 2026, which revised the ECB framework, including by expanding the eligible borrower and recognised lender base, rationalising borrowing limits and minimum average maturity requirements, removing all-in-cost ceilings for ECBs with an average maturity of three years or more, revising end-use restrictions and simplifying reporting requirements.

(i) Eligible Borrowers

Any person resident in India (other than an individual) that is incorporated, established or registered under a Central or State Act is an eligible borrower under the ECB Guidelines, subject to the condition that such person is permitted to raise ECB in terms of applicable laws including FEMA.

(ii) Recognised Lenders

An eligible borrower may raise ECB from the following recognised lenders:

12. a person resident outside India;
13. a branch outside India of an entity whose lending business is regulated by the Reserve Bank of India; and
14. a financial institution or a branch of a financial institution set up in IFSC.

(iii) Currency of Borrowing and Forms of ECB

ECBs may be raised in (a) foreign currency; or (b) Indian Rupees.

The currency of an ECB may be changed from one foreign currency to another foreign currency, from a foreign currency to Indian Rupees, or from Indian Rupees to a foreign currency. Any such change in currency shall be at the exchange rate prevailing on the date of the agreement for such change or at an exchange rate that does not result in liability higher than that arrived at by using the exchange rate prevailing on the date of the underlying agreement.

Further, an eligible borrower may raise ECB in any form of commercial borrowing arrangement that involves payment of agreed interest, if any, and repayment of principal.

(iv) Borrowing Limit

An eligible borrower may raise ECB up to the higher of: (i) outstanding ECB up to USD1 billion; or (ii) total outstanding borrowing (external and domestic) up to 300% of net worth as per the last audited standalone balance sheet of the borrower.

Minimum Average Maturity Period (“MAMP”)

The MAMP for ECB raised by an eligible borrower is 3 years. Call and put options, if any, shall not be exercisable prior to completion of MAMP.

An eligible borrower engaged in the manufacturing sector may also raise ECB with an average maturity period of between one year and three years, subject to the condition that outstanding amount of such ECBs does not exceed USD150 million.

The borrowing limit specified above shall not apply to eligible borrowers that are regulated by financial sector regulators.

(v) *Cost of Borrowing*

The cost of borrowing under the ECB Guidelines shall be in line with prevailing market conditions. In case of eligible ECBs with an average maturity period of less than three years, cost of borrowing shall be in compliance with the cost ceiling specified for trade credit under the ECB Guidelines. In case of fixed rate loans, the floating rate plus spread of the corresponding swap shall not exceed such ceiling.

The ‘cost of borrowing’ means the rate of interest, other fees, expenses, charges, guarantee fees and export credit agency charges, whether paid in foreign currency or Indian Rupees, but does not include commitment fees and prepayment charges or penal interest, if any, for default or breach of covenants shall be in line with prevailing market conditions.

(vi) *End-use of ECB proceeds*

Funds borrowed under the ECB Guidelines cannot be utilised in India for the following purposes:

1. chit funds;
2. Nidhi companies;
3. real estate business and construction of farmhouses, subject to limited carve-outs for construction-development projects and industrial parks as prescribed under the ECB Guidelines; agricultural and animal husbandry activities, except floriculture, horticulture, cultivation of vegetables and mushrooms under controlled conditions, development and production of seeds and planting material, animal husbandry (including breeding of dogs), pisciculture, aquaculture and apiculture, and services related to agricultural and allied sectors;
4. plantation, except tea, coffee, rubber, cardamom, palm oil tree and olive oil tree plantations;
5. trading in transferable development rights;
6. transacting in listed or unlisted securities, except for transactions undertaken by an Indian entity for corporate actions such as merger, demerger, amalgamation, arrangement or acquisition of control in accordance with applicable laws — and only for strategic purposes driven by the core objective of creating long-term value through potential synergies, rather than for short-term gains;
7. repayment of a domestic INR loan (a) that was availed for an end-use restricted under the ECB Guidelines; or (b) that is classified as a non-performing asset as per applicable prudential norms; and
8. on-lending for any of the purposes for which funds cannot be borrowed and utilised as set out in the ECB Guidelines.

(vii) *Receipt of ECB Proceeds*

An eligible borrower shall draw down ECB only after obtaining the Loan Registration Number (“LRN”) from the Reserve Bank of India through the **AD Bank**. ECB proceeds intended to be utilised for a permitted Indian Rupee expenditure in India shall be credited to an Indian Rupee account held in India with the AD Bank by the end of the succeeding month from the date of receipt. Pending utilisation, funds may be invested in an unencumbered fixed deposit of up to one year’s tenor with the AD Bank.

ECB proceeds intended to be utilised for a permitted foreign currency expenditure may be credited to a foreign currency account held in India with the AD Bank or to a foreign currency account held outside

India. Pending utilisation, funds may be invested outside India in an unencumbered fixed deposit of up to one year's tenor or an unencumbered debt instrument with original maturity of up to one year.

(viii) Filing and reporting requirements

An LRN is required to be obtained from Reserve Bank of India before availing any drawdown under the Notes. To obtain the LRN, eligible borrowers are required to submit a completed Form ECB 1 providing details of the ECB, through the AD Bank. The AD Bank is then required to forward the completed Form ECB 1 to Reserve Bank of India. The following forms/returns are required to be submitted through the AD Bank in the format provided by the Reserve Bank of India:

1. Form ECB 1: for providing details of the ECB and obtaining the LRN;
2. Revised Form ECB 1: for reporting any change in previously reported ECB parameters, within seven calendar days from the end of the month in which such change was given effect. A Revised Form ECB 1 may also be submitted to intimate any change in other information previously reported in Form ECB 1; and
3. Form ECB 2: for reporting receipt of ECB proceeds and debt servicing, within seven calendar days from the end of the month in which the proceeds were received or debt servicing was undertaken. Any event or transaction that alters the outstanding borrowing under an LRN shall also be reported in Form ECB 2.

Foreign ownership restriction

Aggregate foreign investment in a private sector bank is permitted up to 49% of paid up capital under the automatic route. This limit can be increased up to 74% of paid up capital with prior approval from the Government of India, unless such investments are otherwise exempted from the requirement for approval. Further, SEBI has through circular dated 5 April 2018, put in place a new system for monitoring 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 monitoring of foreign investment limits.

Moratorium, Reconstruction and Amalgamation of Banks

Pursuant to Section 45 of the Banking Regulation Act, where it appears to the Reserve Bank that there is good reason to do so, the Reserve Bank may apply to the Central Government for an order of moratorium in respect of a banking company. The Central Government, after considering the application, may make an order of moratorium staying commencement or continuance of all actions and proceedings against the company for a fixed period of time on such terms and conditions as it thinks fit and proper, and may from time to time extend the period so however that total period of moratorium shall not exceed six months. During the period of moratorium or at any other time, if the Reserve Bank is satisfied that: (a) in the public interest; or (b) in the interests of depositors; or (c) in order to secure proper management of the banking company; or (d) in the interests of the banking system of the country as a whole, it is necessary so to do, the Reserve Bank may prepare a scheme for reconstruction of the banking company, or for amalgamation of the banking company with any other banking institution. The scheme shall thereafter be placed before the Central Government for its sanction and the Central Government may sanction the scheme without any modifications or with such modifications as it may consider necessary. On and from the date of coming into operation of the scheme, the scheme shall be binding on the banking company, the transferee bank and any other banking company concerned in the amalgamation and also on all members, depositors and other creditors and employees of each of those companies.

Regulations on Amalgamation between Private Sector Banks and between Banks and Non-banking Finance Companies

The Reserve Bank of India has issued the Reserve Bank of India (Commercial Banks — Voluntary Amalgamation) Directions, 2025 dated 28 November 2025 relating to: (i) amalgamation of two banking companies; (ii) a bank with Small Finance Bank (SFB), Local Area Bank (LAB) and Payments Bank (PB); and (iii) amalgamation of an NBFC with a banking company. For voluntary amalgamation of an NBFC with a bank or vice versa, the scheme of amalgamation shall require approval by the Tribunal in terms of Sections 230 to 234 of the Companies Act, 2013. However, a ‘No-Objection Certificate’ from Reserve Bank of India 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 voluntary amalgamation of two banking companies under provisions of Section 44A of the Banking Regulation Act.

Credit Information Bureaus

The Reserve Bank of India (Commercial Banks — Credit Information Reporting) Directions, 2025, as amended (“**Credit Information Reporting Directions**”) aim to establish a standardised framework for reporting and dissemination of credit information; safeguard confidentiality and security of sensitive credit data; and provide mechanisms for consumers to access their credit information and grievance redressal on matters related to credit information reporting. The Credit Information Reporting Directions require regulated credit institutions to submit credit data (including historical credit information) to all credit information companies (“**CICs**”) in a standardised uniform credit reporting format (“**UCRF**”) on four fixed reference dates each month, i.e., the 9th, 16th, 23rd and last day of the month. Any incremental updates must be furnished within four calendar days of each such reference date, and a complete file containing all active and closed accounts as at month-end must be submitted by the 5th day of the succeeding month. CICs and credit institutions must keep such credit information updated regularly and provide a list of entities not complying with reporting timelines to Reserve Bank of India’s Department of Supervision at half-yearly intervals. The Credit Information Reporting Directions mandate that credit institutions inform customers of specific reasons for rejection of data correction requests and provide that complainants are entitled to compensation of INR 100 per calendar day if their complaint on credit information updation/rectification is not resolved within thirty calendar days of filing. Additionally, the Credit Information Reporting Directions require credit institutions to send alerts through SMS/email to customers while submitting information to CICs regarding default in existing credit facilities.

Fair Practice Code

In accordance with the Reserve Bank of India (Commercial Banks — Responsible Business Conduct) Directions, 2025 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 address (i) general customer service aspects; (ii) liability related matters; (iii) asset related matters; (iv) charges related matters; (v) training related matters. 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 branches. The bank shall adhere to 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 names 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 branches/staff. Further, the Reserve Bank of India (Commercial Banks - Responsible Business Conduct) Amendment Directions, 2025 dated 4 December 2025 introduces the Basic Savings Bank Deposit (“**BSBD**”) Account as a savings bank account which offers certain minimum facilities, free of charge, to holders of such accounts with the objective of deepening financial inclusion.

A bank shall adopt broad instructions and frame a fair practices code duly approved by its Board of Directors. The bank, as principal, is responsible for actions of its agents. Hence, it shall ensure that agents engaged for recovery of its dues strictly adhere to instructions, while engaged in the process of recovery of dues. The bank engaging recovery agents shall undertake periodical review of the mechanism to learn from experience, effect improvements and bring to the notice of the Reserve Bank suggestions for improvement in these directions.

Prompt Corrective Action by the Reserve Bank of India

The RBI has consolidated the prompt corrective action framework for banks into the Reserve Bank of India (Commercial Banks – Miscellaneous) Supervisory Directions, 2026 dated 31 July 2026 (“**Miscellaneous Supervisory Directions**”). The objective of the PCA framework is to enable supervisory intervention at appropriate time and require the bank to initiate and implement remedial measures in a timely manner, so as to restore its financial health. The PCA framework is also intended to act as a tool for effective market discipline. The capital, asset quality and leverage are the key areas for monitoring in the framework, and a bank will generally be placed under PCA Framework based on the audited annual financial results and the ongoing supervisory assessment made by RBI. RBI may impose PCA on any bank during the course of a year (including migration from one threshold to another) in case the circumstances so warrant.

Key criteria for invocation of prompt corrective action include breach of any of the following risk thresholds: (i) capital to risk-weighted assets ratio (CRAR) plus applicable capital conservation buffer (currently 11.5%) or common equity tier 1 (CET 1) ratio plus applicable capital conservation buffer falling below minimum regulatory prescription (currently 8%), (ii) net non-performing advances (NNPA) ratio of 6.0% or more, or (iii) Tier 1 leverage ratio falling below the regulatory minimum by specified margins. Depending upon extent of breach, the bank may be classified into three risk thresholds and will be accordingly subject to mandatory actions, including: (a) (i) restriction on dividend distribution/remittance of profits; (ii) promoters/owners/parent (in the case of foreign banks) to bring in capital (Risk Threshold 1); (b) restriction on branch expansion, domestic and/or overseas (Risk Threshold 2 in addition to Risk Threshold 1); and (c) appropriate restrictions on capital expenditure, other than for technological upgradation within board approved limits (Risk Threshold 3 in addition to Risk Threshold 1 and 2). Discretionary actions may be selected from a common menu including special supervisory actions, strategy related actions, governance related actions, capital related actions, credit risk related actions, market risk related actions, HR related actions, profitability related actions, and operations/business related actions. Taking the bank out of PCA Framework and/or withdrawal of restrictions imposed under the PCA Framework will be considered: (1) if no breaches in risk thresholds in any of the parameters are observed as per four continuous quarterly financial statements, one of which should be audited annual financial statement (subject to assessment by RBI); and (2) based on supervisory comfort of the RBI, including an assessment on sustainability of profitability of the bank.

Information Technology and Cyber Security

The Reserve Bank of India has issued the Reserve Bank of India (Commercial Banks – Cybersecurity, Technology: Risk, Resilience and Assurance Framework) Directions, 2026 dated 31 July 2026 (“**Cybersecurity Framework Directions**”), which came into effect from 31 July 2026.

The Cybersecurity Framework Directions require banks to put in place a robust IT governance framework based on key focus areas including strategic alignment, risk management, resource management, performance management and business continuity/disaster recovery management. Key requirements include: (a) establishment of a board-level IT strategy committee, the chairperson of which shall be an independent director having substantial IT expertise in managing/guiding information technology initiatives; (b) constitution of an IT steering committee with representation at senior management level from IT and business functions; (c) appointment of a senior level, technically competent and experienced official in IT related aspects as head of IT function; (d) designation of a senior level executive, preferably in the rank of a general manager or equivalent

position, as the chief information security officer, who shall not have any direct reporting relationship with the head of IT function and shall directly report to the executive director or equivalent executive overseeing the risk management function; (e) establishment of a cyber security operations centre for continuous surveillance and to keep regularly updated on the latest nature of emerging cyber threats; (f) a robust IT and information security risk management framework with periodic risk assessments; (g) baseline cybersecurity and resilience requirements covering inventory management of information assets, data leak prevention strategy, network management and security, application security life cycle, patch, vulnerability and change management, user access control/management, cryptographic controls and third-party arrangements; (h) comprehensive business continuity and disaster recovery management, with periodicity of disaster recovery drills for critical information systems at least on a half-yearly basis; (i) a cyber incident response and recovery management framework, with reporting of cyber incidents within six hours of detection on the DAKSH platform; (j) a separate information systems audit function required professional skills and competence, under the oversight of the audit committee of the board; and (k) vulnerability assessment and penetration testing exercises conducted periodically, with vulnerability assessment for critical information systems and/or those in the de-militarized zone having customer interface conducted at least once in every six months and penetration testing at least once in 12 months.

Supervisory Returns

The RBI has issued the Reserve Bank of India (Commercial Banks – Supervisory Returns) Directions, 2026 dated 31 July 2026 (“**Supervisory Returns Directions**”), which came into effect from 31 July 2026.

The Supervisory Returns Directions establish a comprehensive framework for the submission of supervisory returns by banks to the RBI. The board and senior management are required to include the identification, assessment, and management of data quality risks as part of the bank’s overall risk management framework, including standards for both in-house and outsourced risks for data-related processes, and policies on data confidentiality, integrity, availability, and risk management. Banks are required to ensure that risk data aggregation capabilities and risk reporting practices are fully documented and subjected to high standards of validation that are aligned with the bank’s other independent risk management reviews.

Key requirements under the Supervisory Returns Directions include: (a) banks shall design, build, and maintain data architecture and supporting IT infrastructure for complete, accurate, and timely data aggregation as well as reporting not only in normal times but also during times of stress or crisis; (b) data aggregation and reporting practices shall be considered an essential part of the bank’s business continuity planning process and subject to a business impact analysis; (c) all returns/risk reports shall be reconciled with the bank’s own sources, including accounting data where appropriate, to ensure accuracy, consistency, and completeness; (d) banks shall maintain proper records of sources and aggregation rules for generating returns’ data; and (e) banks shall strive to achieve a higher degree of automation in the generation of data for filing of returns.

Banks are required to submit all applicable returns through online mode in the formats and manner prescribed by the RBI. Returns submitted in hard copy format through hand delivery/post/courier, or in soft copy format through emails, shall not be accepted unless prescribed to be submitted in such format. The Supervisory Returns Directions prescribe a comprehensive list of supervisory returns with varying periodicities (weekly, fortnightly, monthly, quarterly, half-yearly, and yearly) covering areas including asset-liability management, asset quality, capital adequacy, liquidity, large credits, ownership and control, fraud monitoring, and vigilance monitoring. The timelines for submission depend on the frequency of the return, with penalties including imposition of fine under the Banking Regulation Act, 1949 for furnishing incorrect information or non-compliance with stipulated timelines.

Fraud Risk Management

The Reserve Bank of India has issued the Reserve Bank of India (Commercial Banks – Fraud Risk Management) Directions, 2026 dated 31 July 2026 (“**Fraud Risk Management Directions**”), which came into effect from 31 July 2026. The Fraud Risk Management Directions provide a framework for prevention, early detection, and timely reporting of incidents of fraud by banks to law enforcement agencies and the RBI, and dissemination of information by the RBI.

The Banks are required to put in place a board approved policy on fraud risk management delineating roles and responsibilities of board/board committees and senior management. The policy shall contain measures towards prevention, early detection, investigation, staff accountability, monitoring, recovery, and reporting of frauds as well as a framework for early warning signals and red flagging of accounts. The banks shall constitute a Special committee of the board for monitoring and follow-up of cases of frauds (SCBMF) with a minimum of three members, consisting of a whole-time director and a minimum of two independent directors/non-executive directors, headed by one of the independent directors/non-executive directors. The senior management shall be responsible for implementation of the fraud risk management policy approved by the Board.

The Fraud Risk Management Directions require banks to have a framework for early warning signals and red flagging of accounts under the overall fraud risk management policy. The risk management committee of the board shall oversee the effectiveness of the framework and approve the early warning signal indicators identified for monitoring credit facilities/loan accounts and other banking transactions. The banks shall set up a dedicated data analytics and market intelligence unit for collection and processing of relevant information to enable early detection and prevention of potentially fraudulent activities. An account with an aggregate exposure of Rs. 3 crore and above, once red flagged, shall be reported in the red flagged account return on the RBI’s CRILC platform within seven days. Once an account has been red-flagged, the entire process of classification of the account as fraud or removal of red-flagged status shall ordinarily be completed within 180 days from the date of first reporting of the account as red-flagged on CRILC platform.

Reporting to the RBI shall be through fraud monitoring returns using the online portal, immediately but not later than 14 days from the date of classification of an incident/account as fraud. The central fraud registry is a web-based searchable database maintained by the RBI, to which fraud related data directly flows from online reporting by banks through fraud monitoring returns. persons/entities classified and reported as fraud by a bank shall be debarred from raising funds and/or seeking additional credit facilities from financial entities regulated by the RBI for a period of five years from the date of full repayment of the defrauded amount/settlement amount.

Restrictions on Payment of Dividends

The Reserve Bank of India has issued the Reserve Bank of India (Commercial Banks — Prudential Norms on Declaration of Dividends and Remittance of Profits) Directions, 2026 (“**Declaration of Dividends Directions**”). Payment of dividends by banks is subject to consideration by the board of directors of the current and projected capital position of the bank vis-à-vis applicable capital requirements, applicable capital buffers and adequacy of provisions, divergence in asset classification and provisioning for NPAs; Auditors’ Report including modified opinion or emphasis of matter. Banks have to fulfil minimum prudential requirements to declare dividend. If a bank does not meet the above eligibility criteria, no special dispensation shall be given to the bank for declaration of dividend. If profit for the relevant period includes any extra-ordinary profits/income, dividend payout ratio shall be computed after excluding such extra-ordinary items for reckoning compliance with the prudential payout ratio. 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 balance of profit of each year as disclosed in the profit and loss account, transfer a sum equivalent to not less than 20% of such profit to the reserve fund before declaring any dividend.

Requirements of the Banking Regulation Act

Appointment and Remuneration of the Chairman, Managing Director and Other Directors

Banks must obtain prior approval of the Reserve Bank of India before appointing their chairman, managing director and any other executive directors and before fixing their remuneration. The Reserve Bank of India is empowered to remove an appointee from office of chairman, managing director or other executive director in the public interest, in the interest of depositors or to secure proper management of the bank. It may also direct meetings of the Board of Directors to consider any matter concerning the bank, appoint observers to such meetings, and generally make such changes to management as it considers necessary, and may order convening of a general meeting of shareholders to elect new directors. The bank may not appoint as a director any person who is a director of another banking company. The Reserve Bank of India has issued “fit and proper” criteria for directors of banks, which directors must satisfy. The Reserve Bank of India has issued the RBI (Commercial Banks - Governance) Directions, 2025 dated 28 November 2025, containing instructions on Chair and meetings of the board, composition of certain board committees, age, tenure and remuneration of directors, and appointment of whole-time directors.

Restriction on Creation of Floating Charge

Prior approval of the Reserve Bank of India is required for creating floating charge on the bank’s undertaking or property. Currently, all borrowings, including bonds, are unsecured.

Prohibited Business

The Banking Regulation Act sets out business activities that a bank may carry on, and banks are prohibited from engaging in any activities other than those so specified.

Reserve Fund

Any bank incorporated in India is required to create a reserve fund to which it must transfer not less than 20.0% of profits of each year before dividends. If there is an appropriation from this account, the bank is required to report the same to the Reserve Bank of India within 21 days, explaining circumstances leading to such appropriation. The Government of India may, on recommendation of the Reserve Bank of India, exempt a bank from requirements relating to its reserve fund.

Restriction on Share Capital and Voting Rights

Banks can issue only ordinary shares. The Banking Regulation Act currently specifies that no shareholder in a banking company can exercise voting rights on poll in excess of 15.0% of total voting rights of all shareholders of the banking company.

Regulatory Reporting and Examination Procedures

The Reserve Bank of India is responsible for supervising the Indian banking system under various provisions of the Banking Regulation Act and the RBI Act, a responsibility discharged through its Department of Banking Supervision in respect of all scheduled commercial banks other than regional rural banks. The RBI also conducts periodic on-site inspections of branches, regional offices and zones on regulatory matters concerning a bank’s portfolio, risk management systems, internal controls, credit allocation and regulatory compliance, at intervals of between one and three years. As the country’s central bank and banking regulator, the RBI carries out an annual regulatory on-site inspection of the Bank as a whole. The inspection report,

together with the Bank's report on actions taken, must be placed before the board of directors, and, once approved by the board, the Bank must submit its report on actions taken to the RBI.

The RBI also discusses the report with the Bank's management team, including the MD & CEO and executive directors, and conducts on-site supervision of selected branches of the Bank in relation to their general operations and foreign exchange transactions.

Maintenance of Records

Banks are required to maintain books, records and registers. The Banking Regulation Act specifically requires banks to maintain books and records in a particular manner and file them with the Registrar of Companies on a periodic basis. Provisions for production of documents and availability of records for inspection by shareholders as stipulated under the Companies Act and rules thereunder would apply as in the case of any company. Know Your Customer Guidelines framed by the Reserve Bank of India also provide for certain records to be updated at regular intervals. The Reserve Bank of India (Commercial Banks - Know Your Customer) Directions, 2025 also provide for certain records to be maintained as per the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005. The Banking Companies (Period of Preservation of Records) Rules, 1985 requires such records to be preserved for eight years. The Banking Companies (Period of Preservation of Records) Rules, 1985 requires a bank's records of books, accounts and other documents relating to stock and share registers to be maintained for a period of eight years.

Penalties

The Reserve Bank of India may impose penalties on banks and their employees in case of infringement of regulations under the Banking Regulation Act. The penalty may be a fixed amount or may be related to the amount involved in any contravention of regulations. The penalty may also include imprisonment.

Assets to be Maintained in India

Every bank is required to ensure that its assets in India (including import-export bills drawn in India and Reserve Bank of India approved securities, even if bills and securities are held outside India) are not less than 75.0% of its demand and time liabilities in India.

Secrecy Obligations

Secrecy obligations arise from common law principles governing the bank's relationship with its customers. As a general rule, the bank may not disclose information to third parties, save in clearly defined circumstances. Exceptions to that general rule are as follows:

1. where disclosure is required to be made under any law;
2. where there is an obligation to disclose to the public;
3. where we need to disclose information in its interest; and
4. where disclosure is made with the express or implied consent of the customer.

The bank is also required to disclose information if ordered to do so by a court or other competent authority, and is subject to statutory disclosure and reporting obligations under various laws, including furnishing of credit information to credit information companies under the Credit Information Companies (Regulation) Act, 2005 and reporting obligations under the Prevention of Money Laundering Act, 2002. The Reserve Bank of India may, in the public interest, publish information obtained from the bank. Under provisions of the Bankers' Books Evidence Act, 1891, a copy of any entry in a banker's book, such as ledgers, day books, cash books and account books, certified by an officer of the bank may be treated as prima facie evidence of the transaction in any legal proceeding.

In addition, the Digital Personal Data Protection Act, 2023, India's first comprehensive statutory framework for protection of personal data, has been enacted, and the Digital Personal Data Protection Rules, 2025 were notified in November 2025, with substantive obligations under the framework taking effect in a phased manner. Once fully in force, the framework will impose obligations on the Bank as a data fiduciary in respect of personal data of its customers, including in relation to grounds for processing personal data, notice and consent requirements, data security safeguards, personal data breach notification and rights of individuals, with contraventions attracting monetary penalties imposed by the Data Protection Board of India.

Regulations governing Offshore Banking Units (“OBU”)

The Government and the Reserve Bank of India have permitted banks to establish OBUs in special economic zones, which are specially demarcated duty-free enclaves treated as foreign territory for purposes of trade operations, duties and tariffs. OBUs are exempt from CRR requirements, and all prudential norms applicable to overseas branches of Indian banks apply to them. An OBU may operate and maintain its balance sheet only in foreign currency and may not deal in Indian rupees, except through a special rupee account funded out of convertible funds to meet its day-to-day expenses.

Regulations governing Banking Units in IFSC

International Financial Services Centre Authority (Listing) Regulations, 2024

The International Financial Services Centre Authority (IFSCA) is a statutory body constituted under the International Financial Services Centre Authority Act, 2019 (“**IFSCA Act**”) to promote and regulate financial products, services and institutions located within International Financial Services Centres (IFSCs) established under Section 18 of the Special Economic Zones Act, 2005. IFSCA has recently introduced a unified regulatory framework, the International Financial Services Centre Authority (Listing) Regulations, 2024 (“**IFSCA Listing Regulations**”), designed to facilitate listing of securities on stock exchanges in GIFT City, which offers significant opportunities for Indian companies, and startups in particular, to access substantial foreign capital.

The IFSCA Listing Regulations apply to various types of issuances within an IFSC, including: (a) initial public offerings of specified securities by unlisted entities; (b) follow-on public offerings of specified securities by listed entities; (c) initial public offerings of specified securities by Special Purpose Acquisition Companies; (d) rights issues, preferential issues or qualified institutional placements of specified securities by listed entities; (e) issuance and listing of depository receipts by entities; (f) issuance and listing of debt securities by entities; (g) secondary listings of securities by entities; and (h) listing of commercial paper, certificates of deposit or other financial products as authorised by IFSCA.

International Financial Services Centres Authority (Payment Services) Regulations, 2024

The International Financial Services Centres Authority (Payment Services) Regulations, 2024 (“**IFSCA Payment Services Regulations, 2024**”) establish a framework for entities seeking authorisation from IFSCA to offer the following payment services: (a) account issuance services, including e-money account issuance; (b) e-money issuance services; (c) escrow services; (d) cross-border money transfer services; and (e) merchant acquisition. By permitting these services to be offered within IFSCA, the IFSCA Payment Services Regulations, 2024 enable financial institutions operating in the IFSC to provide and receive a broad range of financial services that facilitate movement of funds between individuals, businesses and other entities.

IFSCA (Board for Regulation and Supervision of Payment and Settlement Systems) Regulations, 2024

Pursuant to these regulations, the board, chaired by the IFSCA Chairperson and comprising whole time members and up to three nominated members, is responsible for regulating and supervising payment systems within IFSCs. Its functions include policy formulation, standards setting, authorisation of payment systems, membership criteria determination, administration of regulations and consumer protection. IFSCA will provide necessary resources, and the Board must report quarterly on its activities. Sub-committees and advisory

committees may be formed to support the board, which must meet at least quarterly with a quorum of three members, including the chairperson and one nominated member.

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 such banking companies in their subsidiaries, joint ventures and associates.

International operations are governed by regulations of the countries in which the bank has presence. The Reserve Bank of India has, moreover, notified that foreign branches or subsidiaries of Indian banks may offer structured financial and derivative products that are not permitted in the domestic market only at established financial centres outside India, such as New York, London and Singapore. At other centres, branches and subsidiaries of Indian banks may offer only those products permissible in the domestic market, and to undertake activities not permitted in the domestic market at such centres, banks must obtain approval of the Reserve Bank of India.

Regulations and Guidelines of the Securities and Exchange Board of India

SEBI was established to safeguard interests of public investors in securities and to promote development of, and regulate, the Indian securities market. SEBI regulates listed companies under powers conferred by the Securities and Exchange Board of India Act, 1992, as amended, and in exercise of those powers frames regulations for listed entities aimed at maintaining high standards of investor protection and corporate governance.

The Issuer and its subsidiaries are subject to Securities and Exchange Board of India regulations governing public capital issuances and private placements, as well as underwriting, custodian, depository participant, investment advisory, private equity, broking, asset management, banker to the issue and debenture trusteeship activities. Those regulations require the Bank to register with Securities and Exchange Board of India for each such activity, function and responsibility, and the Bank and its subsidiaries must comply with codes of conduct applicable to these activities.

Income Tax Benefits

As a banking company, the Bank is entitled to certain tax benefits under the Indian Income Tax Act. Banks are allowed a deduction of up to 20.0% of profits derived from the business of providing long-term finance (defined as loans and advances extended for a period of not less than five years) computed in the manner specified under the Indian Income Tax Act and carried to a special reserve account.

The IFSC Banking Unit is also entitled to claim 100% tax holiday under Section 147 of the Income-tax Act, 2025 in respect of eligible income arising from business carried on in GIFT city, subject to applicable conditions. This benefit provides for a tax deduction in respect of qualifying income for a period of 20 out of 25 years from the year of receiving relevant approval and reduces overall tax liability attributable to the IFSC Banking Unit, provided relevant statutory and regulatory requirements continue to be satisfied.

The Reserve Bank of India (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 up 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 last audited balance sheet or audited/unaudited balance sheet of the latest quarter, whichever is lower.

Companies Act

Companies in India, including banks, in addition to sector-specific statutes and regulations and guidelines prescribed by sectoral regulators, were required to comply with relevant provisions of the Companies Act 1956. In 2013, the Indian Parliament enacted the new Companies Act, including, among other things, provisions to make independent directors more accountable, improve corporate governance practices and make corporate social responsibility mandatory for companies above a certain size and require them to spend a minimum of 2.0% of average net profits of the preceding three years for corporate social responsibility initiatives.

Competition Act

The Competition Act 2002 established the Competition Commission of India with the objective of promoting competition, preventing unfair trade practices and protecting interest of consumers. The Competition Act, 2002 prohibits anti-competitive agreements and abuse of market dominance, and requires approval of the Competition Commission for mergers and acquisitions involving companies above a certain size.

TAXATION

The information provided below does not purport to be a comprehensive description of all Indian and other non-Indian tax considerations which may be relevant to a decision to purchase the 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 in this Offering Circular 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 and different rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws applicable in India and each country of which they are residents. Additionally, in view of the number of different jurisdictions where local laws may apply, this Offering Circular does not discuss the local tax consequences applicable to a potential investor arising from the acquisition, holding or disposal of the Notes. Prospective investors must, therefore, inform themselves as to any tax, exchange control legislation or other laws, and regulations in force relating to the subscription, holding or disposal of the Notes at their place of residence, and in the countries of which they are citizens, or the countries of purchase, holding or disposition of the Notes.

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 (i) business carried on by the Issuer outside India; or (ii) for the purposes of making or earning income from any other source 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 207 of the Income Tax Act, 2025 (“**IT Act**”) (plus applicable surcharge and cess), provided the debt is raised in foreign currency. Further as per the provisions of section 207 read with section 393 of the IT 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 and Lending) Regulations 2018, 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. Further, as per Schedule VI(12) of the IT Act, any interest income received by a non-resident from a unit set up in IFSC shall be exempt from tax in India. 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.

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 393 of the IT 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 fulfilment 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.

In respect of all the Notes (other than the Notes, if any, issued in accordance with section 393(2) (Table Sr.no 4) of the IT Act) issued to non-residents, non-resident investors are required to provide their permanent account number to the payer, failing which, tax will be deducted at a higher rate. However, where such non-resident investors do not have a permanent account number, provisions of section 397 should not apply, provided such non-resident investors furnish documentation including a TRC, a tax identification number and other details including their name, address, email details and contact number in respect of the instruments set out in section 397 of the IT Act and Rule 217 of the Income-tax Rules, 2026, as amended.

The non-resident Noteholders may be required to provide necessary documents such as the TRC, Form 41 , 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 (plus applicable surcharge and cess) of the capital gains subject to and in accordance with the provisions of the IT 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 IT Act is subject to withholding tax obligation at the prevailing tax rate under the provisions of the IT Act, subject to any Tax Treaty benefit, read with MLI, if and to the extent applicable. In case of FIIs, the IT 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% (plus applicable surcharge, health and education cess), depending on the legal status of the Non-resident Investor and their 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 41, 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 217 of Income Tax Rules, 2026. 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 207 of the IT Act, in case of a Non-resident Investor earning income only in the nature of interest income referred to in section 393(2) (Table Sr.no 4) 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 92(2)(m) 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 Section 92(3) 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.

Anti-avoidance provisions

Under the IT Act there are both specific as well as generic anti-avoidance provisions relating to tax like transfer pricing provisions and GAAR.

Under the transfer pricing provisions, any income arising from an international transaction between two related parties have to be computed having regard to the arm's length price ("ALP"). If the Notes are transferred by a non-resident investor to another investor and such investors are related parties in accordance with the provisions of the IT Act, then the transactions would have to be at ALP and necessary compliances are required to be undertaken by the investors.

GAAR provisions have been effective from fiscal year 2017-2018. Under the GAAR, an arrangement whose main purpose is to obtain tax benefits, may be declared as an "impermissible avoidance arrangement". According to Section 179 of the IT Act "impermissible avoidance arrangement" means an arrangement of which the main purpose is to obtain a tax benefit, and which, inter alia, creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length. Further, an arrangement is presumed, unless proved to the contrary by the taxpayer, to have been entered into, for the main 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, irrespective of the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

If GAAR provisions are invoked, it could result in significant implications for the parties to the transaction including inter alia, disregarding, combining or re-characterization of any step in or part or whole of the impermissible avoidance arrangement, denial of any tax benefit claimed by the taxpayer, or denial of benefit claimed by the non-resident under a Tax Treaty.

Taxation of persons ordinarily resident in India

Any income received in respect of the Notes by a person ordinarily resident in India under the provisions of the IT Act, may generally be subject to tax in India according to the personal or corporate rate of tax, as applicable.

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.

Hong Kong Taxation

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets). Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “IRO”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, *inter alia*, an authorised institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong)) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Based on the definition of “deposit” in the Banking Ordinance (Cap. 155) of Hong Kong and provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the Issuer is likely to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the

corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, with effect from 1 January 2024, pursuant to various foreign-sourced income exemption legislation in Hong Kong (the “**FSIE Amendments**”), certain specified foreign-sourced income (including interest, dividend, disposal gain or intellectual property income, in each case, arising in or derived from a territory outside Hong Kong) accrued to an MNE entity (as defined in the FSIE Amendments) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The FSIE Amendments also provide for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

- (i) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “**SDO**”)).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes. No stamp duty is payable on the issue of Registered Notes.

Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

- (i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Registered Notes constitute loan capital (as defined in the SDO).

Notwithstanding the above, no stamp duty is payable on the transfer of a regulatory capital security (as defined in Section 17A of the IRO).

With effect from 17 November 2023, if stamp duty applies to the transfer of Registered Notes required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Foreign Account Tax Compliance Act (“FATCA”)

Pursuant to certain provisions of the Code, commonly known as FATCA, withholding may be required on, among other things, (i) certain payments made by “foreign financial institutions” (“**foreign passthru payments**”) and, (ii) dividend equivalent payments (as described below in “*U.S. Dividend Equivalent Withholding*”), in each case, to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to foreign passthru payments, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed in the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. For Notes that are subject to FATCA solely because they are treated as giving rise to dividend equivalent payments, withholding is not required until six months after the date on which instruments such as the Notes are first treated as giving rise to dividend equivalent payments, unless the Notes are materially modified after such date, or the Notes are treated as equity for U.S. federal income tax purposes. If additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

U.S. Dividend Equivalent Withholding

Section 871(m) of the Code treats a “dividend equivalent” payment as a dividend from sources within the United States. Under Section 871(m), such payments generally would be subject to a 30 per cent. U.S. withholding tax that may be reduced by an applicable tax treaty, eligible for credit against other U.S. tax liabilities or refunded, provided that the beneficial owner timely claims a credit or refund from the U.S. Internal Revenue Service (the “**IRS**”). A “**dividend equivalent**” payment is (i) a substitute dividend payment made pursuant to a securities lending or a sale-repurchase transaction that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, (ii) a payment made pursuant to a “specified notional principal contract” that (directly or indirectly) is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States, and (iii) any other payment determined by the IRS to be substantially similar to a payment described in (i) and (ii). U.S. Treasury regulations issued under Section 871(m) and applicable guidance (the “**Section 871(m) Regulations**”) require withholding on certain non-U.S. holders of the Notes with respect to amounts treated as dividend equivalent payments. Under the Section 871(m) Regulations, only a Note that has an expected economic return sufficiently similar to that of the underlying U.S. security, as determined on the Note’s issue date based on tests set forth in the Section 871(m) Regulations, will be subject to the Section 871(m) withholding regime (making such Note

a Specified Note). The Section 871(m) Regulations provide certain exceptions to this withholding requirement, in particular for instruments linked to certain broad-based indices.

Withholding in respect of dividend equivalents will generally be required when cash payments are made on a Specified Note to a holder, upon the date of maturity, lapse or other disposition by the holder of the Specified Note. If the underlying U.S. security or securities are expected to pay dividends during the term of the Specified Note, withholding generally will still be required even if the Specified Note does not provide for payments explicitly linked to such dividends. Additionally, the Issuer may withhold the full 30 per cent. 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 non-U.S. holder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A holder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the IRS. Refund claims are subject to U.S. tax law requirements and there can be no assurance that a particular refund claim will be timely paid or paid at all. While a payment with respect to a Note could be subject to U.S. withholding tax under both FATCA (as discussed above) and as a result of being treated as a dividend equivalent payment, the maximum rate of U.S. withholding tax on such payment would not exceed 30 per cent. If the Issuer or any withholding agent determines that withholding under Section 871(m) is required, neither the Issuer nor any withholding agent will be required to pay any additional amounts with respect to amounts so withheld.

The Section 871(m) Regulations will generally apply to Specified Notes issued on or after 1 January 2017. However, the Section 871(m) Regulations will not apply to certain financial instruments issued prior to 1 January 2021 if such financial instruments are not “delta one” transactions. If the terms of a Note are subject to a “significant modification” (as defined for U.S. tax purposes), the Note generally would be treated as retired and reissued on the date of such modification for purposes of determining, based on economic conditions in effect at that time, whether such Note is a Specified Note. 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 IRS could treat the issue date for determining whether the existing Notes are Specified Notes as the date of such subsequent sale or issuance. Consequently, a previously grandfathered Note, or otherwise out-of-scope Note, might become a Specified Note following such modification or further issuance.

In addition, payments on the Specified Notes may be calculated by reference to dividends on underlying U.S. securities that are reinvested at a rate of 70 per cent. 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 per cent. 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.

The applicable Pricing Supplement will indicate whether the Issuer has determined that Notes are Specified Notes and will specify contact details for obtaining additional information regarding the application of Section 871(m) to Notes. If Notes are Specified Notes, a holder of such Notes should expect to be subject to withholding in respect of any dividend-paying U.S. securities underlying those Notes. The Issuer’s determination is binding on holders of Notes, but it is not binding on the IRS. The Section 871(m) Regulations require complex calculations to be made with respect to Notes linked to U.S. securities and their application to a specific issue of Notes may be uncertain. Prospective investors should consult their tax advisers regarding the potential application of Section 871(m) to the Notes.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 14 August 2026 (such programme agreement as amended and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

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 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 Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the 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 Notes. CMIs are informed that a private bank rebate may be payable as in this Offering Circular 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 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 relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any “Associations” (as used in the SFC Code);
- whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- 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 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 of America

- 1.1 The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes constituting part of its allotment except in accordance with Rule 903 of Regulation S under the Securities Act.

- 1.2 Each Dealer has represented and agreed that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.
- 1.3 the Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether TEFRA C or TEFRA D applies or whether TEFRA is not applicable.
- 1.4 Until 40 days after the commencement of the offering of the Notes, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.
- 1.5 Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specified “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area (other than the Netherlands), each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing

Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

- (A) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a **“Non-exempt Offer”**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the 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 Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **“offer of Notes to the public”** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression **“Prospectus Regulation”** means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression **“retail investor”** means a person who is either one (or both) of the following:
 - (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**“EUWA”**); or
 - (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

- (b) the expression “**an offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the 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:

- (i) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to an exemption under Part 1 of Schedule 1 to the POATRs (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression “**an offer of Notes to the public**” in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “**POATRs**” means the Public Offers and Admissions to Trading Regulations 2024.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme in respect of such Notes will be required to represent and agree, that the Notes (or any interest therein) are not and may not, directly or indirectly, be offered, sold, pledged, delivered or transferred to retail investors in the Netherlands, on their issue date or at any time thereafter, and neither this Offering Circular nor any other document in relation to any offering of the Notes (or any interest therein) may be distributed or circulated in the Netherlands. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

India

Each Dealer represents, agrees, and acknowledges that (a) the Offering Circular has not been and will not be filed, registered, produced, published or made as an offer document (whether as a prospectus or a statement in lieu of a prospectus (as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended) in respect of a public offer or information memorandum or placement memorandum or general information document or key information document or private placement offer cum application letter or other offering material in respect of any private placement of securities under the Companies Act, 2013, as amended from time to time and the rules framed thereunder or any other applicable Indian laws) with the Registrar of Companies or the Securities Exchange Board of India or the Reserve Bank of India or any Indian Stock Exchange or any other adjudicatory, statutory, regulatory or governmental body of like nature in India or the International Financial Services Centres, save and except, any information forming 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 the International Financial Services Centres Authority (Listing) Regulations, 2024, each, or pursuant to the directive or sanction of any statutory, regulatory or governmental and adjudicatory body in India or the International Financial Services Centres, (b) the Notes have not been and will not be offered or sold to any person in India by means of any document other than to persons permitted under Indian securities and other Indian laws to acquire the Notes, whether as a principal or as an agent, and (c) the 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 the public in India or any member

of the public in India or otherwise generally distributed or circulated in India which could constitute an advertisement, invitation, offer, sale or solicitation of and an offer to subscribe for or purchase any securities within the meaning of the Companies Act, 2013, as amended from time to time, or any other applicable Indian securities laws for the time being in force, and (d) this Offering Circular or any material relating to the Notes has not been and will not be circulated or distributed to any person who does not meet the Eligibility Requirements; and (e) the Notes will not be offered or sold and have not been offered or sold to any person who does not meet the Eligibility Requirements.

For the purposes of this section, “Eligibility Requirements” shall mean the criteria required to be fulfilled to be an eligible lender under the ECB Guidelines. For a lender to be an eligible lender under the ECB Guidelines, it should be: (i) a person resident outside India; or (ii) a branch outside India of an entity whose lending business is regulated by the Reserve Bank of India; or (iii) a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) or a branch of a financial institution (as defined under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 (as amended)) set up in International Financial Service Centre.

For the purpose of this section, “**ECB Guidelines**” means the Foreign Exchange Management Act, 1999, and the rules and regulations issued thereunder, including the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 as amended, updated, modified, superseded, replaced or substituted from time to time, read together with the Master Direction on Reporting under Foreign Exchange Management Act, 1999, dated January 1, 2016 issued by the RBI and any other applicable regulations, notifications, circulars or guidelines issued by the RBI or any other Indian governmental agency in respect of external commercial borrowings, in each case, as amended, updated, modified, superseded, replaced or substituted from time to time.

Eligibility of holders of the Notes and the Rupee Denominated Notes

Each Dealer represents and agrees that in relation to any issuance of Rupee denominated Notes 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 any prospective investor who does not meet the Eligibility Requirements.

Disclosure of information relating to holders of the Notes and the Rupee Denominated Notes

The holders and beneficial owners of the Notes issued by the Issuer through its Head Office shall be deemed to confirm that for so long as they hold any of the Notes and the Rupee denominated Notes, they will meet the Eligibility Requirements. Further, all Noteholders represent and agree that the Notes will not be offered, sold on the secondary market or offered as security to any person who is not a Recognised ECB Lender. In relation to any issuance of the Notes, 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 Reserve Bank of India 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 Reserve Bank of India or any other statutory or regulatory authority in India as and when such information is required. The Notes can only be sold/transferred/offered as security overseas and in the case of Notes issued by the Issuer through the Head Office, only to Recognised ECB Lenders who are in compliance with the Eligibility Requirements.

Additional Selling Restrictions as per RBI Basel III Guidelines

In accordance with the provisions of the RBI Basel III 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 (the “**MAS**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not 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 to (i) 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.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any

resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Australia

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that no prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the “**Australian Corporations Act**”)) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“**ASIC**”) or the securities exchange operated by ASX Limited (ABN 98 008 624 691) (“**ASX Limited**”). Each Dealer has represented and agreed that it:

- (a) has not offered, and will not offer for issue or sale and has not invited, and will not invite applications, for issue, or offers to purchase, the Notes in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive information memorandum, advertisement or other offering material relating to the Notes in Australia,

unless:

- (1) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to the investors in accordance with Part 6D.2 or Chapter 7 of the Australian Corporations Act;
- (2) the offer does not constitute an offer to a “retail client” for the purposes of Section 761G of the Australian Corporations Act;
- (3) such action complies with all applicable laws, regulations and directives; and
- (4) such action does not require any document to be lodged with ASIC or ASX Limited.

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 Arranger and the Dealer 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.

Other Relationships

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, subject to the selling restrictions described above, 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.

Broker-dealer Affiliates

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

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Board of Directors of the Issuer dated 1 August 2026.
2. Issuance of Notes by the Issuer acting through its Head Office and India branches is permitted under the ECB Guidelines, provided that such Notes are issued in accordance with the ECB Guidelines.

Currently, the issuance of Notes by the Issuer acting through its IFSC Banking Unit or 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 outside India, does not require any approval from the RBI and/or the Ministry of Finance, provided that such Notes are within the limits prescribed by the RBI. The Issuer is, however, required to: (i) make the relevant filings / reportings, including in the designated returns to any direction, regulation, notification, circular or guideline including with any regulatory authority including but not limited to the IFSCA, the SEBI, the RBI, and the Government of India; (ii) comply with the requirements specified under the guidelines issued by the RBI in relation to the 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. Approval, if any required, for the issuance of the Notes by the Issuer acting through its Registered Office will be obtained from the RBI prior to issuance of the Notes. With regard to the Bank's IFSC Banking Unit, relevant provisions of the IFSCA (Listing) Regulations, 2024, as amended from time to time, along with other relevant statutory and regulatory guidelines and regulations issued by International Financial Services Centres Authority, will also be applicable to the Issuer.

Listing

3. Application has been made to the India INX and/or the Debt Securities Market of the NSE IX for the Notes to be admitted to trading on the India INX and/or NSE IX. The India INX and/or NSE IX has not approved or verified the contents of the listing particulars. The listing of the Notes will be in compliance with the IFSCA Listing Regulations, as amended from time to time.

Delisting of Notes

4. The Trust Deed provides that if the applicable Pricing Supplement indicates that the Notes are listed on a stock exchange (the “**relevant Stock Exchange**”), the Bank will use its best endeavours to maintain the listing on the relevant Stock Exchange of those of the Notes which are listed on the relevant Stock Exchange or, if it is unable to do so having used its best endeavours or if the Trustee considers that the maintenance of such listings is unduly onerous whether as a result of the implementation of the EU Transparency Directive (directive 2004/109/EC of the European Parliament and of the Council on the Harmonisation of Transparency Requirements in relation to information about issuers whose securities are admitted to trading on a regulated market) or otherwise, it may cease to maintain such listing provided that it shall use its best endeavours promptly to obtain and maintain a quotation or listing of such Notes on such other stock exchange or exchanges or securities market or markets on which it is then accepted in the sphere of international issues of debt securities to list securities such as the Notes as it may (with the approval of the Trustee (which approval of the Trustee may only be given if the Trustee has received confirmation from the relevant Dealer(s) in respect of such Notes that such other stock exchange or exchanges or securities market or markets is so accepted)) decide and shall also upon obtaining a quotation or listing of such Notes issued by it on such other stock exchange or exchanges or

securities market or markets enter into a trust deed supplemental to the Trust Deed to effect such consequential amendments to the Trust Deed as the Trustee may require or as shall be requisite to comply with the requirements of any such stock exchange or securities market.

Clearing Systems

5. The Notes to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream. The appropriate common code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Pricing Supplement.
6. The Issuer's legal entity identifier is 335800E6GTTXKHXE2I75.

No Significant Change

7. Save as disclosed in this Offering Circular, there has been no significant or material adverse change in the financial or trading position of the Bank since 30 June 2026.

Litigation

8. Except as disclosed in this Offering Circular, the Bank is not involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Bank is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of the Bank.

Accounts

9. KKC & Associates LLP, Chartered Accountants and Price Waterhouse LLP, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the Fiscal 2024 Financial Statements, Deloitte Haskins & Sells, Chartered Accountants and KKC & Associates LLP, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the Fiscal 2025 Financial Statements, and Deloitte Haskins & Sells, Chartered Accountants and M M NISSIM & CO LLP, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the Fiscal 2026 Financial Statements had audited the Issuer's Fiscal 2024 Financial Statements, Fiscal 2025 Financial Statements and Fiscal 2026 Financial Statements, respectively in accordance with generally accepted auditing standards in India and had issued a joint audit opinion without any qualification in respect of the Audited Financial Statements.

M M NISSIM & CO LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the Q12027 Financial Results, had reviewed the Issuer's Q12027 Financial Results in accordance with generally accepted review standards in India and had issued a joint limited review report without any qualification in respect of the Q12027 Financial Results. KKC & Associates LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants, the joint statutory auditors of the Issuer in respect of the Q12026 Financial Results, had reviewed the Issuer's Q12026 Financial Results in accordance with generally accepted review standards in India and had issued a joint limited review report without any qualification in respect of the Q12026 Financial Results. The financial results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards specified under Section 133 of the Companies Act, 2013, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the RBI from time to time and other accounting principles generally

accepted in India, and are in compliance with the presentation and disclosure requirements of the Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI LODR Regulations including relevant circulars issued by the SEBI from time to time.

10. The Trust Deed provides that the Trustee may rely on certificates or reports from the Auditors (as defined in the Trust Deed) or any other 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 the Auditors or such other person in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person. However, the Trustee will have no recourse to the Auditors or such other person in respect of such certificates or reports unless the Auditors or such other person have agreed to address such certificates or reports to the Trustee.

Documents Available

11. 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:
 - (a) the audited standalone financial statements of the Bank in respect of the fiscal years ended 31 March 2024, 2025, and 2026;
 - (b) the most recently published audited standalone annual financial statements of the Bank and the most recently published or unaudited standalone interim financial results of the Bank (the Bank currently prepares unaudited standalone interim results on a quarterly basis under Indian regulatory requirements);
 - (c) the Trust Deed, the Agency Agreement and the forms of the Temporary Global Notes, the Permanent Global Notes, the Definitive Bearer Notes, the Receipts, the Coupons, the Talons, the Restricted Global Notes and the Definitive Registered Notes;
 - (d) a copy of this Offering Circular; and
 - (e) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

So long as Notes are capable of being issued under the Programme, Copies of the Trust Deed and the Agency Agreement (i) are available for inspection at all reasonable times during normal business hours (being between 9:00 a.m. (London time) and 3:00 p.m. (London time) from Monday to Friday (other than public holidays) at the registered office for the time being of the Trustee being as at the date of issue of the Notes at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom and at the specified office of each of the Principal Paying Agent, or (ii) may be provided by email to any Noteholder, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Paying Agent. Copies of the applicable Pricing Supplement are obtainable during normal business hours with prior written notice at the specified office of the Trustee and the Principal Paying Agent or by email save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Trustee or the Principal Paying Agent, as the case may be, as to its holding of such Notes and identity.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN IFRS AND INDIAN GAAP

The financial statements of the Issuer included in this Offering Circular have been prepared in accordance with the accounting policies followed by the Issuer, which conform to Indian GAAP, as applicable, to the Issuer. The following is a general summary of certain principal differences between Indian GAAP as applicable to the Issuer and IFRS. The differences identified below are limited to those significant differences that are appropriate to the Issuer's financial statements and consider the provisions of International Financial Reporting Standard (IFRS). However, they should not be construed as being exhaustive, and no attempt has been made to identify possible future differences between Indian GAAP and IFRS as a result of prescribed changes in accounting standards nor to identify future differences that may affect the Issuer's financial statements as a result of transactions or events that may occur in the future. Summary of significant differences between IFRS and Indian GAAP included in this document are based on applicable standards.

	IFRS	INDIAN GAAP
1 Contents of financial statements – general	A complete set of financial statements comprises a statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity for the period, statement of cash flows, notes comprising significant accounting policies and other explanatory information. Comparative (corresponding) figures are presented for one year.	As per the Companies Act, “financial statement” in relation to a company, includes (a) a balance sheet as at the end of the financial year; (b) a profit and loss account; (c) a cash flow statement for the financial year; (d) a statement of changes in equity, if applicable; and (e) any explanatory note annexed to, or forming part of, any document referred to above. Comparative (corresponding) figures are presented for one year. The presentation of these financial statements differs in certain respects compared to IFRS. Separate financial statements are required to be presented by all companies. The Companies Act, subject to certain relaxations, requires a company having one or more subsidiaries or associate companies to prepare a consolidated financial statement of the company and of all its subsidiaries and associate companies in the same form and manner as that of its own.
2 Contents of financial statements – disclosures	No particular format is prescribed for the statement of profit and loss and other comprehensive income. However, an analysis of expenses	The Companies Act prescribes the balance sheet format and the prescribed format for the profit and loss account. In the case of banks,

	IFRS	INDIAN GAAP
	must be presented in one of two formats (function or nature). Certain items must be presented on the face of the income statement. Reclassification Adjustments relating to components of other comprehensive income are required to be disclosed separately in the statement of profit and loss and other comprehensive income or in the notes. Similarly, no particular format is prescribed for the balance sheet; an entity may use a liquidity presentation of assets and liabilities, instead of a current/non-current presentation, only when a liquidity presentation provides more relevant and reliable information. Certain items must be presented on the face of the balance sheet. For some entities, such as financial institutions, a presentation of assets and liabilities in increasing or decreasing order of liquidity provides information that is reliable and more relevant than a current/non-current presentation because the entity does not supply goods or services within a clearly identifiable operating cycle. However, banks should present a statement of profit and loss which groups income and expenses by nature and discloses the amounts of principal types of income and expenses. Further, banks should present a balance sheet that groups assets and liabilities by nature and lists them in the order that reflects their relative liquidity.	the format of the balance sheet and the profit and loss account is prescribed in Schedule 3 to the Banking Regulations Act. Further, the RBI prescribes various disclosures from time to time.
3 Correction of errors – comparative	Material prior period errors are required to be corrected	Restatement is not required. The nature and amount of prior period

	IFRS	INDIAN GAAP
amounts for the prior year period(s) presented in which errors have occurred	retrospectively (except to the extent it is impracticable to determine either the period specific effects or the cumulative effects of the error) in the first set of financial statement approved for issue after their discovery by: • restating the comparative amounts for the prior period(s) presented in which the error occurred; or • if the error occurred before the earliest period presented, restating the opening balance of assets, liabilities and equity for the earliest prior period presented.	items should be separately disclosed in the current year's profit and loss and the effect of the error must also be disclosed. The SEBI may, in the case of publicly listed companies, take such necessary action as it deems fit, including mandating restatement of books of accounts on the scrutiny of audit reports that qualify the accounts of a company.
4 Changes in accounting policies	Any change in accounting policy is required to be applied retrospectively requiring entities to adjust the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts disclosed for each prior period presented as if the new accounting policy had always been applied, except where impracticable to do so. Policy changes made because of the adoption of a new standard is made in accordance with that standard's transitional provisions.	The impact of and adjustments resulting from the change in accounting policies are required to be shown in the income statement for the period in which the change is made, except as specified in the transitional provisions of certain standards where the changes resulting from the adoption of such standards have to be shown by an adjustment in the opening retained earnings.
5 Statement of profit or loss and other comprehensive income	The statement of profit or loss and other comprehensive income includes all items of income and expense-including (a) components of profit or loss and (b) other comprehensive income (OCI). The statement of profit and loss and other comprehensive income shall present in addition to the profit or loss and other comprehensive income (OCI) sections (wherein the components	There is no concept of comprehensive income. Accounting standards, statute and industry practices allow for the recognition of certain adjustments directly in reserves. The RBI specifically requires gains on the sale of held-to-maturity securities and gain/ profit arising on the reclassification/ sale of an investment in a subsidiary or associate to be appropriated from

IFRS	INDIAN GAAP
of profit or loss and OCI are disclosed) separate sub-totals for profit or loss; total OCI and total comprehensive income for the periods presented. If a separate statement of profit or loss is presented, then the profit or loss section is not required to be presented in the statement Presenting comprehensive income. Components of other comprehensive income include the following items presented either net of income tax or before tax with one amount shown for aggregate amount of income tax relating to those items: (a) changes in revaluation surplus (b) remeasurements of defined benefit plans (c) gains and losses arising From translating the financial statements of a foreign operation (d) gains and losses from investments in equity instruments designated at fair value through other comprehensive income (e) gains and losses on financial assets classified as subsequently measured at fair value through other comprehensive income (f) the effective portion of gains and losses on hedging instruments in a cash flow hedge and the gains and Losses on hedging instruments that hedge investments in equity instruments measured at fair Value	the profit/loss account to the capital reserves. Also, any gain or loss on sale of equity instruments designated under AFS shall be transferred from AFS Reserve to Capital Reserve. Revaluation gains on fixed assets are directly shown as part of reserves whereas revaluation losses, if any, are charged to revenue.

	IFRS	INDIAN GAAP
	through other comprehensive income (g) for particular financial liabilities designated as at fair value through profit or loss, the amount of the change in fair value that is attributable to changes in own credit risk (h) Share of other comprehensive income in Associates and subsidiaries. Further the items of Other comprehensive income shall be classified by nature and grouped into those that in accordance with other IFRSs: (a) Will not be reclassified subsequently to profit or loss: and (b) Will be reclassified subsequently to profit or loss when specific conditions are met	
6 Statement of changes in shareholders' equity	The statement must be presented as a primary statement. The following information is presented in the statement of changes in equity: • profit or loss and total comprehensive income for the period, showing separately for profit or loss and OCI the total amounts attributable to owners of the parent and to noncontrolling interests; • for each component of equity, the effects of retrospective application or retrospective restatement recognised in accordance with the standard on accounting policies, changes in estimates and errors;	A statement of changes in shareholders' equity is currently not presented. However, any adjustments to the equity and reserve account must be shown in the schedules that accompany the financial statements.

	IFRS	INDIAN GAAP
	• for each component of equity, a reconciliation between the carrying amount at the beginning and at the end of the period, separately (as a minimum) disclosing changes resulting from: • profit or loss; • OCI; and • transactions with owners in their capacity as owners, showing separately contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control.	
7 Consolidation of subsidiaries	The consolidated financial statements include all subsidiaries and foreign/domestic branches of the parent. IFRS focuses on the concept of the power to control in determining whether a parent subsidiary relationship exists. An investor, regardless of the nature of its involvement with the investee, is required to determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee if and only if the investor has all the following: (a) power over the investee; (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's return. (d) When an entity prepares separate financial	The Companies Act, subject to certain relaxations, requires a company having one or more subsidiaries or associate Companies to prepare a consolidated financial statement of the company and of all its subsidiaries and associate companies in the same form and manner as that of its own. The reasons for not consolidating a subsidiary should be disclosed in the consolidated financial statements. In the separate financial statements of banks, investments in such subsidiaries should be accounted for in accordance with guidelines prescribed by the RBI. As per the RBI guidelines, such investments are required to be accounted at cost less any permanent diminution in the value of such investments.

	IFRS	INDIAN GAAP
	statements, it shall account for investments in subsidiaries either at cost, or in accordance with IFRS 9.	
8 Consolidation of subsidiaries – uniform accounting policies	Consolidated financial statements are prepared using uniform accounting policies for all the entities in a group.	Similar to IFRS. However, if it is not practical to use uniform accounting policies; that fact should be disclosed together with the proportions of the items to which different accounting policies have been applied.
9 Consolidation of subsidiaries – reporting period	The consolidated financial statements of the parent and the subsidiary shall have the same reporting date. When the reporting period of the parent is different from that of its subsidiary, the subsidiary is required to prepare, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. If it is impracticable to do so, then the parent consolidates the most recent financial statements of the subsidiary adjusted for the effects of significant transactions that occur in the gap period. In any case the difference between the date of the subsidiary's financial statements shall be no more than three months.	The consolidated financial statements of the parent and the subsidiary are usually drawn up at the same reporting date. However, the consolidated financial statements can be drawn up using different reporting dates provided that the difference between the reporting date of the subsidiary and that of the parent is no more than six months. Adjustments are made for significant transactions that occur in the gap period.
10 Accounting for jointly controlled entities	IFRS 11 – joint arrangements which became effective from January 2013 are required to be classified either as joint operations or subsidiaries depending upon the rights and obligations of the parties to the	Accounting for jointly controlled entities is required to be done using the proportionate consolidation method (the equity method is not permitted), except when an interest in a jointly controlled entity:

	IFRS	INDIAN GAAP
	arrangement. A joint operator shall account for its interest in assets held jointly, liabilities incurred jointly, revenue from the sale of its share of output, its share of revenue from sale of output by the joint operation, and its expenses incurred jointly. A subsidiary shall recognise its interest in a subsidiary as an investment and shall account for that investment using the equity method in accordance with IAS 28.	• is acquired and held exclusively with a view to its subsequent disposal in the near future; and • operates under severe long term restrictions which significantly impair its ability to transfer funds to the investor.
11 Accounting for jointly controlled entities – reporting period	The consolidated financial statements of the subsidiaries are usually drawn up at the same reporting date. However, the consolidated financial statements can be drawn up using different reporting dates provided the difference between the reporting dates of the subsidiary and that of the venture is no more than three months. Adjustments are made for significant transactions that occur in the gap period.	Similar to IFRS. However, the difference between the reporting dates should not be more than six months.
12 Presentation of jointly controlled entities (subsidiaries)	In standalone financials, investments in subsidiary are accounted for at cost or in accordance with IFRS 9 or using the equity method as described in IAS 28.	In standalone financials, investment in subsidiaries is carried at cost less impairment.
13 Presentation of associate results	In standalone financials, investments in an associate entity are accounted for at cost or in accordance with IFRS 9 or using the equity method as described in IAS 28. In consolidated financials, investments in an associate entity is accounted for using the equity method as described in IAS 28.	Pursuant to the Companies Act 2013, even if the investor has no subsidiary, consolidated financial statements should be prepared consolidating the associate and using the equity method of accounting. The equity method of accounting is not required in the separate/standalone financial statements of the investor.
14 Employee benefits – recognition of	Actuarial gains or losses resulting from re-measurements of the net	Actuarial gains or losses should be recognised immediately in the

	IFRS	INDIAN GAAP
actuarial gains and losses	defined liability should be recognised in other comprehensive income and not reclassified to the profit and loss account in a subsequent period.	profit and loss account. Any difference between expected returns and actual returns would form part of actuarial gains/losses on assets and is recognised in the profit and loss account.
15 Provision for constructive obligation	IAS 37 deals with a “constructive obligation” in the context of the creation of a provision. The effect of recognising a provision on the basis of constructive obligation is that, in some cases, that provision will be required to be recognised at an early stage.	No provision is required to be made for a constructive obligation under AS 29.
16 Financial assets – classification	Financial assets are classified as subsequently measured at: • amortised cost; • fair value through other comprehensive income (“FVOCI”); • FVTPL; on the basis of the entity’s business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. IFRS 9 also provides following options to classify the financial assets: • Designating an equity instrument which are neither held for trading nor are contingent consideration arising from business combination, at FVOCI. This is an irrevocable election at initial recognition. • Designating a financial asset at FVTPL. This is permitted only if doing so eliminates or significantly reduces a measurement or recognition	AS 13, Accounting for Investments, is not applicable to banks. The RBI has given guidelines for the classification of investments into: • held-to-maturity; • available-for-sale; • fair value through profit and loss withheld-for-trading as sub category within FVTPL • on the basis of the entity’s intention and objective of managing the financial asset and the contractual cash flow characteristics of the financial asset. • Also all investments in subsidiaries and associates shall be held in a distinct category • On initial recognition, a bank may make an irrevocable election to classify an equity instrument that is not held with the objective of trading under AFS. • Loans and advances are classified on the basis of RBI guidelines.

	IFRS	INDIAN GAAP
	inconsistency (accounting mismatch).	•
17 Financial assets – measurement	Initially, a financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, net transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently a debt instrument that is held within a business model to collect contractual cash flows and the contractual terms of which give rise on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding must be measured at amortised cost using the effective interest method. However, if the debt instrument is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, it must be measured at FVOCI with subsequent changes in fair value to be recognised under other comprehensive income. Financial asset which is not measured at either at amortised cost or FVOCI, are measured at FVTPL with fair value changes recognised in the statement of profit and loss. On sale of debt instruments measured at FVOCI, the accumulated gain/loss recognised under other comprehensive income is recycled to the income statement and for sale of equity instruments designated at FVOCI, there is no recycling into income statement, though the movement within reserves is not precluded. Subsequent changes in the fair	Investments are measured and valued on the basis of the guidelines issued by the RBI from time to time. All investments shall be measured at fair value on initial recognition. The difference between the fair value at initial recognition and acquisition cost shall be recognised in the Profit and Loss or to be amortized as mentioned in the RBI guideline, Subsequently, investment in HTM or subsidiaries and associates are carried at cost whereas investment in AFS and FVTPL shall be fair valued. The net appreciation or depreciation shall be credited or debited to AFS Reserve or profit & loss account respectively. Any discount or premium on debt securities shall be amortised over the remaining life of the instrument.. Loans and advances are measured in accordance with the Income Recognition and Asset Classification norms of the RBI.

	IFRS	INDIAN GAAP
	value of equity instrument measured at FVOCI are recognised in other comprehensive income. The dividend from such investments is recognised in profit or loss.	
18 Discounts on the purchase of amortised cost financial instruments	Discounts on the purchase of amortised cost securities are required to be adjusted in the effective interest rate of the security and recognised over the life of the financial instruments.	Based on RBI guidelines, discount on purchase of debt securities is accreted. The same is recognised in the statement of profit and loss as interest earned.
19 Financial liabilities – classification	There are two categories of financial liability: • financial liability at fair value through the profit and loss account; and • financial liability carried at amortised cost.	There are no guidelines for the classification of financial liabilities.
20 Financial liabilities – measurement	All financial liabilities are classified as subsequently measured at amortised cost except for: • financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value. • financial liabilities that arise when a transfer of financial asset does not qualify for derecognition or when continuing involvement approach applies. • financial guarantee contracts which are subsequently measured at higher of: (i) the amount of loss allowance determined in accordance with IFRS 9; and (ii) the amount	Liabilities are recognised based on the legal obligation of the entity.

IFRS	INDIAN GAAP
initially recognised less, when appropriate the cumulative amount of income recognised in accordance with principles of IFRS 15. - commitments to provide loans at below market interest rate, are measured at higher of: (i) the amount of loss allowance determined in accordance with IFRS 9; and (ii) the amount initially recognised less, when appropriate the cumulative amount of income recognised in accordance with principles of IFRS 15. - contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies. Such contingent consideration is subsequently measured at fair value with changes recognised in profit or loss.	
Entity may at initial recognition irrevocably designate a financial liability measured at fair value through profit or loss if it is an embedded derivative or when doing so results in more relevant information, because either: - it eliminates or significantly reduces a measurement or recognition inconsistency (accounting mismatch) or - a group of financial assets or financial	

	IFRS	INDIAN GAAP
	liabilities is managed and its performance is evaluated on fair value basis.	
21 Financial assets – reclassification	When and only when there is a change in the business model for managing the financial assets, all affected financial assets are reclassified. Reclassification is applied prospectively from the reclassification date. The reclassification date is defined as the first day of the first reporting period following the change in business model that results in an entity reclassifying financial assets. Such changes to business models requiring reclassification of the affected financial assets are expected to be very infrequent. These are to be determined by the entity’s senior management as a result of external or internal changes and should be significant to the entity’s operations and demonstrable to external parties.	As per the RBI Guidelines, banks shall not reclassify investments between categories without the prior approval of board of directors and RBI. Such reclassification should be applied prospectively from reclassification date i.e. from the 1st day of the quarter following the quarter in which RBI approval is received. Permission for reclassification shall be given in rare circumstances, where the bank can demonstrate to the satisfaction of the RBI supervisors that such reclassification is necessitated by a significant change in the way in which it proposes to manage a group of investments.
22 Impairment losses	Financial assets measured at amortised cost or fair value through other comprehensive income (other than equity instruments) migrate through following three stages based on the changes in credit quality since initial recognition: • Stage 1: 12 – months expected credit loss (ECL) For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of the lifetime ECL associated with the probability of default events	Impairment losses on loans are recognised on the basis of the RBI guidelines. The guidelines prescribe minimum losses to be provided based on the number of days past due of an asset. Losses above the minimum prescribed levels can be provided on the basis of the management estimates. General provisions for standard advances are recognised in accordance with the RBI guidelines.

IFRS	INDIAN GAAP
occurring within the next 12 months is recognised. • Stage 2: Lifetime ECL- not credit-impaired - For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognised. • Stage 3: Lifetime ECL credit impaired - Financial assets are assessed as credit impaired when one or more events those having a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised. Interest revenue is recognised at the original effective interest rate applied on the gross carrying amount for assets falling under stages 1 and 2 and on written down amount for the assets falling under stage 3. Impairment gain or loss is recognised in profit or loss. In the case of financial instruments measured at FVOCI, whilst the provision charge is recognised in profit and loss, the corresponding amount is recognised in other comprehensive income, with no reduction in the carrying amount of the asset in the balance sheet. In case of financial instruments measured at amortised cost, the impairment loss is adjusted	

	IFRS	INDIAN GAAP
	against the gross carrying amount of financial assets.	
23 Hedge accounting	IFRS 9 recognises three types of hedges, namely the fair value hedge, cash flow hedge and net investment in a foreign operation hedge. Under the fair value hedge, both the hedged item and the hedging instrument are carried at fair value through the profit and loss account unless the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income. For cash flow hedges and net investment hedges, the effective portion of the fair value movement of the hedging instrument is recognised in Other Comprehensive Income (“OCI”). Any ineffectiveness is recognised in the profit and loss account. The fair value movement recorded in OCI is subsequently reclassified to the profit and loss account concurrently with the earnings recognition pattern of the hedged item.	Hedge accounting for derivative contracts is similar to the IFRS principles, except for hedging foreign currency risk using forward contracts on recognised assets and liabilities which is prescribed under AS 11 (Revised). In the case of forward contracts, the premium paid on the forward contract is amortised over the contract period. Forward contracts are valued using the closing exchange rate.
24 Revenue – interest	Interest income is recognised using the effective interest method.	Interest is recognised on a time proportion basis, taking into account the amount outstanding and the rate applicable. However, the interest is recognised on a receipt basis for NPAs as per RBI guidelines.
25 Revenue – financial service fees	Fees that are an integral part of the effective interest rate of the instrument, for example loan origination, arrangement fees and direct selling agents’ fees, are deferred and recognised as an adjustment to the effective interest rate. However, when financial instruments are valued at	Financial service fees are recognised as revenue depending on whether the service has been provided “once for all” or is on a continuing basis. Loan origination and arrangement fees are recognised as revenue when the loan has been originated.

	IFRS	INDIAN GAAP
	fair value, with changes in fair value being recognised in profit and loss, the fees are recognised as revenue when the instrument is initially recognised. Fees earned from services provided are recognised over the period for which the services are provided. For example, fees charged for servicing a loan are recognised over the period of the loan. Fees that are earned on the execution of a significant act are recognised when such an act is completed. For example, placement fees for arranging a loan and an investor are recognised when the loan has been arranged. Fees/revenue other than those in relation to financial instruments and other contractual rights or obligations within the scope of IFRS 9 are recognised using the five step model as prescribed under IFRS 15. Revenue, under IFRS 15, is recognised when (or as) a performance obligation is satisfied. Further, quantitative and qualitative information is required to be disclosed in relation to revenue measured in accordance with IFRS 15.	
26 Deferred income taxes	Deferred tax assets and liabilities are required to be created for all temporary differences between the tax base and the carrying value of the assets and liabilities. Deferred tax assets are recognised only if their recovery is probable. Further, deferred tax is required to be recognised in the consolidated financial statements for undistributed profits earned from the subsidiaries. Deferred tax is also required to be recognised for	Deferred tax assets and liabilities should be recognised for all timing differences subject to the consideration of prudence in respect of deferred tax assets. For other than specified situations, deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. No deferred

	IFRS	INDIAN GAAP
	unrealised intercompany profits in the consolidated financial statements.	tax is recognised for undistributed profits earned from the subsidiaries or on unrealised profits from intergroup transactions in the consolidated financial statements.
27 Interim financial reporting	Not mandatory to prepare interim financial statements but IAS 34 must be used if an entity is required or elects to publish an interim financial report. The basis should be consistent with the full year statements and should include comparatives. Publicly traded companies are encouraged to provide interim financial reports.	The recognition and measurement principles laid down in Accounting Standard 25 (AS 25 - Interim Financial Reporting) are mandatory only for listed companies.
28 Related party disclosures	The definition of related parties includes non-executive directors and the remuneration paid to such non-executive directors is required to be disclosed.	The definition of “related party” is narrower. Key managerial persons do not include nonexecutive directors.
29 Employee stock options	The grant date fair value of the option is recognised as the employee cost over the vesting period.	Similar to IFRS, except the fair value is to be determined only using the Black Scholes model.
30 Business combinations	Business combinations are required to be accounted using the purchase method (i.e. at their fair values). The pooling of interest method is prohibited.	The pooling of interest method is allowed for amalgamations when certain conditions are met.
31 Securitisation	As per IFRS 9, securitised loans can be derecognised from the books of account only if substantial risks and rewards have been transferred. Where substantial risks and rewards have neither been transferred substantially nor retained substantially, then the entity should evaluate whether control has been transferred over the asset.	Securitised loans are derecognised from the books of account if they meet the true sale criteria as per the RBI guidelines.

	IFRS	INDIAN GAAP
32 Qualitative and quantitative disclosures related to risks	IFRS 7 requires both qualitative and quantitative disclosures relating to risks.	The RBI guidelines require certain risk related information to be disclosed as part of Basel Pillar III disclosures. Such disclosures are not part of audited financial statements.
33 Segment reporting	Operating segments are identified on the basis of the financial information that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.	Indian GAAP requires an enterprise to identify two sets of segments (namely business and geographical) based on the risks and rewards approach, with the enterprise's system of internal reporting to the key management personnel. This serves as the starting point for the identification of reportable segments. Reporting segments are identified on the basis of parameters such as revenue, net income, assets and liabilities as prescribed in AS 17-Segment Reporting and RBI guidelines.
34 Classification of financial instrument into financial liability or equity	A financial instrument or a component thereof, is on initial recognition classified as a financial liability or equity in accordance with the substance of the contractual arrangement and the definitions of financial liability and equity.	Classification is based on the legal form of the instrument.
35 Lease accounting in the books of lessee	IFRS 16, requires the determination of whether an arrangement is a lease, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration based on whether (i) the contract involves the use of an identified assets; (ii) the entity has substantially all the economic benefits from use of the assets through the period of the lease and (iii) the entity has the right to direct the use of the asset.	Assets taken on lease by the lessee, where substantially all the risks and rewards of ownership vest in the lessee are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

	IFRS	INDIAN GAAP
	At the date of commencement of the lease, the lessee recognises a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 month or less (short term leases) and low value leases. For these short term and low value leases, the company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The cost of the ROU assets is initially recognised at an amount equivalent to the lease liability, any lease payments made at or before the inception date of the lease, less any lease incentives received. ROU asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment losses, if any. For lease liabilities at inception, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date.	Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.
36 Statement of Cash flows	Under IFRS, as presentation of items as extraordinary is not permitted, the cash flow statement does not reflect any items of cash flow as extraordinary.	The cash flows from items disclosed as extraordinary are classified as operating, investing and financing activities, as appropriate and disclosed separately.

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL RESULTS

Standalone Q12027 Financial Results

Three months ended 30 June 2026

Independent Auditors' Review Report for the three months ended 30 June 2026.....	F-2
Unaudited Standalone Financial Results for the three ended 30 June 2026.....	F-4
Notes to the Standalone Financial Results for the three months ended 30 June 2026.....	F-6

Standalone FY2024, FY2025 and FY2026 Financial Statements

Financial Year ended 31 March 2026

Independent Auditors' Report for the year ended 31 March 2026.....	F-9
Balance Sheet as at 31 March 2026.....	F-16
Profit and Loss Account for the year ended 31 March 2026.....	F-17
Cash Flow Statement for the year ended 31 March 2026.....	F-18
Schedules to the Financial Statements	F-20

Financial Year ended 31 March 2025

Independent Auditors' Report for the year ended 31 March 2025.....	F-108
Balance Sheet as at 31 March 2025.....	F-115
Profit and Loss Account for the year ended 31 March 2025	F-116
Cash Flow Statement for the year ended 31 March 2025.....	F-117
Schedules to the Financial Statements	F-119

Financial Year ended 31 March 2024

Independent Auditors' Report for the year ended 31 March 2024.....	F-201
Balance Sheet as at 31 March 2024.....	F-207
Profit and Loss Account for the year ended 31 March 2024.....	F-208
Cash Flow Statement for the year ended 31 March 2024.....	F-209
Schedules to the Financial Statements	F-211

**Deloitte Haskins & Sells
Chartered Accountants**

19th Floor, Shapath-V
S.G. Highway
Ahmedabad – 380 015
Gujarat, India
Tel: +91 79 6682 7300
Fax: +91 79 6682 7400

**M M NISSIM & CO LLP
Chartered Accountants**

Barodawala Mansion
B-Wing, 3rd Floor,
81, Dr. Annie Besant Road
Worli, Mumbai – 400 018

Independent Auditors' Review Report on unaudited standalone financial results for the quarter ended 30 June 2026 of Kotak Mahindra Bank Limited pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of Kotak Mahindra Bank Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **Kotak Mahindra Bank Limited** (the "Bank") for the quarter ended 30 June, 2026 (the "Statement"), being submitted by the Bank pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations") except for the disclosures relating to consolidated Pillar 3 as at 30 June 2026, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations which will be disclosed on the Bank's website and in respect of which a link has been provided in Note 8 of the Statement and which have not been reviewed by us. We have initialled the Statement for identification purposes only.
2. This Statement, which is the responsibility of the Bank's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" ("AS 25"), prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with relevant rules issued thereunder, in so far as they apply to Banks, the relevant provisions of the Banking Regulation Act, 1949, the circulars, guidelines and directions issued by the Reserve Bank of India (RBI) from time to time (the "RBI Guidelines") and other accounting principles generally accepted in India, and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in AS 25 prescribed under Section 133 of the Act read with relevant rules issued thereunder, in so far as they apply to Banks, the RBI Guidelines and other accounting principles

generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India ('RBI') in respect of Income recognition, asset classification, provisioning and other related matters, except for the disclosures relating to consolidated Pillar 3 as at 30 June 2026, including leverage ratio, liquidity coverage ratio and net stable funding ratio under Basel III Capital Regulations which will be disclosed on the Bank's website and in respect of which a link has been provided in Note 8 to the Statement and which have not been reviewed by us.

5. The unaudited standalone financial results of the Bank for the corresponding quarter ended 30 June 2025 were reviewed by KKC & Associates LLP and Deloitte Haskins & Sells whose report dated 26 July 2025, expressed an unmodified conclusion on those unaudited standalone financial results. Accordingly, M M NISSIM & CO LLP does not express any conclusion on the figures reported in the Statement for the corresponding quarter ended 30 June 2025.

Our Conclusion on the statement is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

For **M M NISSIM & CO LLP**
Chartered Accountants
(Firm Registration No. 107122W/W100672)

G. K. Subramaniam
Partner
Membership No. 109839
UDIN: 26109839CDHTOR5377
Place: Mumbai
Date: 18 July 2026

Sanjay Khemani
Partner
Membership No. 044577
UDIN: 26044577LDQGAG7642
Place: Mumbai
Date: 18 July 2026

KOTAK MAHINDRA BANK LIMITED (STANDALONE)
CIN: L65110MH1985PLC038137
Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2026
₹ crore

Sr No	Particulars	Quarter ended			Year ended
		30-Jun-26 (Unaudited)	31-Mar-26 (Audited) (Refer Note 2)	30-Jun-25 (Unaudited)	31-Mar-26 (Audited)
1	Interest earned (a+b+c+d)	14,477.49	14,174.77	13,836.54	55,563.97
	(a) Interest/discount on advances/ bills	11,271.24	11,008.40	10,614.51	43,055.01
	(b) Income on investments	2,673.14	2,681.83	2,869.27	10,835.62
	(c) Interest on balances with Reserve Bank of India (RBI) & other interbank funds	370.85	346.88	219.02	1,122.54
	(d) Others	162.26	137.66	133.74	550.80
2	Other income (Refer Note 3)	3,338.20	3,116.33	3,079.98	11,623.29
3	Total income (1+2)	17,815.69	17,291.10	16,916.52	67,187.26
4	Interest expended	6,549.06	6,299.30	6,577.25	25,553.90
5	Operating expenses (a+b)	5,135.28	5,136.63	4,775.58	19,566.46
	(a) Employee cost	2,210.31	2,060.81	2,065.52	8,351.67
	(b) Other operating expenses	2,924.97	3,075.82	2,710.06	11,214.79
6	Total expenditure (4+5) (excluding provisions & contingencies)	11,684.34	11,435.93	11,352.83	45,120.36
7	Operating profit (3-6) (Profit before provisions and contingencies)	6,131.35	5,855.17	5,563.69	22,066.90
8	Provisions (other than tax) and contingencies (Refer Note 4)	668.13	516.42	1,207.76	3,481.18
9	Exceptional items	-	-	-	-
10	Profit from ordinary activities before tax (7-8+9)	5,463.22	5,338.75	4,355.93	18,585.72
11	Tax expense	1,340.26	1,312.20	1,074.25	4,578.02
12	Net Profit from ordinary activities after tax (10-11)	4,122.96	4,026.55	3,281.68	14,007.70
13	Extraordinary items (net of tax expense)	-	-	-	-
14	Net Profit (12-13)	4,122.96	4,026.55	3,281.68	14,007.70
15	Paid up equity share capital (of Face Value ₹ 1 per share) (Refer Note 5)	994.67	994.65	994.16	994.65
16	Reserves (excluding revaluation reserves)				134,203.94
17	Analytical Ratios				
	(i) Percentage of shares held by Government of India	-	-	-	-
	(ii) Capital adequacy ratio - Basel III (%)	22.78	22.40	23.00	22.40
	(iii) Earnings per equity share before and after extraordinary items (net of tax expense) (Face Value ₹ 1 per share) (Refer Note 5)				
	- Basic (not annualised) ₹	4.15	4.05	3.30	14.09
	- Diluted (not annualised) ₹	4.14	4.05	3.30	14.09
	(iv) NPA Ratios				
	a) Gross NPA	6,121.83	6,017.81	6,637.70	6,017.81
	b) Net NPA	1,357.56	1,262.51	1,530.93	1,262.51
	c) % of Gross NPA to Gross Advances	1.18	1.20	1.48	1.20
	d) % of Net NPA to Net Advances	0.27	0.25	0.34	0.25
	(v) Return on average Assets (%) – (not annualised)	0.53	0.53	0.48	1.97
	(vi) Debt-Equity ratio (Refer Note 6.a)	0.18	0.24	0.17	0.24
	(vii) Total Debts to Total Assets (%) (Refer Note 6.a)	3.33	4.15	3.07	4.15
	(viii) Net worth (Refer Note 6.a)	140,480.03	134,779.45	123,168.20	134,779.45
	(ix) Outstanding redeemable preference shares (quantity and value)	-	-	-	-
	(x) Capital redemption reserve	500.00	500.00	500.00	500.00

Segment Reporting

The reportable segments of the Bank as per RBI guidelines are as under:

Segment	Principal activity
Corporate/Wholesale Banking	Wholesale borrowings and lending and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Comprises of:
Digital Banking	Business involving digital banking products acquired by Digital Banking Unit including existing digital banking products as identified by the Management in accordance with the instructions of the RBI vide its circular dated 7 th April, 2022.
Other Retail Banking	Includes retail lending, deposit taking and other retail services/ products other than above.
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities, Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.
Other Banking business	Includes any other business not included in the above.

	Particulars	Quarter ended			₹ crore
		30-Jun-26 (Unaudited)	31-Mar-26 (Audited) (Refer Note 2)	30-Jun-25 (Unaudited)	31-Mar-26 (Audited)
1	Segment Revenue				
a.	Corporate/ Wholesale Banking	7,016.63	6,984.89	6,267.06	26,158.79
b.	Retail Banking*	8,341.25	8,550.23	8,650.55	34,434.33
	(i) Digital Banking	670.99	692.59	545.41	2,407.59
	(ii) Other Retail Banking	7,670.26	7,857.64	8,105.14	32,026.74
c.	Treasury, BMU and Corporate Centre	3,645.39	2,948.09	3,721.93	12,483.76
d.	Other Banking business	-	-	-	-
	Sub-total	19,003.27	18,483.21	18,639.54	73,076.88
	Less: Inter-segmental revenue	1,187.58	1,192.11	1,723.02	5,889.62
	Total	17,815.69	17,291.10	16,916.52	67,187.26
2	Segment Results				
a.	Corporate/ Wholesale Banking	2,092.51	2,432.51	1,878.07	8,269.11
b.	Retail Banking*	1,429.97	1,698.52	1,080.20	5,653.21
	(i) Digital Banking	16.02	40.12	1.71	77.63
	(ii) Other Retail Banking	1,413.95	1,658.40	1,078.49	5,575.58
c.	Treasury, BMU and Corporate Centre	1,940.74	1,207.72	1,397.66	4,663.40
d.	Other Banking business	-	-	-	-
	Total Profit Before Tax	5,463.22	5,338.75	4,355.93	18,585.72
3	Segment Assets				
a.	Corporate / Wholesale Banking	339,005.33	308,807.68	277,461.84	308,807.68
b.	Retail Banking*	499,460.83	499,201.58	452,760.73	499,201.58
	(i) Digital Banking	66.24	221.25	51.59	221.25
	(ii) Other Retail Banking	499,394.59	498,980.33	452,709.14	498,980.33
c.	Treasury, BMU and Corporate Centre	207,498.14	251,728.16	199,726.94	251,728.16
d.	Other Banking business	-	-	-	-
	Sub-total	1,045,964.30	1,059,737.42	929,949.51	1,059,737.42
	Less : Inter-segmental Assets	270,891.00	276,734.66	240,940.80	276,734.66
	Total	775,073.30	783,002.76	689,008.71	783,002.76
	Add : Unallocated Assets	-	-	-	-
	Total Assets as per Balance Sheet	775,073.30	783,002.76	689,008.71	783,002.76
4	Segment Liabilities				
a.	Corporate / Wholesale Banking	304,181.51	272,372.91	247,877.75	272,372.91
b.	Retail Banking*	444,014.01	445,584.36	404,213.28	445,584.36
	(i) Digital Banking	28,388.05	25,490.96	19,904.26	25,490.96
	(ii) Other Retail Banking	415,625.96	420,093.40	384,309.02	420,093.40
c.	Treasury, BMU and Corporate Centre	154,527.89	205,099.03	152,769.93	205,099.03
d.	Other Banking business	-	-	-	-
	Sub-total	902,723.41	923,056.30	804,860.96	923,056.30
	Less : Inter-segmental Liabilities	270,891.00	276,734.66	240,940.80	276,734.66
	Total	631,832.41	646,321.64	563,920.16	646,321.64
	Add : Unallocated liabilities	2,317.13	1,482.53	1,660.35	1,482.53
	Add : Share Capital & Reserves & surplus	140,923.76	135,198.59	123,428.20	135,198.59
	Total Capital and Liabilities as per Balance Sheet	775,073.30	783,002.76	689,008.71	783,002.76

Segment results are net of segment revenues and segment expenses including interdivisional items.

* RBI's Master Direction on Financial Statements - Presentation and Disclosures, requires to divide the 'Retail banking' into (a) Digital Banking (as defined in RBI circular on Establishment of Digital Banking Units dated April 7, 2022) and (b) Other Retail Banking segment.

NOTES:

1. The above standalone financial results were approved at the meeting of the Board of Directors held on 18th July, 2026. The results for the quarter ended 30th June, 2026 were subjected to limited review by the joint statutory auditors (M M NISSIM & CO LLP, Chartered Accountants and Deloitte Haskins & Sells, Chartered Accountants) of the Bank, who have issued an unmodified review report thereon. The results for the quarter ended 30th June 2025 were reviewed by other joint statutory auditors (Deloitte Haskins & Sells, Chartered Accountants and KKC & Associates LLP, Chartered Accountants).
2. The figures for the quarter ended 31st March, 2026 are balancing figures between audited published figures for financial year ended 31st March, 2026 and the unaudited published figures for nine months ended 31st December, 2025.
3. Other Income includes non-fund based income such as commission earned from guarantees / letters of credit, selling of third party products, general banking fees, earnings from foreign exchange transactions, profit / (loss) (including revaluation) from sale and revaluation of eligible category investments, and income earned by way of dividend, etc. from Subsidiaries/Associates.
4. Provisions and contingencies comprise of provisions against loan accounts, investments, etc. and are net of recoveries made against loan accounts which have been written off.
5. Basis the shareholders approval received on 26th December 2025, the sub-division (split) of 1 (one) existing equity share having a face value of ₹ 5/- (Rupees Five only) each, fully paid-up, into 5 (five) equity shares having face value of ₹ 1/- (Rupee one only) each, fully paid-up was effective from 14th January 2026 (the record date). The impact of the aforesaid has been considered for calculation of EPS for all the periods in accordance with the requirements of AS 20 - Earnings per share.
6. Information as required pursuant to Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a. Methodology for computation of the ratios is as follows:

Debt-Equity ratio	Represents the ratio of Borrowings/Sum of Capital and Reserves and Surplus
Total Debts to Total Assets (%)	Represents Borrowings/Total Assets
Net worth	Calculated as per the Directions issued by the RBI to commercial banks on Concentration Risk Management.

- b. Basis nature of the Bank's business, the ratio's considered to be not applicable are Current Ratio, Long term debt to working capital, Bad debts to Account receivable ratio, Current liability ratio, Debt turnover, Inventory turnover, Debt Service coverage ratio, Interest Service coverage ratio, Operating margin % and Net profit margin %.
7. During the quarter, the Bank has allotted 244,203 equity shares of face value of ₹ 1/- each pursuant to the exercise of options.
8. In accordance with the RBI guidelines, Banks are required to make consolidated Pillar 3 disclosures including leverage ratio, liquidity coverage ratio and Net Stable Funding Ratio (NSFR) under the Basel III Framework. These disclosures will be made available on the Bank's website at the following link: <https://www.kotak.bank.in/en/investor-relations/financial-results/regulatory-disclosure.html> on publication of results. These disclosures have not been subjected to audit or limited review.
9. Details of loans transferred /acquired during the quarter ended 30th June, 2026 as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November,2025 are as given below:

A. Details of Loans not in default :

- a. Transferred to eligible lenders :

₹ crore except tenor		
Sr.No	Particulars	30 th June 2026
	Loan transferred through Assignment / Novation / Loan Participation	Assignment / Novation
1	Aggregate amount of loans transferred (Fund and Non Fund)	1,954.86
2	Aggregate consideration received against Fund based loans	1,804.86
3	Weighted average residual maturity (years)	8.23
4	Weighted average holding period of originator (years)	0.16
5	Retention of beneficial economic interest	61.55%
6	Coverage of tangible security coverage (%)*	60.15%
7	Rating-wise distribution of rated loans	
	IND BBB+ve	10.23%
	CARE A-	12.61%
	CRISIL AA-	52.43%
	IND AA	24.73%

* Security coverage has been capped at 100% for loans where the coverage exceeds 100%.

- b. The Bank has not acquired any Loans not in default during the quarter ended 30th June 2026.

B. Details of Stressed Loans

- a. The Bank has not transferred / acquired any Special Mention Accounts (SMA's) during the quarter ended 30th June 2026.
- b. The Bank has not transferred / acquired any Non Performing Assets (NPA's) during the quarter ended 30th June 2026.

C. Details of the recovery ratings assigned to Security Receipts as at 30th June, 2025.

Recovery Rating [^]	Anticipated Recovery as per Recovery Rating	Carrying Value* (₹ crore)
NR1/R1+/RR1+	>150%	315.64
NR2/R1/RR1	100% - 150%	721.21
NR3/R2/RR2	75% - 100%	-
NR4/R3/RR3	50% - 75%	72.57
NR5/R4/RR4**	25%-50%	-
NR6/R5/RR5	0% - 25%	-
Yet to be rated***	-	242.84
Unrated	-	0.12
Total		1,352.38

[^] - recovery rating is as assigned by various rating agencies.

* - Net of provisions.

** - Amount is negligible under given rating.

*** - Recent purchases whose statutory period has not elapsed.

10. Disclosure related to Project Finance for the quarter ended 30th June 2026 as per the Reserve Bank of India (Commercial Banks - Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November, 2025, is given below:

Sl. No	Item Description	Number of accounts	Total outstanding (in ₹ crore) *
1	Projects under implementation accounts at the beginning of the quarter.	178	3,749.06
2	Projects under implementation accounts sanctioned during the quarter**	22	81.07
3	Projects under implementation accounts where DCCO has been achieved during the quarter	22	495.71
4	Projects under implementation accounts at the end of the quarter. (1+2-3)***	172	3,650.49
5	Out of '4' – accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked	22	628.13
5.1	Out of '5' – accounts in respect of which Resolution plan has been implemented	18	487.01
5.2	Out of '5' – accounts in respect of which Resolution plan is under implementation ****	4	141.12
5.3	Out of '5' – accounts in respect of which Resolution plan has failed	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked due to change in scope and size of the project	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-
8	Out of '4' – accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be has been invoked	14	770.93
8.1	Out of '8' – accounts in respect of which Resolution plan has been implemented	12	733.33
8.2	Out of '8' – accounts in respect of which Resolution plan is under implementation	2	37.60
8.3	Out of '8' – accounts in respect of which Resolution plan has failed.	-	-

* Includes movement of ₹ 316.07 crore during the quarter ended 30th June, 2026 in projects under implementation accounts existing at the beginning of the quarter.

** Include one case where sanction was done in quarter ended March, 2026 however Financial closure was achieved in this quarter.

*** Data excludes 6 cases where accounts has been fully repaid, cancelled or taken over by other lender.

**** In respect of number of accounts.

For serial number 5 to 8, above accounts where credit event was triggered on and after 1st April, 2026 are considered. Also includes cases which were reported as DCCO extended cases in Q3 and Q4 and continues to be under implementation.

11. There has been no change to significant accounting policies during the quarter ended 30th June, 2026 as compared to those followed for the year ended 31st March, 2026.
12. The Bank has subsidiaries and associates as at 30th June, 2026 and accordingly, the unaudited Consolidated Financial Results of the Bank for the quarter ended 30th June, 2026, prepared in accordance with the applicable provisions of law, are also submitted to the concerned Stock Exchanges along with these Standalone Financial Results.
13. The Bank has not entered into any co-lending arrangements till 30th June 2026.

14. Pursuant to RBI Directions and as part of the Group's simplification and operational synergy initiatives, Kotak Mahindra Investments Limited (KMIL), a wholly-owned subsidiary of the Bank, ceased sanctioning new loans from 1st April, 2026 while continuing to service its existing obligations during the current quarter.

With effect from 1st July 2026 loan assets aggregating to ₹ 9,587 crore were assigned by KMIL to the Bank pursuant to the approval of the Bank's Board of Directors on 30th May 2026 for the acquisition.

15. On 30th June, 2026, the Bank executed a Business Transfer Agreement ("BTA") with Deutsche Bank Aktiengesellschaft, acting through its branch in India ("DBAG"), for the acquisition of DBAG's retail banking, private banking and wealth management business in India ("Business Undertaking") as a going concern on a slump sale basis. As of 31st March, 2026, the Business Undertaking comprised of advances outstanding of approximately ₹ 29,000 crore, total deposits of approximately ₹ 16,000 crore and assets under management of approximately ₹ 10,500 crore. The completion of the transaction is subject to requisite regulatory approvals. Accordingly, the proposed acquisition has no impact on the financial results of the Bank as of 30th June, 2026.
16. Figures for the previous periods / year have been regrouped/ reclassified wherever necessary to conform to current period's presentation.

By order of the Board of Directors
For **Kotak Mahindra Bank Limited**

Ashok Vaswani
Managing Director and Chief Executive Officer

Mumbai, 18th July, 2026



Independent Auditors' Report

To the Members of Kotak Mahindra Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying Standalone Financial Statements of **Kotak Mahindra Bank Limited** (the 'Bank'), which comprise the Standalone Balance Sheet as at 31 March 2026, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement for the year ended 31 March 2026, and notes to the Standalone Financial Statements including a summary of the significant accounting policies and other explanatory information (the 'Standalone Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and Companies Act, 2013 (the 'Act') and the circulars, guidelines and directions issued by the Reserve Bank of India (the 'RBI') from time to time (the 'RBI guidelines'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 as applicable to banks and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2026 and its profit and its cash flows for the year ended 31 March 2026.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditors' Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of and Provisioning against Non-performing Assets ("NPAs"):

Total Loans and Advances (Net of Provision) as at March 31, 2026: ₹496,009.16 crore

Provision for NPAs as at March 31, 2026: ₹4,755.30 crore

Refer Schedule 9, Schedule 17(C)(2) and Schedule 18A, note 4(i)

Key audit matter	How our audit addressed the key audit matter
The Bank is required to comply with Reserve Bank of India ("RBI") (Commercial Banks – Income Recognition, Asset Classification and Provisioning) Directions, 2025 (the 'IRAC norms') and amendments thereto ("RBI guidelines") which prescribes the norms for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: • We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines; • We have analysed and understood key IT systems/ applications used and tested the design and implementation and operational effectiveness of relevant controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to RBI guidelines and provisioning pertaining to advances; and

Key audit matter	How our audit addressed the key audit matter
As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit due to stakeholder and regulatory focus, we have identified this as a key audit matter.	We test checked advances to examine the validity and accuracy of the recorded amounts, impairment provision for NPAs, and compliance with IRAC norms of RBI guidelines.

Information Technology ('IT') Systems and Controls Impacting Financial Reporting

Key Audit Matter	How our audit addressed the key audit matter
As the Bank operates on core banking solution across its branches and asset centres, the reliability and security of Information technology ("IT") systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. IT infrastructure is critical for smooth functioning and accurate accounting and financial reporting process. Due to the pervasive nature and complexity of the IT environment, we have ascertained key IT systems used in financial reporting process and its related controls as a key audit matter.	In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT control environment, IT infrastructure and IT systems. We conducted an assessment and identified key IT systems that are critical for accounting and financial reporting process and are relevant for our audit and tested their internal controls. In particular: - We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit; - We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to accounting and financial reporting. This included evaluation of Bank's controls for user access management, program change management, database management, network operations, incident management and other IT operations performed by the Bank during the period of audit; - We tested key automated business cycle controls and system generated reports relevant to the audit; and - We also tested compensating controls and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

6. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Standalone Financial Statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.



RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS' FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying Standalone Financial Statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 as applicable to banks, and other accounting principles generally accepted in India, and provisions of Section 29 of the Banking Regulation Act, 1949 and the RBI guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, the Banking Regulation Act, 1949 and the RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The Standalone Financial Statements of the Bank for the year ended 31 March 2025, were jointly audited by Deloitte Haskins & Sells and KKC & Associates LLP under the Act and the Banking Regulation Act, 1949, who vide their report dated 3 May 2025, expressed an unmodified opinion on those Standalone Financial Statements. Accordingly, M M NISSIM & CO LLP does not express any opinion on the figures reported in the Standalone Financial Statements for the corresponding year ended 31 March 2025.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In our opinion, the Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and the relevant rules issued thereunder.
16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank; and
 - c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. We have visited 65 branches to examine the records maintained at the branches for the purpose of our audit.
17. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.
18. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Profit and Loss Account and the Standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act;



- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in Annexure A, wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position as at the year end in its Standalone Financial Statements – Refer Schedule 12 (I), Schedule 17C – Note 13 and Schedule 18B Note 13 to the Standalone Financial Statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 (II), 12 (Va) and 12 (Vb), Schedule 17C – Note 10, Note 11 and Note 13 and Schedule 18A – Note 7 to the Standalone Financial Statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended 31 March 2026;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 15 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 15 to the Standalone Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
 - v. The dividend declared and paid during the year ended 31 March 2026 by the Bank is in compliance with Section 123 of the Act.
 - vi. Based on our examination, which included test checks, the Bank has used accounting softwares for maintaining its books of account for the financial year ended 31 March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved as per the statutory requirements for record retention, since enabled.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm Registration No: 117365W)

G. K. Subramaniam

Partner

Membership Number. 109839

UDIN: 26109839AUFZQJ9713

Place: Mumbai

Date: 2 May 2026

For **M M NISSIM & CO LLP**

Chartered Accountants

(Firm Registration No. 107122W/W100672)

Sanjay Khemani

Partner

Membership Number. 044577

UDIN: 26044577YWWWGA5425

Place: Mumbai

Date: 2 May 2026

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF KOTAK MAHINDRA BANK LIMITED FOR THE YEAR ENDED 31 MARCH 2026

REFERRED TO IN PARAGRAPH 18(F) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE

Independent Auditors' Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the Standalone Financial Statements of Kotak Mahindra Bank Limited ('the Bank') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to Standalone Financial Statements of the Bank as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, the Banking Regulation Act, 1949 and the RBI guidelines.

Auditors' Responsibility for the Audit of the Internal Financial Controls with reference to the Standalone Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('SAs') issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements includes obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to the Standalone Financial Statements

6. A Bank's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial Controls with reference to the Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm Registration No: 117365W)

G. K. Subramaniam

Partner

Membership Number. 109839

UDIN: 26109839AUFZQJ9713

Place: Mumbai

Date: 2 May 2026

For **M M NISSIM & CO LLP**

Chartered Accountants

(Firm Registration No. 107122W/W100672)

Sanjay Khemani

Partner

Membership Number. 044577

UDIN: 26044577YWWWGA5425

Place: Mumbai

Date: 2 May 2026

Standalone Balance Sheet

as at 31st March, 2026

(₹ in thousands)

	Schedule	As at 31 st March, 2026	As at 31 st March, 2025
CAPITAL AND LIABILITIES			
Capital	1	9,946,465	9,941,115
Employee's Stock Options/Units (Grants) Outstanding		1,131,215	942,677
Reserves and Surplus	2	1,342,039,391	1,161,515,050
Deposits	3	5,724,561,273	4,990,551,352
Borrowings	4	324,750,015	484,427,559
Other Liabilities and Provisions	5	427,599,253	288,864,030
Total		7,830,027,612	6,936,241,783
ASSETS			
Cash and Balances with Reserve Bank of India	6	512,394,623	416,991,962
Balances with Banks and Money at Call and Short Notice	7	328,494,793	240,799,573
Investments	8	1,725,354,255	1,819,074,474
Advances	9	4,960,091,592	4,269,092,008
Fixed Assets	10	23,883,358	23,588,568
Other Assets	11	279,808,991	166,695,198
Total		7,830,027,612	6,936,241,783
Contingent Liabilities	12	9,703,510,626	11,078,556,722
Bills for Collection		684,737,496	526,908,188
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117365W

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

G. K. Subramaniam
Partner
Membership No.109839

Jaideep Hansraj
Whole-time Director
(Executive Director)
DIN: 02234625

Ashu Suyash
Independent Director
DIN: 00494515

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm Registration No. 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577

Devang Gheewalla
Group President and
Group Chief Financial Officer
Membership No. 045993

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430

Mumbai
2nd May, 2026

Standalone Profit and Loss Account

for the year ended 31st March, 2026

(₹ in thousands)

	Schedule	Year ended 31 st March, 2026	Year ended 31 st March, 2025
I. INCOME			
Interest Earned	13	555,639,769	529,197,287
Other Income	14	116,232,857	149,611,350
Total		671,872,626	678,808,637
II. EXPENDITURE			
Interest Expended	15	255,538,964	245,779,512
Operating Expenses	16	195,664,608	187,764,395
Provisions and Contingencies (Refer Note 14(v) - Schedule 18 A)		80,592,017	80,763,945
Total		531,795,589	514,307,852
III. PROFIT			
Net Profit for the year (I - II)		140,077,037	164,500,785
Add: Balance in Profit and Loss Account brought forward from previous year		543,276,868	451,030,223
Total		683,353,905	615,531,008
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		35,019,300	41,125,200
Transfer to Capital Reserve		-	20,652,700
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		4,371,000	1,500,000
Transfer to Investment Fluctuation Reserve Account		-	5,000,000
Dividend		4,970,975	3,976,240
Balance carried over to Balance Sheet		638,992,630	543,276,868
Total		683,353,905	615,531,008
V. EARNINGS PER SHARE (Face value of ₹1/-) (Refer Note 1 - Schedule 18 B)			
Basic		14.09	16.55
Diluted		14.09	16.55
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117365W

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

G. K. Subramaniam
Partner
Membership No.109839

Jaideep Hansraj
Whole-time Director
(Executive Director)
DIN: 02234625

Ashu Suyash
Independent Director
DIN: 00494515

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm Registration No. 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577

Devang Gheewalla
Group President and
Group Chief Financial Officer
Membership No. 045993

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430

Mumbai
2nd May, 2026

Standalone Cash Flow Statement

for the year ended 31st March, 2026

(₹ in thousands)

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	140,077,037	164,500,785
Add: Provision for tax	45,780,210	51,340,332
Net Profit before taxes	185,857,247	215,841,117
Adjustments for :-		
Employee Stock Options/Units Expense	450,195	208,821
Depreciation on Bank's Property	8,186,399	7,286,889
Profit on sale of investment in subsidiary (net)	-	(35,198,986)
Provision for (write back)/Diminution in the value of Investments written off	(680,544)	936,479
Dividend from Subsidiaries/Joint Ventures	(4,485,254)	(3,799,953)
Amortisation of premium/(discount) on investments	4,461,914	2,618,906
(Profit)/Loss on revaluation of Investments (net)	9,578,805	(5,251,975)
Provision for Non Performing Assets, Standard Assets and Other Provisions	35,492,351	28,487,134
(Profit)/Loss on sale of Fixed Assets	35,737	(419,152)
	238,896,850	210,709,280
Adjustments for :-		
Decrease in Investments (other than Subsidiaries, Joint Ventures, Associates and Other HTM Investments)	152,272,234	13,759,542
(Increase) in Advances	(723,034,156)	(534,102,440)
(Increase) in Other Assets	(113,546,919)	(32,616,732)
Increase in Deposits	734,009,921	501,013,901
Increase in Other Liabilities and Provisions	129,064,038	16,115,405
Subtotal	178,765,118	(35,830,324)
Direct Taxes Paid	(45,549,986)	(46,823,561)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	372,111,982	128,055,395
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,195,303)	(9,379,290)
Sale of Fixed Assets	111,503	575,009
Proceeds from sale of Investment in Subsidiaries (net)	-	40,730,802
(Increase) in Investments in HTM securities	(23,616,716)	(231,288,536)
Dividend from Subsidiaries/Joint Ventures	4,485,254	3,799,953
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES (B)	(27,215,262)	(195,562,062)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) in Refinance	49,534,900	(95,083,500)
(Decrease)/Increase in Borrowings [other than Refinance]	(209,212,444)	295,830,103
Money received on exercise of Stock Options	1,871,725	464,007
Dividend paid	(4,970,975)	(3,976,240)
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES (C)	(162,776,794)	197,234,370
Increase in Foreign Currency Translation Reserve (D)	977,955	179,811
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C + D)	183,097,881	129,907,514
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note below)	657,791,535	527,884,021
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note below)	840,889,416	657,791,535



Standalone Cash Flow Statement

for the year ended 31st March, 2026

(₹ in thousands)

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Note:		
Cash in hand (including foreign currency notes) (As per Sch 6 I.)	16,494,941	16,933,258
Balance with RBI in Current Accounts (As per Sch 6 II (a))	170,499,682	197,788,704
Balance with RBI in Other Accounts (As per Sch 6 II (b))	325,400,000	202,270,000
Balance with Banks in India in Current Accounts (As per Sch 7 I (i) (a))	1,585,138	4,110,791
Balance with Banks in India in Fixed Deposit Accounts (As per Sch 7 I (i) (b))	11,733	11,733
Money at Call and Short Notice in India (as per Sch 7 I (ii))	180,823,028	59,037,880
Balance with Banks Outside India:		
(i) In Current Account (As per Sch 7 II (i))	63,752,993	60,980,325
(ii) In Other Deposit Accounts (As per Sch 7 II (ii))	82,321,901	116,658,844
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR*	840,889,416	657,791,535

*Refer Note 11 of Schedule 18B for amount of CSR expenses spent during the year in cash

As per our report of even date attached.

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration No. 117365W

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

G. K. Subramaniam
Partner
Membership No. 109839

Jaideep Hansraj
Whole-time Director
(Executive Director)
DIN: 02234625

Ashu Suyash
Independent Director
DIN: 00494515

For M M NISSIM & CO LLP
Chartered Accountants
Firm Registration No. 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577

Devang Gheewalla
Group President and
Group Chief Financial Officer
Membership No. 045993

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430

Mumbai
2nd May, 2026

Schedules

forming part of Standalone Balance Sheet as at 31st March, 2026

SCHEDULE 1 - CAPITAL

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
Authorised Capital		
14,000,000,000 Equity Shares of ₹1/- each (Refer Note 1 - Schedule 18 B)		
(31 st March, 2025: 2,800,000,000 Equity Shares of ₹5/- each)	14,000,000	14,000,000
1,000,000,000 (31 st March, 2025: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹5/- each	5,000,000	5,000,000
	19,000,000	19,000,000
Issued, Subscribed and Paid-up Capital		
9,946,464,950 Equity Shares of ₹1/- each fully paid-up		
(31 st March, 2025: 1,988,222,993 Equity Shares of ₹5/- each)	9,946,465	9,941,115
(Refer Note 1 - Schedule 18 B)		
Total	9,946,465	9,941,115

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. Statutory Reserve		
Opening Balance	223,897,183	182,771,983
Add: Transfer from Profit and Loss Account	35,019,300	41,125,200
Total	258,916,483	223,897,183
II. Capital Reserve		
Opening Balance	24,184,586	3,531,886
Add: Transfer from Profit and Loss Account	-	20,652,700
Add: Transfer from AFS Reserve	3,684,277	-
Total	27,868,863	24,184,586
III. General Reserve		
Opening Balance	15,973,306	6,495,020
Add: Increase during the year (Refer Note 3(x) - Schedule 18 A)	-	1,004,982
Add: Amount transferred on Employee's Stock Options (Grant) Outstanding lapsed	33,762	156,983
Add: Transfer from Investment Reserve Account	-	8,316,321
Total	16,007,068	15,973,306
IV. Investment Reserve Account		
Opening Balance	-	8,316,321
Add: Transfer from Profit and Loss Account	-	-
Less: Transfer to General Reserve	-	8,316,321
Total	-	-
V. Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	11,692,000	10,192,000
Add: Transfer from Profit and Loss Account	4,371,000	1,500,000
Total	16,063,000	11,692,000
VI. Securities Premium Account		
Opening Balance	252,534,105	252,014,738
Add: Received during the year	2,312,437	519,367
Less: Share Issue Expenses	-	-
Total	254,846,542	252,534,105



(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
VII. Capital Redemption Reserve		
Opening Balance	5,000,000	5,000,000
Add: Transfer from Profit and Loss Account	-	-
Total	5,000,000	5,000,000
VIII. Amalgamation Reserve		
Opening Balance	1,224,046	1,224,046
Add: Additions	-	-
Total	1,224,046	1,224,046
IX. Investment Allowance (Utilised) Reserve		
Opening Balance	500	500
Add: Transfer from Profit and Loss Account	-	-
Total	500	500
X. Investment Fluctuation Reserve		
Opening Balance	40,000,000	35,000,000
Add: Transfer from Profit and Loss Account	-	5,000,000
Total	40,000,000	40,000,000
XI. Foreign Currency Translation Reserve		
Opening Balance	1,058,120	878,309
Add: Increase during the year	977,955	179,811
Total	2,036,075	1,058,120
XII. Available for Sale Reserve*		
Opening Balance	42,674,336	-
Add: Increase during the year (Refer Note 3(x) - Schedule 18 A)	42,094,125	42,674,336
Less: Transfer to Capital Reserve	(3,684,277)	
Total	81,084,184	42,674,336
* - on revaluation of Available for Sale category of investments.		
XIII. Balance in the Profit and Loss Account		
Balance in the Profit and Loss Account	638,992,630	543,276,868
Total	638,992,630	543,276,868
Total (I to XIII)	1,342,039,391	1,161,515,050

SCHEDULE 3 - DEPOSITS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
A I. Demand Deposits		
i. From Banks	7,358,656	4,098,529
ii. From Others	1,009,111,518	824,507,709
Total	1,016,470,174	828,606,238
II. Savings Bank Deposits	1,460,759,161	1,315,552,776
III. Term Deposits		
i. From Banks	81,322,601	66,919,525
ii. From Others	3,166,009,337	2,779,472,813
Total	3,247,331,938	2,846,392,338
Total Deposits** (I to III)	5,724,561,273	4,990,551,352
B. (i) Deposits of branches in India	5,682,548,913	4,964,576,283
(ii) Deposits of branches outside India	42,012,360	25,975,069
Total (i and ii)	5,724,561,273	4,990,551,352

** - Amount of deposits against which lien is marked in Total Deposits is ₹35,309.58 crore (previous year ₹29,875.41 crore)

SCHEDULE 4 - BORROWINGS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. Borrowings in India		
(i) Reserve Bank of India	-	108,710,000
(ii) Other Banks	8,088,747	1,000,000
(iii) Other Institutions and Agencies	228,519,248	303,070,312
Total	236,607,995	412,780,312
II. Borrowings outside India		
Banks and Other Institutions	88,142,020	71,647,247
Total	88,142,020	71,647,247
Total Borrowings (I and II)	324,750,015	484,427,559
Secured Borrowings other than CBLO and Repo Borrowings included in I above	-	-
Tier II Bonds included in I (iii) above	-	-
Tier II Bonds included in II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. Bills Payable	43,895,087	36,395,992
II. Interest Accrued	24,888,792	26,192,343
III. Provision for tax (net of advance tax and tax deducted at source)	7,204,636	5,440,624
IV. Standard Asset provision	23,495,307	19,547,808
V. Derivative Liabilities	160,787,267	68,769,055
VI. Others (including provisions) (Refer Note 14 (v) and 14(xi) - Schedule 18 A and Note 4 and 9 - Schedule 18 B)	167,328,164	132,518,208
Total	427,599,253	288,864,030

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. Cash in hand (including foreign currency notes)	16,494,941	16,933,258
Total	16,494,941	16,933,258
II. Balances with RBI		
(a) In Current Account	170,499,682	197,788,704
(b) In Other Deposit Account	325,400,000	202,270,000
Total	495,899,682	400,058,704
Total (I+II)	512,394,623	416,991,962

**SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. In India		
(i) Balances with Banks		
(a) In Current Accounts	1,585,138	4,110,791
(b) In Other Deposit Accounts	11,733	11,733
Total	1,596,871	4,122,524
(ii) Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Institutions	180,823,028	59,037,880
Total	180,823,028	59,037,880
Total (i and ii)	182,419,899	63,160,404
II. Outside India		
(i) In Current Accounts	63,752,993	60,980,325
(ii) In other Deposit Accounts	82,321,901	116,658,844
(iii) Money at call and short notice	-	-
Total (i, ii and iii)	146,074,894	177,639,169
Total (I and II)	328,494,793	240,799,573

SCHEDULE 8 - INVESTMENTS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. In India		
(i) Government Securities	1,224,060,270	1,322,146,783
(ii) Other Approved Securities	-	-
(iii) Shares	104,710,066	63,061,980
(iv) Debentures and Bonds	94,026,879	103,220,087
(v) Subsidiaries, Associates and Joint Ventures	33,488,317	33,488,317
(vi) Others [Units, Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts, Pass Through Certificates(PTC), Alternate Assets Funds]	266,120,142	289,209,119
Total	1,722,405,674	1,811,126,286
II. Outside India		
(i) Government Securities	2,354,665	2,438,954
(ii) Subsidiaries and Joint Ventures	383,242	383,242
(iii) Other Investments		
(a) Shares	210,674	203,826
(b) Debentures and Bonds	-	4,922,166
Total	2,948,581	7,948,188
Total Investments (I and II) (Refer Note 3(x) - Schedule 18 A)	1,725,354,255	1,819,074,474

SCHEDULE 9 - ADVANCES

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
A. (i) Bills purchased and discounted [#]	90,555,922	55,296,796
(ii) Cash credits, overdrafts and loans repayable on demand [^]	1,723,401,273	1,415,569,469
(iii) Term loans [@]	3,146,134,397	2,798,225,743
Total	4,960,091,592	4,269,092,008
[#] Bills purchased and discounted is net of Bills Rediscounted ₹3,147.03 crore (Previous Year ₹2,760.15 crore)		
[^] net of borrowings under Inter Bank Participatory certificates of ₹43.75 crore (Previous Year ₹ Nil crore)		
[@] net of borrowings under Inter Bank Participatory certificates of ₹15,055.03 crore (Previous Year ₹14,996.90 crore)		
B. (i) Secured by tangible assets [*]	3,966,075,626	3,363,649,519
(ii) Covered by Bank/Government guarantees	6,490,583	15,076,508
(iii) Unsecured	987,525,383	890,365,981
Total	4,960,091,592	4,269,092,008
[*] including advances against book debts.		
C.I. Advances in India		
(i) Priority Sector	2,355,327,050	1,948,052,268
(ii) Public Sector	18,482,618	24,545,864
(iii) Banks	5,103,022	8,718
(iv) Others	2,469,446,750	2,215,260,209
Total	4,848,359,440	4,187,867,059
C.II. Advances outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	8,706,312	-
b) Syndicated and term loans	103,025,840	81,224,949
c) Others	-	-
Total	111,732,152	81,224,949
Grand Total (C.I. and C.II.)	4,960,091,592	4,269,092,008

SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
A. Premises (Including Land)		
Gross Block		
At cost on 31 st March of the preceding year	10,448,597	10,579,397
Additions/Exchange gain/(Loss) during the year	16,970	-
Less: Deductions during the year	-	130,800
Total	10,465,567	10,448,597
Depreciation		
As at 31 st March of the preceding year	2,655,914	2,538,936
Add: Charge/Exchange gain/(Loss) during the year	174,271	172,808
Less: Deductions during the year	-	55,830
Depreciation to date	2,830,185	2,655,914
Net Block	7,635,382	7,792,683
B. Other Fixed Assets (including furniture and fixtures)		
Gross Block		
At cost on 31 st March of the preceding year	49,188,867	40,422,957
Additions/Exchange gain/(Loss) during the year	8,611,459	9,478,349
Less: Deductions during the year	3,087,024	712,439



(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
Total	54,713,302	49,188,867
Depreciation		
As at 31 st March of the preceding year	33,392,982	26,910,453
Add: Charge/Exchange gain/(Loss) during the year	8,017,881	7,114,081
Less: Deductions during the year	2,945,537	631,552
Depreciation to date	38,465,326	33,392,982
Net Block (Refer Note 6 - Schedule 18 B)	16,247,976	15,795,885
Total (A) + (B)	23,883,358	23,588,568

SCHEDULE 11 - OTHER ASSETS

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. Interest accrued	55,893,423	51,618,145
II. Advance tax (net of provision for tax)	-	-
III. Stationery and Stamps	130,388	54,674
IV. Derivative Assets	175,014,133	65,935,441
V. Others (Refer Note 14 (xi) - Schedule 18 A, Note 9 - Schedule 18B)***	48,771,047	49,086,938
Total	279,808,991	166,695,198

***Includes deposits placed with NABARD/SIDBI ₹1,391.74 crore (Previous year ₹2,050.97 crore).

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in thousands)

	As at 31 st March, 2026	As at 31 st March, 2025
I. Claims not acknowledged as debts	4,732,380	4,940,177
II. Liability on account of outstanding Forward Exchange Contracts	6,679,862,874	8,741,277,097
III. Guarantees on behalf of Constituents		
i) In India	571,472,379	388,111,013
ii) Outside India	237,088	6,864,592
IV. Acceptances, Endorsements and other obligations	284,606,938	210,465,480
V. Other Items for which the Bank is contingently liable :		
a. Liability in respect of interest rate and currency swaps and forward rate agreements	1,964,497,817	1,576,011,249
b. Liability in respect of Options Contracts	150,779,580	97,593,396
c. Capital commitments not provided	3,201,188	6,686,779
d. Bills Rediscounted	31,470,333	27,601,500
e. Underwriting Commitments	6,608,100	13,580,300
d. Unclaimed Customer balances transferred to RBI DEAF Scheme	6,041,949	5,425,139
Total	9,703,510,626	11,078,556,722

Schedules

forming part of Standalone Profit and Loss Account for the year ended 31st March, 2026

SCHEDULE 13 - INTEREST EARNED

(₹ in thousands)

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
I. Interest/discount on Advances/Bills	430,550,090	407,461,668
II. Income on Investments	108,356,229	108,288,959
III. Interest on balances with RBI and other inter-bank funds	11,225,402	8,945,312
IV. Others	5,508,048	4,501,348
Total	555,639,769	529,197,287

SCHEDULE 14 - OTHER INCOME

(₹ in thousands)

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
I. Commission, exchange and brokerage	82,516,589	79,442,638
II. Profit/(Loss) on sale of Investments (net) (Refer Note 16 - Schedule 18 B)	5,090,295	39,793,534
III. Profit/(Loss) on revaluation of Investments (net)	(9,578,805)	5,251,975
IV. Profit/(Loss) on sale of building and other assets (net)	(35,737)	419,152
V. Profit on exchange transactions (net) (including derivatives)	27,810,294	14,277,936
VI. Income earned by way of dividend, etc. from Subsidiaries/Associates and/or Joint Venture in/outside India	6,128,627	5,243,769
VII. Profit on recoveries of non-performing assets acquired	2,908,307	3,918,918
VIII. Miscellaneous Income (Refer Note 14(xi) - Schedule 18 A)	1,393,287	1,263,428
Total	116,232,857	149,611,350

SCHEDULE 15 - INTEREST EXPENDED

(₹ in thousands)

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
I. Interest on Deposits	237,851,639	226,158,140
II. Interest on RBI/Inter-Bank Borrowings	8,231,780	6,762,204
III. Others	9,455,545	12,859,168
Total	255,538,964	245,779,512

SCHEDULE 16 - OPERATING EXPENSES

(₹ in thousands)

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
I. Payments to and provision for employees (Refer Note 8 and 9 - Schedule 18 B)	83,907,790	79,183,467
II. Rent, taxes and lighting (Refer Note 3 - Schedule 18 B)	10,598,394	10,354,449
III. Printing and Stationery	1,586,038	1,359,504
IV. Advertisement, Publicity and Promotion	9,337,048	10,090,130
V. Depreciation on Bank's property	8,186,399	7,286,889
VI. Directors' fees, allowances and expenses*	55,369	57,425
VII. Auditors' fees and expenses (Refer Note 12 - Schedule 18 B)	55,464	53,051
VIII. Law Charges	332,264	239,106
IX. Postage, telephone etc.	4,891,947	4,689,303
X. Repairs and maintenance	14,573,651	13,455,398
XI. Insurance	6,425,182	5,534,484
XII. Other Expenditure (Refer Note 14(xi) - Schedule 18 A and Note 11 - Schedule 18 B)	56,270,435	56,023,014
	196,219,981	188,326,220
Less: Reimbursement of Costs from Group Companies	555,373	561,825
Total	195,664,608	187,764,395

* - Pertains to non-executive directors remuneration.



17 – SIGNIFICANT ACCOUNTING POLICIES

A BACKGROUND

In February 2003, Kotak Mahindra Finance Limited was given a licence to carry out banking business by the Reserve Bank of India (“RBI”). It was the first Non Banking Finance Company (NBFC) in India to be converted into a Bank. Kotak Mahindra Bank Limited (“Kotak Mahindra Bank”, “Kotak” or “the Bank”) provides a full suite of banking services to its customers encompassing Consumer Banking, Commercial Banking, Treasury and Corporate Banking in India and also has a representative office in Dubai. The Bank set up and commenced operations in May 2016, at its International Financial Services Centre Banking Unit (“IBU”) in Gujarat International Finance Tec (GIFT) City, Gujarat. The Bank has commenced operations in October 2019 at its first overseas branch at the Dubai International Financial Centre (“DIFC”), Dubai, UAE.

B BASIS OF PREPARATION

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of Kotak Mahindra Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention unless stated otherwise and it conforms with Generally Accepted Accounting Principles in India (“Indian GAAP”), the Accounting Standards specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to banks and the guidelines, circulars and directions issued by RBI.

Use of Estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Bank’s Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

C SIGNIFICANT ACCOUNTING POLICIES

1 Investments

i. Classification:

In accordance with Reserve Bank of India (RBI) (Commercial Banks – Classification, Valuation and Operations of Investment Portfolio) Directions, 2025 issued on 28th November, 2025, the Bank classifies its entire investment portfolio (except investments in its own subsidiaries, and associates) under three categories, viz., Held to Maturity (‘HTM’), Available for Sale (‘AFS’) and Fair Value through Profit and Loss (‘FVTPL’). Held for Trading (‘HFT’) is a separate investment sub-category within FVTPL.

Under each of these categories, investments are further classified under six groups – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries, and Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows ‘Settlement Date’ accounting for recording purchase and sale transactions in securities, except in the case of equity shares where ‘Trade Date’ accounting is followed.

Basis of Classification:

The Bank classifies its investments as subsequently measured into the above categories based on the business model for managing the investments and the contractual cash flow characteristics of the investments.

Business Model Assessment:

The Bank makes an assessment of the objective of a business model in which an investment is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management’s strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the investments to the duration of the liabilities that are funding those investments or realising cash flows through the sale of the investments;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank’s stated objective for managing the investments is achieved and how cash flows are realised; and

- The risks that affect the performance of the business model, the investments held within that business model and how those risks are managed.

Assessment Whether Contractual Cashflows are Solely Payments of Principal and Interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the investment on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Reset terms;
- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Investments at HTM:

An investment is classified at HTM only if both of the following conditions are met:

- It is held with the objective to collect the contractual cash flows; and
- The contractual terms of the investment give rise to cash flows that are Solely Payments of Principal and Interest ('SPPI' criterion) on principal outstanding on the specified dates.

Investments at AFS:

An investment is classified at AFS only if both of the following conditions are met:

- It is acquired with an objective that is achieved by both collecting contractual cash flows and selling investment; and
- The contractual terms of the investment meet SPPI criteria.

For equity instruments not held with the objective of trading, the Bank has an option on initial recognition to classify such instruments under AFS. The Bank makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investments at FVTPL:

Any investment, which does not meet the criteria for categorisation as at HTM or as AFS, is classified at FVTPL.

Investments at HFT:

HFT is a separate investment sub-category within FVTPL consisting of instruments that meet the specifications for HFT instruments or are held with the intention of trading or short-term gains is classified under HFT as set out in the RBI Directions dated 28th November, 2025.

Investments in Subsidiaries and Associates:

All investments in subsidiaries and associates are held in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

ii. Acquisition Cost:

The cost of investments is determined on "first-in, first-out" ('FIFO') basis. Broken period interest paid to seller is not capitalised but treated as an item of expenditure under Profit and Loss Account in respect of investment in securities. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.



iii. Disposal of Investments:

Investments Classified as AFS

- **Debt Instruments:** Upon sale or maturity, the accumulated gain/loss in the AFS Reserve is transferred from the AFS Reserve and recognised in the Profit and Loss Account.
- **Equity Instruments:** Any gain or loss on sale is transferred from AFS Reserve to the Capital Reserve.

Investments Classified as FVTPL/HFT

Any gain or loss on sale of investments is recognised in the Profit and Loss Account.

Investments in Subsidiaries and Associates

Profit or loss on sale of investments is recognised in the Profit and Loss Account and profit, if any, is appropriated to the Capital Reserve Account after adjustments for tax and transfer to Statutory Reserve.

Investments Classified as HTM

Profit on sale or redemption of investments is recognised in the Profit and Loss Account and profit if any, on sale is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale or redemption is recognised in the Profit and Loss Account.

iv. Short Sale:

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is categorised under HFT category and netted off from Investments in the Balance Sheet. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Gain or loss on settlement of the short position is recognised in the Profit and Loss Account.

v. Valuation:

The valuation of investments is performed in accordance with the RBI guidelines as follows:

- Investments classified as HTM** – These are carried at cost and not Marked-to-Market ('MTM') after initial recognition. Any discount or premium on acquisition of debt instruments is amortised over the remaining life of the instrument using by straight-line method ('SLM'). The discount or premium amortised is reflected as a part of interest earned in the Profit and Loss Account.
- Investments classified as AFS** – These are fair valued on a quarterly basis. The valuation gains and losses are aggregated, and the net appreciation or depreciation directly gets credited or debited to AFS reserve (net of effect of applicable taxes). Any discount or premium on acquisition of debt instruments is amortised over the remaining life of the instrument by using straight-line method ('SLM'). The discount or premium amortised is reflected as a part of interest earned in the Profit and Loss Account.
- Investments classified as FVTPL/HFT** – These are fair valued and the net gain or loss arising on such valuation is directly credited/debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on daily basis, whereas other securities in FVTPL are fair valued on a quarterly basis. Any discount or premium on acquisition of debt instruments is amortised over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortised is reflected as a part of interest earned in the Profit and loss Account.
- Investments in subsidiaries and associates** – All investments in subsidiaries and associates are held at acquisition cost. Any discount or premium on the acquisition of debt instruments of subsidiaries and associates are amortised over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortised is reflected as a part of interest earned in the Profit and Loss Account. The Bank assesses these investments for impairment and provides for the same, in accordance with RBI Directions.
- The fair value of the quoted securities are the prices declared by the Financial Benchmarks India Private Limited ('FBIL'). For securities whose prices are not published by FBIL, the fair value of the quoted securities is based upon quoted price as available from the trades/quotes on recognised stock exchanges, reporting platforms or trading platforms authorised by

RBI or Securities and Exchange Board of India ('SEBI') or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA').

- f) Non INR India linked bonds and debentures are valued at prices published by counterparty quotes.
- g) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.
- h) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.
- i) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:
 - In case of unquoted bonds, debentures, Pass Through Certificates (PTCs) and preference shares where interest/ dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA/FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA/FBIL is adopted for this purpose;
 - Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the Company's latest balance sheet which shall not precede the date of valuation by more than 18 months. In case the latest Balance Sheet is not available, the shares are valued at ₹1 per investee company;
 - Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company/ Securitisation Company or cost whichever is lower.
 - Units of Alternate Investment Funds (AIF) are valued at the NAV published by the AIFs. If AIF fails to carry out and disclose valuation of its investments by an independent valuer as per the frequency mandated by the SEBI regulations, the value of units shall be treated as ₹1. If the AIF is not registered under the applicable SEBI regulations and the latest disclosed valuation of its investments by an independent valuer is not available for a period beyond 18 months, the investment shall be valued at ₹1 per unit. Further, the Bank provides for investments in Alternate Investments Funds (AIFs) in line with RBI directions dated 28th November, 2025.
- j) Non-performing investments (NPIs) are identified and depreciation/provision are made thereon based on RBI guidelines. Subsequent, MTM gains on NPIs are ignored. NPIs are segregated from rest of the portfolio and are not considered for netting valuation gains and losses. Interest on non-performing investments is not recognised in the Profit & Loss Account until received. The Bank classifies Security Receipts whose tenure has exceeded 8 years, as NPI.
- k) *Repurchase and reverse repurchase transactions* – Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

vi. Day 1 Gain/Loss on Initial Recognition

All investments are measured at fair value on initial recognition.

Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value. Situations where the presumption is tested include:

- The transaction is between related parties.
- The transaction is done outside the principal market for that class of securities.
- The transaction is taking place under duress where one party is forced to accept the price in the transaction.

The Bank does not expect day 1 gain/loss in case of investments which are executed through trading platforms like Recognised Stock Exchange or through online investment platforms whereby the prices are determined in an orderly transaction between market



participants on the measurement date. Day 1 gain/loss is tested when transactions are conducted outside the principal market or transactions are done with related parties.

Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, spread, etc.) any day 1 gain/loss is recognised in the Profit and Loss Account.

Any day 1 loss arising from Level 3 investments is recognised immediately in the Profit and Loss Account.

Any day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the day 1 gain is amortised on a straight-line basis up to the maturity date, while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

vii. Fair Value Hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

The management uses its judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible.

Fair values are categorised into different levels (Level 1, Level 2, or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. The levels are described as follows:

Level 1: The inputs used for valuation of financial instruments are quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.

Level 2: The valuation of financial instruments is based on inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: The valuation of financial instruments is based on unobservable inputs i.e. not based on observable market data.

Transition date accounting as on 1st April, 2024:

In line with the RBI Circular dated 12th September, 2023, the fair value as on 31st March, 2024 was the revised carrying value of investments. Further, the difference between the fair value as on 31st March, 2024 and previous carrying value has been adjusted in the Revenue/General Reserve except that in case of Equity shares in AFS book, the same is adjusted to the AFS Reserve (Refer Note 8–Schedule 18 A).

2 Advances

i. Classification:

Advances are classified as performing and non-performing advances ('NPAs') based on RBI guidelines and are stated net of bills rediscounted, inter-bank participation with risk, specific provisions, interest in suspense, claims received from Export Credit Guarantee Corporation (ECGC) and Emergency Credit Line Guarantee Scheme (ECLGS) with respect to non-performing advances, provisions for funded interest term loan and provisions in lieu of diminution in the fair value of restructured assets. Also, NPAs are classified into sub-standard, doubtful and loss assets as required by RBI guidelines. Interest on NPAs remaining uncollected is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

Amounts paid for acquiring non-performing asset(s) from other banks and NBFCs are considered as advances. Actual collections received on such non-performing asset(s) are compared with the cash flow(s) estimated while purchasing the asset to ascertain overdue(s). If such overdue(s) is/are in excess of 90 days, then this/these asset(s) are classified into sub-standard, doubtful or loss as required by the RBI guidelines on purchase of non-performing asset(s).

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown under advances.

ii. Provisioning:

The Bank classifies its advances and overdues from crystallised derivatives including those at overseas branches into performing and non performing in accordance with guidelines issued by the RBI. Provision for NPAs comprising sub-standard, doubtful and loss assets is made in accordance with RBI guidelines. In addition, the Bank considers accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance/securities, which would generally include, among others, alteration of repayment period/repayable amount/the amount of installments/rate of interest (due to reasons other than competitive reasons).

Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made.

In respect of borrowers restructured under the Resolution Framework-1.0 and Resolution Framework 2.0 for COVID-19 related stress the Bank holds provisions higher than the provisions as required by the RBI guidelines based on the estimates made by the Bank.

In accordance with RBI guidelines the Bank has provided general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts, and metal gold loans at levels stipulated by RBI from time to time. Additional standard asset provision is done for overseas stepdown subsidiaries of Indian corporates. Standard assets provision is also made at higher than the prescribed rates in respect of advances to stressed sectors as per the framework approved by the Board of Directors. In case of Frauds, the Bank makes provision for amounts it is liable for in accordance with the guidelines issued by RBI. A general provision on the entire amount outstanding from borrowers who had an overdue on 29th February, 2020 and to whom moratorium was given is also made.

Further to provisions required as per the asset classification status, provisions are held for individual country exposure (except for home country) as per the RBI guidelines. Exposure is classified in the seven risk categories as mentioned in the Export Credit Guarantee Corporation of India Limited ('ECGC') guidelines and provisioning is done for that country if the net funded exposure is one percent or more of the Bank's total assets based on the rates laid down by the RBI.

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines.

3 Loss on Sale of Advances to Asset Reconstruction Company

Loss on sale of Advances sold to Asset Reconstruction Company are recognised immediately in the Profit and Loss Account.

4 Securitisation and Transfer of Loan Exposure

The Bank has not entered into any securitisation transactions nor does it have any securitisation receivables during the period covered by the financial statements.

Securitisation transactions shall be accounted for in accordance with the Reserve Bank of India (Commercial Banks-Securitisation Transactions) Directions, 2025 dated 28th November, 2025.

The Bank invests in instruments of other SPVs (PTCs/SRs) which are classified and disclosed under Investments.

In accordance with the RBI guidelines, on transfer of loan exposure, any profit or loss arising post transfer of loans, which is realised, is accounted for and reflected in the Profit and Loss Account for the accounting period during which the transfer is completed. Loans acquired are carried at acquisition cost and the premium paid/discount received is amortised based on straight line method basis repayment received.

5 Fixed Assets (Property, Plant & Equipment and Intangible) and Depreciation/Amortisation

Property, Plant & Equipment and Intangible Assets have been stated at cost less accumulated depreciation and amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit/functioning capability from/of such assets. Gain or loss arising from the retirement or disposal of a Property Plant and Equipment/Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises of the Bank, net of taxes and transfer to statutory reserve is appropriated to Capital Reserve as per RBI guidelines.



Depreciation/Amortisation – Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Asset Type	Estimated Useful life in years
Premises	58
Leasehold Land	Over the lease period
Improvement to leasehold premises	Over the period of lease subject to a maximum of 6 years.
Office equipments (High capacity chillers, Transformers, UPS, DG set, Fire Suppression, HVAC, PAC & Elevators)	10
Office equipments (other than above)	5
Computers	3
Furniture and Fixtures	6
Motor Vehicles	4
ATMs	5
Software (including development) expenditure	3

Used assets purchased are depreciated over the residual useful life from the date of original purchase.

Items costing less than ₹5,000 are fully depreciated in the year of purchase.

6 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand (including cash with ATM vendors), balances with Reserve Bank of India and Balances with Other Banks/institutions and money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

7 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its wholesale customers. The difference between the sale price to customers and actual price quoted by supplier is reflected under other income.

The Bank also borrows and lends gold, which is treated as borrowings or lending as the case may be in accordance with the RBI guidelines and the interest paid or received is classified as interest expense or income and is accounted on an accrual basis.

8 Revenue Recognition

Interest income is recognised on accrual basis.

Interest income on investments in PTCs and loans bought out through the direct assignment route is recognised at their effective interest rate.

Interest income on Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits is recognised over tenure of the instrument on a straight line basis. Interest income on other discounted instruments is recognised over the tenure of the instruments so as to provide a constant periodic rate of return.

Service charges, fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Commission on Guarantees and letter of credit are recognised over the period of the guarantee/letter of credit. Syndication/arranger fee is recognised as income as per the terms of engagement.

Upon an asset becoming NPA the income accrued gets reversed, and is recognised only on realisation, as per RBI guidelines.

Penal interest/charges on products where applicable is recognised as income on realisation other than on running accounts where it is recognised to the extent of limits available in the account.

Dividend income is accounted on an accrual basis when the Bank's right to receive the dividend is established.

Gain on account of securitisation of assets is amortised over the life of the securities issued in accordance with the guidelines issued by the RBI. Loss on account of securitisation of assets is recognised immediately in Profit and Loss account.

In respect of non-performing assets acquired from other Banks/FIs and NBFCs, collections in excess of the consideration paid at each asset level or portfolio level is treated as income in accordance with RBI guidelines and clarifications.

Fees received on sale of Priority Sector Lending Certificates is amortised over the period of the certificate and is considered as Miscellaneous Income, while fees paid for purchase is also amortised over the period of the certificate and is recognised as expense under other expenses in accordance with the guidelines issued by the RBI.

9 Employee Benefits

i. Defined Contribution Plan

Provident Fund

Contribution as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has no further obligations.

Superannuation Fund

The Bank makes contributions in respect of eligible employees, subject to a maximum of ₹0.01 crore per employee per annum to a Fund administered by trustees and managed by Life Insurance Companies. The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligations.

New Pension Scheme

The Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognises such contributions as an expense in the year when an employee renders the related service.

DIFC Employee Workplace Savings Scheme (DEWS)

The Bank's branch in Dubai International Financial Centre (DIFC) contributes up to 8.33% of eligible branch employees' salary per annum to the DIFC Employee Workplace Savings Scheme (DEWS). The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligation.

ii. Defined Benefit Plan

Gratuity

The Bank provides for Gratuity, covering employees in accordance with the Code on Social Security, 2020, service regulations and service awards as the case may be. The Bank's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. The Bank makes contribution to Gratuity Funds administered by trustees and managed by Life Insurance Companies.

Pension Scheme

In respect of pension payable to certain erstwhile ING Vysya Bank Limited ("eIVBL") employees under Indian Banks' Association ("IBA") structure, the Bank contributes 10% of basic salary to a pension fund and the difference between the contribution and the amount actuarially determined by an independent actuary is trued up based on actuarial valuation conducted as at the Balance Sheet date. The Pension Fund is administered by the Board of Trustees and managed by Life Insurance Company. The present value of the Bank's defined pension obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The contribution made to the Pension fund is recognised as planned assets. The defined benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains or losses in respect of all defined benefit plans are recognised immediately in the Profit and Loss Account in the year in which they are incurred.

iii. Compensated Absences – Other Long-Term Employee Benefits

The Bank accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains/losses are recognised in the Profit and Loss Account in the year in which they arise.



iv. Other Employee Benefits

As per the Bank's policy, employees are eligible for an award after completion of a specified number of years of service with the Bank. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the Projected Unit Credit Method.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include performance incentives.

v. Employee Share Based Payments

Equity-Settled Scheme:

The Equity Stock Option Schemes (ESOSs) provide grant of options and the Performance Linked restricted Stock Unit Scheme (PRSU) provide for grant of Restricted Stock Units (units) to the employees of the Group to acquire equity of the Bank. These options/units once granted shall vest as per the vesting schedule and will be exercised within a specified period.

In accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Guidance Note on "Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India, the cost of equity-settled options granted on or before 31st March, 2021 were measured using the intrinsic value method. The intrinsic value was the excess, if any, of the fair market price of the share over the exercise price of the option as per the option plan. The fair market price was the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

RBI, vide its clarification dated 30th August, 2021 on Guidelines on Compensation of Whole Time Directors/Chief Executive Officers/ Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending 31st March, 2021.

In accordance with the above RBI guidelines, for all options/units granted after 31st March, 2021, the fair value of the options/units is estimated on the date of grant using Black-Scholes model and is recognised as deferred employee compensation with a credit to Employee's Stock Options Grant Outstanding/PRSU Grant Outstanding account respectively.

The deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the options/units. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.

The options/units that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense in "Payment to and provision for employee". In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding account is transferred to General Reserve.

In respect of options granted to employees of subsidiaries, the Bank recovers the related compensation cost from the respective subsidiaries.

Cash-Settled Scheme:

The cost of cash-settled transactions, stock appreciation rights (SARs) having grant date on or before 31st March, 2021 was measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. Similar to Equity settled options, SARs granted after 31st March, 2021 are measured on fair value basis.

The intrinsic/fair value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in intrinsic/fair value recognised in the profit and loss account in 'Payments to and provision for employees'. The SARs that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense, equal to the amortised cost in respect of the lapsed portion.

10 Foreign Currency Transactions

Foreign currency monetary assets and monetary liabilities are translated as at the Balance Sheet date at rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gain or loss is accounted in the Profit and Loss Account.

Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transactions except in respect of representative office (which are integral in nature) expenses, which are translated at monthly average exchange rates.

Outstanding forward (other than deposit and placement swaps) and spot foreign exchange contracts outstanding at the Balance Sheet date are revalued at rates notified by FEDAI for specified maturities and at the interpolated rates of interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves in respective currencies. The forward profit or loss on the forward contracts are discounted using discount rate and the resulting profits or losses are recognised in the Profit and Loss Account as per the regulations stipulated by the RBI.

Foreign exchange swaps "linked" to foreign currency deposits and placements are translated at the prevailing spot rate at the time of swap. The premium or discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and the same is recognised in the Profit and Loss Account.

Contingent liabilities on account of letters of credit, bank guarantees and acceptances and endorsements outstanding as at the Balance Sheet date denominated in foreign currencies and other foreign exchange contracts are translated at year-end rates notified by FEDAI.

The financial statements of IBU and DIFC which are in the nature of non-integral overseas operations are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange during the period and (b) All assets and liabilities are translated at closing rate as on Balance Sheet date. The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

11 Derivative Transactions

Notional amounts of derivative transactions comprising of swaps, futures and options are disclosed as off Balance Sheet exposures. The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market) or as liabilities when the fair value is negative (negative marked to market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

Outstanding derivative transactions designated as "Hedges" are accounted in accordance with hedging instrument on an accrual basis over the life of the underlying instrument. Option premium paid or received is recognised in the Profit and Loss Account on expiry of the option. Option contracts are marked to market on every reporting date.

12 Lease Accounting

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Initial direct costs in respect of operating leases such as legal costs, brokerage costs, etc. are recognised as expense immediately in the Profit and Loss Account.

13 Accounting for Provisions, Contingent Liabilities and Contingent Assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with Accounting Standard – 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are measured based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognised nor disclosed in the financial statements.

**14 Impairment**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent carrying amount of assets exceeds their estimated recoverable amount.

15 Taxes on Income

The Income Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets on account of timing differences are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of carry forward losses and unabsorbed depreciation, under tax laws, all the deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets/liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of the change.

Current tax assets and liabilities and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis.

16 Accounting for Dividend

As per AS 4 (Revised), with effect from April 2016, the Bank is not required to provide for dividend proposed/declared after the Balance Sheet date. The same shall be appropriated from next year amount available for appropriation.

17 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

18 Share Issue Expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

19 Credit Cards Reward Points

The Bank estimates the liability for credit card reward points and cost per point using actuarial valuation conducted by an independent actuary, which includes assumptions such as mortality, redemption and spends.

20 Segment Reporting

In accordance with guidelines issued by RBI and Accounting Standard 17 (AS-17) on “Segment Reporting”, the Banks’ business has been segregated into the following segments whose principal activities were as under:

Segment	Principal activity
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities and Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.
Corporate/Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Comprises of:
Digital Banking	Business involving digital banking products acquired by Digital Banking Unit including existing digital banking products as identified by the Management in accordance with the instructions of the RBI vide its circular dated 7 th April, 2022.
Other Retail Banking	Includes (other than covered under Digital Banking above):
	I Lending
	Commercial vehicle finance, personal loans, home loans, agriculture finance, other loans/ services and exposures which fulfil the four criteria for retail exposures laid down in Reserve Bank of India (Commercial Banks – Prudential Norms on Capital Adequacy) Directions, 2025 dated 28 th November, 2025.
	II Branch Banking
	Retail borrowings covering savings, current, term deposit accounts and Branch Banking network/services including distribution of financial products.
	III Credit Cards
	Receivables/loans relating to credit card business.
Other Banking business	Any other business not classified above.

A transfer pricing mechanism has been established by Asset Liability Committee (ALCO) for allocation of interest cost to the above segments based on borrowing costs, maturity profile of assets/liabilities etc. and which is disclosed as part of segment revenue.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses and provisions.

Segment results are net of segment revenues and segment expenses including interdivisional items.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth and employees’ stock option (grants outstanding).

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.



SCHEDULE 18 – NOTES TO ACCOUNTS

A. DISCLOSURES AS LAID DOWN BY RBI CIRCULARS:

1. REGULATORY CAPITAL:

(i) Composition of Regulatory Capital

The Bank's Capital Adequacy Ratios as per Basel III guidelines are as follows:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Capital Ratios:		
(i) Common Equity Tier I Capital (CET 1) (net of deductions, if any)	127,392.22	109,642.71
(ii) Additional Tier I Capital	-	-
(iii) Tier I Capital (i + ii)	127,392.22	109,642.71
(iv) Tier II Capital	6,349.53	5,954.78
(v) Total Capital (Tier I + Tier II)	133,741.75	115,597.49
(vi) Total Risk Weighted Assets (RWAs)	596,929.33	519,614.54
(vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	21.34%	21.10%
(viii) Tier I Ratio (Tier I capital as a percentage of RWAs)	21.34%	21.10%
(ix) Tier II Ratio (Tier II capital as a percentage of RWAs)	1.06%	1.15%
(x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	22.40%	22.25%
(xi) Leverage Ratio	14.44%	14.15%
(xii) Percentage of the shareholding of the Government of India	Nil	Nil
(xiii) Amount of paid-up equity capital raised during the year [#]	231.78	52.09
(xiv) Amount of non-equity Tier I capital raised during the year	Nil	Nil
(xv) Amount of Tier II Capital raised during the year	Nil	Nil

[#]The Bank has allotted during the year 5,216,585 (previous year 1,510,475) equity shares consequent to exercise of ESOPs vested and also allotted 1,33,400 equity shares of ₹1/- each to the eligible equity shareholder(s) against the rights shares and subsequent corporate benefits which had been kept in abeyance, pending judicial clearance. Accordingly, the share capital further increased by ₹0.54 crore (previous year ₹0.15 crore) and share premium increased by ₹231.24 crore (previous year ₹51.94 crore).

(ii) Draw Down from Reserves:

In accordance with the RBI requirement there are no draw downs from reserves during the year (previous year Nil).

2. ASSET LIABILITY MANAGEMENT

(i) Maturity Pattern of Certain Items of Assets and Liabilities:

31st March, 2026:

Particulars	(₹ in crore)										Total
	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	
Deposits	21,114.21	25,001.03	10,947.15	19,304.42	23,481.05	19,574.84	51,073.01	100,039.69	300,139.99	1,332.21	572,456.13
Advances [^]	902.86	7,308.34	9,040.23	12,467.50	22,478.73	23,284.69	21,725.77	68,401.20	193,207.45	51,692.86	496,009.16
Investments*	35,060.11	15,487.45	2,401.41	21,098.43	5,577.09	6,157.05	9,838.57	18,062.72	48,249.76	2,291.67	170,840.70
Borrowings	792.02	6,448.96	17.03	1,311.12	311.82	2,084.24	1,383.05	6,257.25	7,128.03	6,741.48	32,475.00
Foreign Currency Assets	6,684.45	5,783.57	1,000.12	4,153.07	2,886.36	2,891.86	2,663.56	2,319.81	4,425.24	4,048.30	37,353.96
Foreign Currency Liabilities	3,980.58	830.68	440.27	2,024.40	1,760.99	1,785.58	1,810.79	4,988.00	6,390.27	2,039.13	26,536.92

* Listed equity investments have been considered at at 50% (₹1,694.72 crore) haircut as per RBI directions.

[^] Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹18,245.81 crore are netted off against advances.

31st March, 2025:

Particulars	(₹ in crore)										Total
	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	
Deposits	16,036.81	22,001.25	8,802.33	18,538.56	19,505.10	20,251.24	47,987.23	87,839.76	255,362.20	2,334.23	499,055.14
Advances [^]	633.23	6,053.34	4,690.02	9,391.86	11,587.16	15,716.94	16,828.62	58,148.36	181,613.23	44,977.17	426,909.20
Investments*	63,896.25	6,059.32	2,183.84	20,129.13	5,402.65	7,057.06	8,927.13	15,955.97	41,878.11	2,026.52	179,771.76
Borrowings	71.84	29,724.60	95.51	783.79	1,718.92	1,995.38	2,384.68	832.88	4,729.82	3,210.34	48,442.76
Foreign Currency Assets	6,361.16	10,103.40	430.51	1,572.65	4,693.39	2,644.10	2,083.82	1,657.07	3,314.44	4,086.99	37,260.50
Foreign Currency Liabilities	1,300.73	756.72	386.26	1,563.12	1,281.23	2,022.72	1,600.52	4,303.05	9,244.39	1,412.79	24,962.61

* Listed equity investments in AFS have been considered at at 50% (₹2,135.69 crore) haircut as per RBI directions.

[^] Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹17,757.05 crore are netted off against advances.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

Maturity profile of foreign currency account includes On-Balance sheet.



(ii) Liquidity Coverage Ratio:

(₹ in crore)

Number of working days in the quarter	Average Q4 2025-2026			Average Q3 2025-2026			Average Q2 2025-2026			Average Q1 2025-2026		
	67		Total Weighted Value (average)	71		Total Weighted Value (average)	70		Total Weighted Value (average)	68		Total Weighted Value (average)
Particulars	Unweighted Value (average)	Total Weighted Value (average)		Unweighted Value (average)	Total Weighted Value (average)		Unweighted Value (average)	Total Weighted Value (average)		Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		147,953				153,632			144,117			140,237
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:												
(i) Stable deposits	59,293	2,965		57,953	2,898		57,690	2,884		55,259	2,763	
(ii) Less stable deposits	247,388	24,739		240,694	24,069		235,452	23,545		228,708	22,871	
3 Unsecured wholesale funding, of which												
(i) Operational deposits (all counterparties)												
(ii) Non-operational deposits (all counterparties)	177,792	105,648		170,936	103,850		160,436	97,699		152,119	91,848	
(iii) Unsecured debt	7,198	7,198		6,197	6,197		5,927	5,927		5,985	5,985	
4 Secured wholesale funding	9,709	0		6,212	0		5,058	1		14,547	1	
5 Additional requirements, of which												
(i) Outflows related to derivative exposures and other collateral requirements	27,325	27,325		25,534	25,534		25,046	25,046		17,707	17,707	
(ii) Outflows related to loss of funding on debt products												
(iii) Credit and liquidity facilities	4,666	491		4,328	427		3,738	439		3,950	461	
6 Other contractual funding obligations	10,208	10,208		9,754	9,754		9,299	9,299		8,114	8,114	
7 Other contingent funding obligations	279,481	12,344		271,843	12,018		256,616	11,446		240,818	10,783	
8 Total Cash Outflows		190,918			184,747			176,286			160,533	
Cash Inflows												
9 Secured lending (e.g. reverse repos)	2,491	2		3,905	2		2,821	1		126	1	
10 Inflows from fully performing exposures	86,812	71,106		75,611	61,484		72,033	58,975		63,051	50,671	
11 Other cash inflows	1,335	668		1,453	726		1,283	642		1,382	691	
12 Total Cash Inflows		71,776			62,212			59,618			51,363	
		Total Adjusted Value			Total Adjusted Value			Total Adjusted Value			Total Adjusted Value	
13 TOTAL HQLA		147,953			153,632			144,117			140,237	
14 Total Net Cash Outflows		119,142			122,535			116,668			109,170	
15 Liquidity Coverage Ratio (%)		124.18%			125.38%			123.53%			128.46%	

Number of working days in the quarter		Average Q4 2024-2025			Average Q3 2024-2025			Average Q2 2024-2025			Average Q1 2024-2025		
		68		Total Weighted Value (average)	69		Total Weighted Value (average)	70		Total Weighted Value (average)	67		Total Weighted Value (average)
Particulars		Total Unweighted Value (average)	Total Weighted Value (average)		Total Unweighted Value (average)	Total Weighted Value (average)		Total Unweighted Value (average)	Total Weighted Value (average)		Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets													
1	Total High Quality Liquid Assets (HQLA)												
Cash Outflows													
2	Retail deposits and deposits from small business customers, of which:												
	(i)	Stable deposits		46,685	2,334	41,820	2,091	41,210	2,060	41,231	2,062		
	(ii)	Less stable deposits		225,807	22,581	225,797	22,580	216,505	21,651	208,618	20,862		
3	Unsecured wholesale funding, of which												
	(i)	Operational deposits (all counterparties)		-	-	-	-	-	-	-	-		
	(ii)	Non-operational deposits (all counterparties)		142,165	86,758	138,545	86,682	132,816	85,571	130,502	81,636		
	(iii)	Unsecured debt		7,253	7,254	7,909	7,909	5,416	5,416	5,252	5,252		
4	Secured wholesale funding		8,386	1	4,628	1	4,590	1	703	1			
5	Additional requirements, of which												
	(i)	Outflows related to derivative exposures and other collateral requirements		26,442	26,442	37,007	37,007	34,255	34,255	33,477	33,477		
	(ii)	Outflows related to loss of funding on debt products											
	(iii)	Credit and liquidity facilities		3,813	399	4,080	433	3,467	356	3,180	324		
6	Other contractual funding obligations		8,854	8,854	8,417	8,417	8,236	8,236	8,236	7,807	7,807		
7	Other contingent funding obligations		231,046	10,399	222,048	9,993	221,139	9,964	216,023	9,710	9,710		
8	Total Cash Outflows			165,022		175,113			167,510		161,131		
Cash Inflows													
9	Secured lending (e.g. reverse repos)		955	5	3,630	1	5,292	10	7,456	3			
10	Inflows from fully performing exposures		74,723	61,813	72,634	61,742	71,472	61,238	68,796	58,919			
11	Other cash inflows		1,269	635	1,392	696	1,195	598	1,302	651			
12	Total Cash Inflows			62,453		62,439			61,846		59,573		
			Total Adjusted Value	Total		Total Adjusted Value	Total		Total Adjusted Value	Total			
13	TOTAL HQLA			131,341		141,440			135,585		133,562		
14	Total Net Cash Outflows			102,569		112,674			105,664		101,558		
15	Liquidity Coverage Ratio (%)			128.05%		125.53%			128.32%		131.51%		



Qualitative Disclosure Around LCR

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III–Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, SLR securities in excess of minimum SLR requirement and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

The Bank has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31st March, 2026 was 124.18 % which is above the regulatory requirement of 100%. For the quarter ended 31st March, 2026 average Level 1 HQLA stood at 93.22 % (137,918 crore.) of the total HQLA.

Apart from LCR, Bank uses various stock liquidity indicators to measure and monitor the liquidity risk in terms of funding stability, concentration risk, dependence on market borrowings, liquidity transformation, etc. The Bank maintains a diversified source of funding in terms of depositors, lenders and various funding instruments. This is evident through low depositor and lender concentration with top 20 depositors contributing 7.85 % of Bank's total deposits and top 10 lenders contributing 2.11 % of Bank's total liabilities. Asset Liability Committee (ALCO) of the Bank is the primary governing body for Liquidity Risk Management supported by Balance Sheet Management Unit (BMU), Risk Management Department (RMD), Finance and ALCO Support Group. BMU is the central repository of funds within the Bank and is vested with the responsibility of managing liquidity risk within the risk appetite of the Bank. Bank has incorporated Basel III Liquidity Standards – LCR and NSFR as part of its risk appetite statement for liquidity risk.

3. INVESTMENTS:

(i) Composition of Investment Portfolio

(₹ in crore)

	As at 31 st March, 2026							As at 31 st March, 2025								
	HTM		AFS		FVTPL		Subsidiaries, Associates and JVs		HTM		AFS		FVTPL		Subsidiaries, Associates and JVs	
	At Cost	Fair Value			HFT	Non - HFT	At Cost	Fair Value	At Cost	Fair Value			HFT	Non - HFT	At Cost	Fair Value
I. Investments in India																
(i) Government Securities*	53,711.05	54,082.80	48,161.24	20,533.73	-	-			51,478.83	51,852.69	40,268.27	40,467.57	-	-		
(ii) Other Approved Securities	-	-	-	-	-	-			-	-	-	-	-	-		
(iii) Shares (including Preference shares)	-	-	10,304.94	54.46	165.11				-	-	6,080.85	55.69	233.13			
(iv) Debentures and Bonds	-	-	8,412.47	852.82	150.08				-	-	8,370.66	1,820.63	146.22			
(v) Subsidiaries, Associates and Joint Ventures							3,348.83								3,348.83	
(vi) Others (including CP, CD, PTC, AIF, SR)	-	-	6,322.36	18,068.78	2,302.75				-	-	5,287.32	21,990.96	1,707.55			
Total	53,711.05	54,082.80	73,201.01	39,509.79	2,617.94		3,348.83		51,478.83	51,852.69	60,007.10	64,334.85	2,086.90		3,348.83	
Less: Provisions for Impairment/NPI	-	-	12.68	53.00	82.38		-		-	-	15.51	53.00	75.39		-	
Net	53,711.05	54,082.80	73,188.33	39,456.79	2,535.56		3,348.83		51,478.83	51,852.69	59,991.59	64,281.85	2,011.51		3,348.83	
II. Investments outside India																
(i) Government Securities (including Local authorities)	-	-	235.47	-	-				-	-	243.90	-	-			
(ii) Subsidiaries, Associates and Joint Ventures							38.33								38.33	
(iii) Other Investments (including FCY Bonds, Equity)	-	-	-	16.70	4.37				-	-	492.22	17.45	2.94			
Total	-	-	235.47	16.70	4.37		38.33		-	-	736.12	17.45	2.94		38.33	
Less: Provisions for Impairment/NPI	-	-	-	-	-		-		-	-	-	-	-		-	
Net	-	-	235.47	16.70	4.37		38.33		-	-	736.12	17.45	2.94		38.33	
Total Investments (I + II)	53,711.05	54,082.80	73,423.80	39,473.49	2,539.93		3,387.16	48,343.78**	51,478.83	51,852.69	60,727.71	64,299.30	2,014.45		3,387.16	41,274.05**

* Includes securities with face Value of ₹10,212.05 (Previous year ₹36,381.85 crore) pledged and encumbered for avilment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.

** The Bank holds directly or indirectly 100% beneficial interest in all its subsidiaries and accordingly the aggregate fair value is disclosed for subsidiaries & associates which is the break-up value as per consolidated financial statements of the Bank.



(ii) Fair Value Hierarchy of Investment Portfolio Measured at Fair Value on Balance Sheet:

(₹ in crore)

	As at 31 st March, 2026						As at 31 st March, 2025									
	AFS			FVTPL			AFS			FVTPL						
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total				
I. Investments in India																
(i) Government Securities	37,463.10	10,698.14	-	48,161.24	20,160.71	373.02	-	20,533.73	10,275.00	29,993.28	-	40,268.28	36,495.51	3,972.07	-	40,467.58
(ii) Other approved Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Shares (including Preference shares)	10,299.91	5.00	0.03	10,304.94	1.46	95.00	69.60	166.06	6,068.81	5.00	7.04	6,080.85	2.69	155.00	67.65	225.34
(iv) Debentures and Bonds	2,204.52	2,398.79	3,796.48	8,399.79	852.82	150.08	-	1,002.90	1,224.97	1,726.34	5,403.83	8,355.14	1,656.56	310.29	-	1,966.85
(v) Subsidiaries, Associates and Joint Ventures																
(vi) Others (including CP, CD, PTC, AIF, SR)	-	6,322.36	-	6,322.36	617.91	17,790.28	1,881.47	20,289.66	36.33	5,250.99	-	5,287.32	-	21,990.96	1,642.64	23,633.60
Total	49,967.53	19,424.29	3,796.51	73,188.33	21,632.90	18,408.38	1,951.07	41,992.35	17,605.11	36,975.61	5,410.87	59,991.59	38,154.76	26,428.32	1,710.29	66,293.37
II. Investments outside India																
(i) Government Securities (including Local authorities)																
(ii) Subsidiaries, Associates and Joint Ventures																
(iii) Other Investments (including FCY Bonds, Equity)	-	-	-	-	16.70	-	4.37	21.07	492.22	-	-	492.22	17.45	-	2.93	20.38
Total	-	235.47	-	235.47	16.70	-	4.37	21.07	492.22	243.90	0.00	736.12	17.45	-	2.93	20.38
Total Investments (+ II)	49,967.53	19,659.76	3,796.51	73,423.80	21,649.60	18,408.38	1,955.44	42,013.42	18,097.33	37,219.51	5,410.87	60,727.71	38,172.21	26,428.32	1,713.22	66,313.75

Note – Discounted Instruments, since they are not fair valued and are at Carrying cost – they are included in Level 2

(iii) Net Gains/(Losses) on Level 3* Financial Instruments recognised in AFS–Reserve and Profit and Loss Account:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2026	31 st March, 2025
Recognised in AFS–Reserve (Gross of Tax)	(13.14)	(57.96)
Recognised in Profit and Loss Account	210.53	288.42

*Excludes Level 3 assets where the valuation of the asset is the price declared by FBIL/FIMMDA for that asset and includes both realised & unrealised Gains/(Losses) excluding NPI

(iv) Details of sales made Out of HTM:

(₹ in crore)

Particulars	31 st March, 2026	31 st March, 2025
A Opening carrying value of securities in HTM	51,478.83	28,550.48
B Carrying value of all HTM securities sold during the year	-	2,510.62
C Less: Carrying values of securities sold under situations exempted from regulatory limit *	-	2,510.62
D Carrying value of securities sold (D=B-C)	-	-
E Securities sold as a percentage of opening carrying value of securities in HTM (E=D÷A)	-	-
F Amount transferred to Capital Reserve in respect of HTM securities which were sold at a gain	-	-

* During the year, the carrying value of investments sold out of HTM did not exceed five percent of the opening carrying value of the HTM portfolio. The five percent threshold referred to above excludes sale of securities in the situations given under the Reserve Bank of India (Commercial Banks–Classification, Valuation and Operation of Investment Portfolio) Directions, 2025.

- (v) There were no re-classification of investments between categories by the Bank during the year ended 31st March, 2026 (previous year: Nil)

(vi) Movement of Provisions for Non-Performing Investments NPIs and Investment Fluctuation Reserve:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
i) Movement of provisions held towards NPIs on investments		
a) Opening balance*	143.90	567.30
b) Add: Provisions made during the year	21.57	47.11
c) Less: Write-back/Transfers of provisions during the year*	17.41	470.51
d) Closing balance	148.06	143.90
*Balances as of 31 st March, 2025 includes provision for depreciation on investments		
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	4,000.00	3,500.00
b) Add: Amount transferred during the year	-	500.00
c) Less: Drawdown	-	-
d) Closing balance	4,000.00	4,000.00
iii) Closing balance in IFR as percentage of closing balance of investments in AFS and FVTPL (including HFT) Category	3.47%	3.15%

(vii) Non-SLR Investments Portfolio:
(a) Non-Performing Non-SLR Investments:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2026	31 st March, 2025
Opening balance	143.90	124.00
Additions during the year	21.57	47.11



(₹ in crore)

Particulars	Year ended	
	31 st March, 2026	31 st March, 2025
Reductions during the year	(17.41)	(27.21)
Closing balance	148.06	143.90
Total provisions held	148.06	143.90

(b) Issuer Composition of Non-SLR Investments**As at 31st March, 2026:**

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
a)	PSUs	249.98	-	-	-	-
b)	FIs	6,562.27	6,083.88	-	-	-
c)	Banks	3,373.28	2,796.22	-	-	3,371.05
d)	Private Corporates	24,513.70	21,793.05	256.68	3,589.45	2,436.51
e)	Subsidiaries, Associates and Joint Ventures	3,387.16	2,010.97	-	3,387.16	3,387.16
f)	Others	5,301.50	4,481.82	255.05	1,726.94	4,500.45
g)	MTM gain/(loss)	6,889.57	-	-	-	-
h)	Provisions for NPI	(148.06)	-	-	-	-
	Total	50,129.40	37,165.94	511.73	8,703.55	13,695.17

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

As at 31st March, 2025:

(₹ in crore)

Sr. No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
a)	PSUs	611.17	350.00	-	-	-
b)	FIs	7,169.52	4,116.21	-	-	-
c)	Banks	6,721.81	5,769.74	-	881.60	5,787.70
d)	Private Corporates	26,305.95	22,642.18	413.89	3,601.96	2,444.90
e)	Subsidiaries, Associates and Joint Ventures	3,387.16	1,473.85	-	3,387.16	3,387.16
f)	Others	3,795.38	3,431.39	174.02	981.08	3,551.49
g)	MTM gain/(loss)	1,845.68	-	-	-	-
h)	Provisions for NPI	(143.90)	-	-	-	-
	Total	49,692.77	37,783.37	587.91	8,851.80	15,171.25

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

(viii) Details of Repo/Reverse Repo (Excluding LAF and MSF Transactions for the year) Deals:
Year ended 31st March, 2026:

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on 31 st March, 2026	
	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²
Securities sold under repos								
i. Government securities	-	-	29,191.26	29,275.71	8,862.90	8,867.82	6,439.25	6,439.25
ii. Corporate debt securities	-	-	802.50	733.87	38.60	35.34	777.50	708.87
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	-	-	20,882.10	21,227.65	2,040.98	2,064.55	18,545.00	18,607.71
ii. Corporate debt securities	-	-	250.00	227.32	7.60	6.71	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

¹ FV: Face Value

² MV: Market Value

Year ended 31st March, 2025:

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on 31 st March, 2025	
	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²
Securities sold under repos								
i. Government securities	-	-	27,627.25	27,629.46	4,063.45	4,067.42	18,861.25	18,861.25
ii. Corporate debt securities	-	-	185.71	171.73	9.20	8.61	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	-	-	24,931.45	24,931.45	2,906.34	2,923.75	5,725.28	5,903.79
ii. Corporate debt securities	-	-	500.00	461.78	10.21	9.53	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

¹ FV: Face Value

² MV: Market Value

(ix) Government Security Lending (GSL) Transactions (in Market Value Terms):

 The Bank has not undertaken any government securities lending transactions during the year ended 31st March, 2026 (PY: Nil).

- (x) The Bank implemented the Master Direction-Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12th September, 2023 which was applicable to banks from 1st April, 2024. Consequent to the transition provisions, the Bank's net worth and investments had increased by ₹2,905.46 crore (post-tax) and ₹3,283.11 crore (pre-tax) respectively as on 1st April, 2024 on account of revision in the carrying value to the fair value as on such date. Subsequent changes in fair value of performing investments under Available for Sale ("AFS") and Fair Value Through Profit and Loss ("FVTPL") (including Held For Trading ("HFT")) categories are recognised through AFS reserve and Profit and Loss Account respectively.



4. ASSET QUALITY:

(i) Classification of Advances and Provisions Held:

As at 31st March, 2026

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	425,571.27	3,105.34	2,832.18	196.33	6,133.85	431,705.12
Add: Additions during the year					6,063.32	
Less: Reductions during the year (*)					(6,179.36)	
Closing Balance	4,94,750.09	2,878.85	2,971.75	167.21	6,017.81	5,00,767.90
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(1,133.85)	(1,133.85)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,560.67)	(1,560.67)
iii) Technical/Prudential Write-offs					-	-
iv) Write-offs other than those covered under (iii) above					(3,484.84)	(3,484.84)
Provisions (Excluding Floating Provisions)						
Opening balance of provisions held	5.50	2,006.12	2,587.96	196.33	4,790.41	4,795.91
Add: Fresh Provisions made during the year					4,713.73	
Less: Excess Provision reversed/Write-off loans					(4,748.84)	
Closing Balance of Provisions Held	3.45	1,808.27	2,779.82	167.21	4,755.30	4,758.75
Floating Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount draw down during the year						-
Closing Balance of Floating Provisions						-
Net NPAs						
Opening Balance		1,099.22	244.22	-	1,343.44	
Add: Fresh Additions during the year					1,349.58	
Less: Reductions during the year					(1,430.51)	
Closing Balance		1,070.58	191.93	-	1,262.51	
Technical Write-offs and the Recoveries made thereon						
Opening Balance of Technical/Prudential Written-off Accounts						713.59
Add: Technical/Prudential Write-offs during the year						-
Less: Recoveries/Reductions made from previously Technical/Prudential Written-off Accounts during the year						(259.76)
Closing Balance						453.83

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹2,251.05 crore as at 31st March, 2026.

As at 31st March, 2025

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	374,815.45	2,092.78	2,979.65	202.35	5,274.78	380,090.23
Add: Additions during the year					6,378.62	
Less: Reductions during the year (*)					(5,519.55)	
Closing Balance	425,571.27	3,105.34	2,832.18	196.33	6,133.85	431,705.12
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(1,210.40)	(1,210.40)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,566.02)	(1,566.02)
iii) Technical/Prudential Write-offs					-	-
iv) Write-offs other than those covered under (iii) above					(2,743.13)	(2,743.13)
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	10.75	1,069.71	2,732.15	202.35	4,004.21	4,014.96
Add: Fresh provisions made during the year					4,814.66	
Less: Excess provision reversed/Write-off loans					(4,028.46)	
Closing balance of provisions held	5.50	2,006.12	2,587.96	196.33	4,790.41	4,795.91
Net NPAs						
Opening Balance		1,023.07	247.50	-	1,270.57	
Add: Fresh additions during the year					1,563.96	
Less: Reductions during the year					(1,491.09)	
Closing Balance		1,099.22	244.22	-	1,343.44	
Floating Provisions						
Opening balance						-
Add: Additional provisions made during the year						-
Less: Amount draw down during the year						-
Closing Balance of floating provisions						-
Technical write-offs and the recoveries made thereon						
Opening balance of Technical/Prudential written-off accounts						1,100.84
Add: Technical/Prudential write-offs during the year						-
Less: Recoveries/Reductions made from previously Technical/Prudential written-off accounts during the year						(387.25)
Closing Balance						713.59

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹1,851.93 crore as at 31st March, 2025.

Ratios (in Percent)	As at 31 st March, 2026	As at 31 st March, 2025
Gross NPA to Gross Advances (%)	1.20%	1.42%
Net NPA to Net Advances (%)	0.25%	0.31%
Provision Coverage Ratio (PCR)**	80.49%	80.38%

** after considering Technical Write off



(ii) Sector-Wise Advances and Gross NPAs

(₹ in crore)

Sr. No.	Sector	As at 31 st March, 2026		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector			
1	Agricultural and Allied Activities	51,398.42	1,593.69	3.10%
2	Advances to Industries Sector eligible as Priority sector lending, of which exceeding 10%:	79,574.86	637.53	0.80%
	- Textiles	12,568.43	43.73	
	- All Engineering	8,673.70	16.82	
3	Services, of which exceeding 10%:	103,880.97	1,339.79	1.29%
	- Wholesale Trade	35,817.13	178.09	
	- Logistics and Auxiliary Transport Activities	24,952.24	772.66	
4	Personal Loans and Others, of which exceeding 10%:	3,515.08	37.81	1.08%
	- Home Loans	2,028.08	12.46	
	- Micro Loans	1,417.25	20.68	
	Sub-Total (A)	238,369.34	3,608.82	1.51%
B	Non Priority Sector			
1	Agricultural and Allied Activities	1,400.90	37.46	2.67%
2	Industry, of which exceeding 10%:	68,110.51	231.57	0.34%
	- Infrastructure	17,287.36	33.35	
	- Basic Metal and Metal Products	9,154.48	22.03	
	- Chemicals and Chemical Products	7,031.02	2.09	
3	Services, of which exceeding 10%:	63,450.12	357.60	0.56%
	- Wholesale Trade	12,369.52	164.21	
	- NBFC	10,471.64	0.00	
	- Real Estate	9,019.20	0.02	
4	Personal Loans and Others, of which exceeding 10%:	129,437.03	1,782.36	1.38%
	- Home Loans and Loans Against Property	75,522.51	145.51	
	Sub-Total (B)	262,398.56	2,408.99	0.92%
	Total (A+B)	500,767.90	6,017.81	1.20%

* Represents Gross Advances

(₹ in crore)

Sr. No.	Sector	As at 31 st March, 2025		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector			
1	Agricultural and Allied Activities	44,667.60	1,895.33	4.24%
2	Advances to Industries Sector eligible as Priority sector lending, of which exceeding 10%:	59,273.15	292.37	0.49%
	- Textiles	10,202.78	29.38	
	- All Engineering	6,433.09	12.99	
3	Services, of which exceeding 10%:	90,563.70	1,096.07	1.21%
	- Wholesale Trade	25,064.45	626.93	
	- Logistics and Auxiliary transport activities	26,356.63	153.18	
4	Personal Loans and others, of which exceeding 10%:	2,915.96	42.90	1.47%
	- Home Loans	1,762.16	8.96	
	- Micro Loans	943.74	31.67	
	Sub-Total (A)	197,420.41	3,326.67	1.69%

(₹ in crore)

Sr. No.	Sector	As at 31 st March, 2025		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
B	Non Priority Sector			
1	Agricultural and Allied Activities	1,572.16	61.27	3.90%
2	Industry, of which exceeding 10%:	59,312.62	343.35	0.58%
	- Infrastructure	15,584.50	121.08	
	- Basic Metal and Metal Products	7,011.19	47.94	
3	Services, of which exceeding 10%:	58,561.04	354.16	0.60%
	- NBFC	9,636.06	-	
	- Real Estate	8,131.27	0.10	
	- Wholesale Trade	10,409.05	145.89	
4	Personal loans and others, Of which exceeding 10%:	114,838.89	2,048.40	1.78%
	- Home Loans	50,041.48	92.43	
	- Loan Against Property	13,121.75	43.33	
	- Credit Cards	14,055.74	927.25	
	- Personal Loans	16,844.71	410.90	
	Sub-Total (B)	234,284.71	2,807.18	1.20%
	Total (A+B)	431,705.12	6,133.85	1.42%

* Represents Gross Advances

(iii) Overseas Assets, NPAs and Revenue:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total Assets	14,138.03	9,879.58
Total NPAs	Nil	Nil
Total Revenue	525.02	610.30

(iv) Disclosure on Resolution of Stressed Assets:

In terms of the RBI (Commercial Banks–Resolution of Stressed Assets) Directions dated 28th November, 2025 (earlier circular dated 7th June, 2019 on Prudential Framework for Resolution of Stressed Assets), during the financial year ended 31st March, 2026 and 31st March, 2025, the Bank has not implemented Resolution plan (RP) for any borrowers, for which Inter Creditor Agreement (ICA) was required to be executed under consortium arrangement/multiple banking arrangement. Borrowers for whom resolution plan is implemented under sole banking arrangement are not included here as no ICA is required.

In respect of certain borrowers with banking system exposure of ₹1,500 crore or more, where RP formulation/implementation was pending, the required additional provision has been made as required by RBI stipulations.

- (v) RBI vide its circular dated 1st April, 2019, has directed banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 5 percent (previous year exceed 5 percent) of the published net profits before provision and contingency for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent (previous year exceed 5 percent) of the published incremental Gross NPAs for the reference period, or both. There has been no divergence observed by RBI for the financial year 2024-25 (previous year Nil) in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.



(vi) Disclosure of Transfer of Loan Exposures:

Details of loans transferred/acquired during the year ended 31st March, 2026 under the RBI Master Direction on Reserve Bank of India (Commercial Banks–Transfer and Distribution of Credit Risk) Directions dated 28th November, 2025 and for the period ended 31st March, 2025 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September, 2021 are given below:

A. Details of Loans not in Default:

a. Transferred to Eligible Lenders:

(₹ crore except tenor)

Sr. No.	Particulars	31 st March, 2026
1	Loan transferred through Assignment/Novation/Loan Participation	Assignment/Novation
2	Aggregate amount of loans transferred (Fund and Non Fund)	2,136.37
3	Aggregate consideration received against Fund based loans *	1,476.87
4	Weighted average residual maturity (years)	10.33
5	Weighted average holding period of originator (years)	0.55
6	Retention of beneficial economic interest	62.43%
7	Coverage of tangible security coverage (%) **	77.21%
8	Rating-wise distribution of rated loans	
	BBB+ve	1.99%
	IND/IVR BBB-ve	2.81%
	IND A+	8.19%
	CRISIL/CARE A-	33.28%
	CRISIL A Stable	15.68%
	CRISIL AA+	5.10%
	ICRA AAA	16.66%
	Unrated	16.29%

* In case of Non Fund Based loans consideration received as Counter Guarantee.

** Security coverage has been capped at 100% for loans where the coverage exceeds 100%.

(₹ crore except tenor)

Sr. No.	Particulars	31 st March, 2025
1	Loan transferred through Assignment/Novation/Loan Participation	Assignment/Novation
2	Aggregate amount of loans transferred (Fund and Non Fund)	1,667.31
3	Aggregate consideration received against Fund based loans *	215.25
4	Weighted average residual maturity	17.83
5	Weighted average holding period of originator	0.16
6	Retention of beneficial economic interest	45%
7	Coverage of tangible security coverage (%)	100%
8	Rating-wise distribution of rated loans	
	A	2.91%
	A-/ IND A-	67.17%
	AA-/ IND AA-	29.92%

* In case of Non Fund Based loans part consideration received as Counter Guarantee of ₹145 crores.

b. Acquired from Eligible Lenders:

1. The Bank has not acquired any Loans not in default in FY 2025-26.
2. The details of loan acquired not in default in FY 2024-25:

(₹ crore except tenor)

Sr. No.	Particulars	31 st March, 2025
1	Loan acquired through Assignment/Novation/Loan Participation	Assignment/Novation
2	Aggregate amount of loans acquired	4,197.05
3	Aggregate consideration paid	3,954.74
4	Weighted average residual maturity	3.71
5	Weighted average holding period of originator	1.67
6	Retention of beneficial economic interest	90%
7	Coverage of tangible security coverage	0.48%
8	Rating-wise distribution of rated loans	
	A+	7.74%
	BBB+	5.36%
	Unrated	86.90%

B. Details of Stressed Loans:
a. Special Mention Accounts (SMAs)

- i. The Bank has not transferred any Special Mention Account (SMA).
- ii. Details of Special Mention Accounts (SMAs) acquired from eligible lenders through Assignment:

(₹ crore except tenor)

Portfolio acquired during the year ended	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
31 st March, 2026	Nil		

(₹ crore except tenor)

Portfolio acquired during the year ended	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
31 st March, 2025	30.33	17.39	0.87

b. Non-performing Assets (NPAs)

- i. The Bank has not transferred any Non-Performing Accounts (NPAs) in FY 2025-26.

Details of Non-performing Assets (NPAs) transferred to Eligible Lenders through Assignment in FY 2024-25:

(₹ crore except tenor)

Particulars	31 st March, 2025	
	To ARCs	To permitted transferees
No of accounts	2	1
Aggregate principal outstanding of loans transferred	38.12	19.26
Weighted average residual tenor of the loans transferred (years)	N.A.	16.51
Net book value of loans transferred (at the time of transfer)	Nil	16.37



(₹ crore except tenor)

Particulars	31 st March, 2025	
	To ARCs	To permitted transferees
Aggregate consideration	9	20.51
Additional consideration realised in respect of accounts transferred in earlier years	Nil	Nil

- ii. Details of Non-performing Assets (NPAs) acquired from eligible lenders through Assignment:

(₹ crore except tenor)

Year ended	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in years)
31 st March, 2026	256.72	18.37	0.62
31 st March, 2025	8,896.99	426.69	5.06

C. Details of Recovery Ratings Assigned for Security Receipts as :

Recovery Rating [^]	Anticipated Recovery as per Recovery Rating	Carrying Value* as at 31 st March, 2026 (₹ crore)	Carrying Value* as at 31 st March, 2025 (₹ crore)
NR1/R1+/RR1+	>150%	321.56	482.38
NR2/R1/RR1	100% - 150%	297.48	84.65
NR3/R2/RR2	75% - 100%	-	26.15
NR4/R3/RR3	50% - 75%	122.85	100.58
NR5/R4/RR4	25%-50%	-	-
NR6/R5/RR5	0% - 25%	-	-
Yet to be rated**	-	574.40	540.01
Unrated	-	0.13	0.22
Total		1,316.42	1,233.99

[^] - Recovery Rating is as assigned by various external rating agencies.

* - Net of Provisions.

** - Recent purchases whose statutory period has not elapsed.

(vii) Disclosure on Co-Lending Arrangements (CLA):

The Bank has not under taken any Co-Lending Arrangements during the year ended 31st March, 2026 (previous year: Nil)

(viii) Frauds

The Bank has reported 95 (previous year 306 cases) fraud cases involving fraud amount of ₹ one lakh and above during the financial year ended 31st March, 2026 amounting to ₹97.04 crore (previous year ₹69.96 crore). The Bank has recovered/expensed off/provided the entire amount where necessary.

Details of fraud provisioning made in more than one financial year:

(₹ in crore)

Number of fraud reported	Amount involved in Fraud	Provision made during the year	Quantum of unamortised provision debited from 'other reserve'
Nil	Nil	Nil	Nil

(ix) Disclosure Related to Project Finance:

Disclosure related to Project Finance for the period from 1st October, 2025 to 31st March, 2026, as per the Reserve Bank of India (Commercial Banks–Financial Statements: Presentation and Disclosures) Directions, 2025 dated 28th November, 2025 is given below:

Sr. No.	Item Description	For the quarter ended 31 st December, 2025		For the quarter ended 31 st March, 2026	
		Number of accounts	Total outstanding* (in ₹ crore)	Number of accounts	Total outstanding* (in ₹ crore)
1	Projects under implementation accounts at the beginning of the quarter.	158	3,917.63	158	3,969.65
2	Projects under implementation accounts sanctioned during the quarter	17	38.20	57	233.63
3	Projects under implementation accounts where DCCO has been achieved during the quarter	17	321.47	15	670.66
4	Projects under implementation accounts at the end of the quarter. (1+2-3)****	158	3,969.65	178**	3,749.06
5	Out of '4'-accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked	10	211.61	25***	645.09
5.1	Out of '5'-accounts in respect of which Resolution plan has been implemented.	-	-	-	-
5.2	Out of '5'-accounts in respect of which Resolution plan is under implementation	10	211.61	25	645.09
5.3	Out of '5'-accounts in respect of which Resolution plan has failed	-	-	-	-
6	Out of '5', accounts in respect of which resolution process involving extension in original/extended DCCO, as the case may be has been invoked due to change in scope and size of the project	1	50.00	-	-
7	Out of '5', account in respect of which cost overrun associated with extension in original/extended DCCO, as the case may be, was funded	-	-	-	-
7.1	Out of '7', accounts where SBCF was sanctioned during financial closure and renewed continuously	-	-	-	-
7.2	Out of '7', accounts where SBCF was not pre-sanctioned or renewed continuously	-	-	-	-
8	Out of '4'-accounts in respect of which resolution process not involving extension in original/extended DCCO, as the case may be has been invoked	4	40.92	14	445.81
8.1	Out of '8'-accounts in respect of which Resolution plan has been implemented	4	40.92	14	445.81
8.2	Out of '8'-accounts in respect of which Resolution plan is under implementation	-	-	-	-
8.3	Out of '8'-accounts in respect of which Resolution plan has failed.	-	-	-	-

* Includes movement of ₹335.28 crore and ₹216.44 crore during the quarter ended 31st December, 2025 and 31st March, 2026 respectively in projects under implementation accounts existing at the beginning of the quarter.

** Data excludes 22 cases where accounts has been fully repaid, cancelled or taken over by other lender for the quarter ended 31st March, 2026.

*** Data excludes 2 accounts in respect of which resolution process involving extension in original/extended DCCO, has been invoked in Q3 however DCCO was achieved during Q4.

**** In respect of number of accounts

For serial number 5 to 8, above accounts where credit event was triggered on and after 1st October, 2025 are considered for quarter ended 31st December, 2025

For serial number 5 to 8, above accounts where credit event was triggered on and after 1st January, 2026 are considered for quarter ended 31st March, 2026 and also includes cases which were reported as DCCO extended cases in quarter ended 31st December, 2025 and continues to be under implementation.


(x) Disclosure on Resolution Framework for COVID-19 Related Stress:

In accordance with Resolution Framework for COVID-19 announced by RBI on 6th August, 2020 and 5th May, 2021, the Bank has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The disclosure requirements as required by RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May, 2021 (Resolution Framework 2.0) are given below:

For the half year ended 31st March, 2026:

(₹ crore except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A)**	Of (A), aggregate debt that slipped into NPA during the half-year ^①	Of (A) amount written off during the half-year [#]	Of (A) amount paid by the borrowers during the half-year [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half-year
Personal Loans	24.70	0.10	0.03	2.68	21.92
Corporate persons*	10.95	-	-	1.86	9.09
Of which, MSMEs	10.95	-	-	1.86	9.09
Others	43.07	-	-	4.46	38.61
Total	78.72	0.10	0.03	9.00	69.62

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

① includes accounts which were written off during the period subsequently and net of recovery

** Includes cases where requests received till 30th September, 2021 and implemented subsequently

represents debt that slipped into NPA and was subsequently written off during the half-year

^ includes change in balances on account of interest and net of increase in exposure during the period

For the half year ended 30th September, 2025:

(₹ crore except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year [#]	Of (A) amount paid by the borrowers during the half-year [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half-year
Personal Loans	28.69	0.16	0.04	3.83	24.70
Corporate persons*	13.05	0.00	0.00	2.10	10.95
Of which, MSMEs	12.98	0.00	0.00	2.03	10.95
Others	45.46	0.00	0.00	2.39	43.07
Total	87.20	0.16	0.04	8.32	78.72

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016.

includes debt that slipped into NPA and was subsequently written off during the half-year.

^ includes change in balances on account of interest and net of increase in exposure during the period.

For the half year ended 31st March 2025:

(₹ crore except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year**	Of (A) amount written off during the half-year [#]	Of (A) amount paid by the borrowers during the half-year [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half-year
Personal Loans	35.06	0.70	0.21	5.67	28.69
Corporate persons*	25.59	-	-	12.54	13.05
Of which, MSMEs	25.21	-	-	12.23	12.98
Others	48.85	-	-	3.39	45.46
Total	109.50	0.70	0.21	21.60	87.20

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016.

** Includes cases where requests are received till 30th September, 2021 and implemented subsequently.[#] includes debt that slipped into NPA and was subsequently written off during the half-year.[^] includes change in balances on account of interest and net of increase in exposure during the period.For the half year ended 30th September, 2024:

(₹ crore except number of accounts)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the half-year ended (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half-year [#]	Of (A) amount paid by the borrowers during the half-year [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half-year
Personal Loans	53.47	3.41	0.11	15.00	35.06
Corporate persons*	30.56	-	-	4.97	25.59
Of which, MSMEs	25.22	-	-	0.01	25.21
Others	52.90	0.03	0.03	4.02	48.85
Total	136.93	3.44	0.14	23.99	109.50

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016.

[#] represents debt that slipped into NPA and was subsequently written off during the half year.[^] represents net movement in balances.**5. EXPOSURES:****(i) Exposure to Real Estate Sector*:**

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
a) Direct Exposure	79,593.26	74,269.93
i. Residential Mortgages –		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31 st March, 2026 ₹2,187.29 crore and as at 31 st March, 2025 ₹1,935.74 crore). Exposure also includes non-fund based (NFB) limits	49,328.82	45,544.66



(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
ii. Commercial Real Estate – Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also includes non-fund based (NFB) limits	29,611.22	28,725.27
iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures–		
- Residential,	243.68	-
- Commercial Real Estate	409.54	-
b) Indirect Exposure	4,655.54	4,324.51
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	4,655.54	4,324.51
Total Exposure to Real Estate Sector (a+b)	84,248.80	78,594.44

* Calculated basis the Reserve Bank of India (Commercial Banks–Concentration Risk Management) Directions, 2025 dated 28th November, 2025, on limit or outstanding basis whichever is higher

(ii) Exposure to Capital Market*:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;#	3,822.95	1,187.82
ii. Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	1,026.91	971.16
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances;	2,566.04	2,627.06
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	7,097.64	6,924.79
vi. Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows/issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	58.06	357.45
ix. Financing to stockbrokers for margin trading;	-	-
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	1,071.97	374.23
xi. Others (Financial Guarantees)	156.61	137.64
Total Exposure to Capital Market*	15,800.18	12,580.15

The above amount excludes shares/convertible bonds aggregating to ₹47.62 crore (previous year ₹57.59 crore) acquired due to conversion of debt to equity under restructuring process. As per chapter IX-Regulatory exemptions, point no 157, of the RBI circular no. RBI/DOR/2025-26/165 DOR.STR.REC.84/21.04.048/2025-26 dated 28th November, 2025 on Resolution of stressed Assets, the above amount is exempt from regulatory ceilings/restriction on capital market exposure.

* Calculated basis the Reserve Bank of India (Commercial Banks–Concentration Risk Management) Directions, 2025 dated 28th November, 2025, on limit or outstanding basis whichever is higher.

(iii) Risk Category Wise Country Exposure:

As per extant RBI guidelines, the country exposure of the Bank is categorised into various risk categories listed in following table.
(₹ in crore)

Risk Category	Exposure (net) as at 31 st March, 2026	Provision held as at 31 st March, 2026	Exposure (net) as at 31 st March, 2025	Provision held as at 31 st March, 2025
Insignificant	16,662.54	-	15,506.52	-
Low	2,708.05	-	5,005.64	-
Moderately Low	8.88	-	282.75	-
Moderate	35.21	-	286.34	-
Moderately High	162.04	-	854.75	-
High	853.52	-	30.95	-
Very High	-	-	-	-
Total	20,430.23	-	21,966.95	-

Exposure is given as net exposure basis the definition given in Reserve Bank of India (Commercial Banks – Concentration Risk Management) Directions, 2025 dated 28th November, 2025.

(iv) Unsecured Advances

(₹ in crore)

Particulars	31 st March, 2026	31 st March, 2025
Total unsecured advances of the bank	98,752.54	89,036.60
Out of the above, amount of advances for which intangible securities such as charge over the rights, licences, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

(v) The factoring exposure of the Bank as at 31st March, 2026 is ₹5,102.95 crore (previous year ₹2,604.16 crore).

(vi) Intra-Group Exposures

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
(a) Total amount of intra-group exposures	8,111.25	9,250.42
(b) Total amount of top-20 intra-group exposures	8,110.02	9,241.02
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers/customers	0.88%	1.12%
(d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NA	NA

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

(vii) Unhedged Foreign Currency Exposure of borrowers:

The Bank recognises the importance of the risk of adverse fluctuation of foreign exchange rates on the profitability and financial position of borrowers who are exposed to currency risk. Currency induced credit risk refers to the risk of inability of borrowers to service their debt obligations due to adverse movement in the exchange rates and corresponding increase/decrease in their book values of trade payables, loan payables, trade receivables, etc. thereby exposing the Bank to risk of default by the borrower. In this regard, the Bank had put in place requisite policies & processes for monitoring and mitigation of currency induced credit risk of borrowers, as required by RBI circular (Commercial Banks–Credit Risk Management) dated 28th November, 2025 These include the following:



- a) Currency risk of borrowers on account of un-hedged foreign currency exposures ("UFCE") is duly considered and analysed in credit appraisal notes.
- b) Quarterly monitoring of un-hedged foreign currency exposures of borrowers.
- c) Risk classification of borrowers having un-hedged foreign currency exposures, into Low/Medium/High, as per internal norms, based on potential loss/EBID ratio. Potential loss means the loss which may arise over a one year horizon by adverse movement of exchange rates; this is computed as UFCE amount multiplied by the annual volatility factor.
- d) Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counterparties having UFCE, depending on the potential loss/EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counterparties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

Potential Loss/EBID ratio	Incremental Provisioning Requirement (computed on the total credit exposures reckoned for standard asset provisioning)	Incremental Capital Requirement
Up to 15%	Nil	Nil
More than 15% to 30%	20 bps	Nil
More than 30% to 50%	40 bps	Nil
More than 50% to 75%	60 bps	Nil
More than 75% (Most risky)	80 bps	25 per cent increase in the risk weight

- e) In case of borrowers exposed to currency risk where declarations for foreign currency payables / receivables (UFCE declarations) are not submitted, provision for currency induced credit risk is made as per RBI stipulated rates mentioned below:
 - 10 bps in cases where limits with banking system are ₹50 crore or less;
 - 80 bps in cases where limits with banking system are more than ₹50 crore.
- f) Further, where annual certification from statutory auditors of UFCE data is not submitted, such borrowers are treated as UFCE declaration not submitted cases and provision is computed as per point (e) above.
- g) Exemption allowed by RBI are excluded from UFCE provision computation, including specified all India financial institutions, multilateral agencies, domestic & foreign sovereigns, and other exemptions. Further, 100% FD backed exposure is not reckoned as exposure as per RBI definition and thus not reckoned by the Bank for UFCE provision computation. Similarly, LCBD and BG/LC backed exposures are considered as exposure to LC/SBLC issuing banks and not to borrower entity.
- h) Management of foreign exchange risk is considered as a parameter for internal risk rating of borrowers.

Provision held for currency induced credit risk as at 31st March, 2026 is ₹84.86 crores. (previous year ₹96.98 crores). Incremental Risk weighted Assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk as at 31st March, 2026 is ₹3,597.46 crores (previous year ₹3,585.81 crores).

6. CONCENTRATION OF DEPOSITS, ADVANCES, EXPOSURES AND NPAS:

(i) Concentration of Deposits:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total deposits of twenty largest depositors	44,927.34	43,148.15
Percentage of deposits of twenty largest depositors to total deposits of the Bank	7.85%	8.65%

(ii) Concentration of Advances*:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total advances to twenty largest borrowers	63,387.88	60,617.84
Percentage of advances to twenty largest borrowers to total advances of the bank	7.21%	7.75%

* Advances have been computed based on credit exposure i.e. funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, have been reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, Bank has reckoned the outstanding as the credit exposure.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

(iii) Concentration of Exposures**:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total exposure to twenty largest borrowers/customers	73,116.07	73,290.71
Percentage of exposures to twenty largest borrowers/customers to total exposure of the bank on borrowers/customers	7.95%	8.90%

** Exposures represents credit, derivatives and investment exposure as prescribed in RBI circular.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

(iv) Concentration of NPAs:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total Exposure to top twenty NPA accounts*	348.83	451.22
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	5.80%	7.36%

(*) Above represents Gross NPA

7. DERIVATIVES:

(i) Details of Derivative Portfolio:

(₹ in crore)

	31 st March, 2026			31 st March, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Interest Rate Derivatives						
MTM - Assets	-	1,532.18	-	-	653.40	-
MTM - Liabilities	-	(914.46)	-	-	(990.88)	-
Net Gain/Loss recognised in Profit & Loss Account	-	859.72	-	-	(220.29)	-



(₹ in crore)

	31 st March, 2026			31 st March, 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Exchange Rate Derivatives						
MTM-Assets	-	1,224.42	-	-	372.62	-
MTM-Liabilities	-	(1,687.63)	-	-	(432.46)	-
Net Gain/Loss recognised in Profit & Loss Account	-	247.73	-	-	98.90	-
Credit Risk Derivatives						
MTM-Assets	-	-	-	-	-	-
MTM-Liabilities	-	-	-	-	-	-
Net Gain/Loss recognised in Profit & Loss Account	-	-	-	-	-	-
Other Derivatives (Forward)						
MTM-Assets	-	13,463.21	-	-	4,761.69	-
MTM-Liabilities	-	(13,014.81)	-	-	(4,597.18)	-
Net Gain/Loss recognised in Profit & Loss Account	-	1,673.58	-	-	1,549.18	-

Note:

1. Interest Rate Derivatives includes products–Rupee Swaps, FCY-IRS swaps & FRA
2. Exchange Rate Derivatives includes products–Currency Interest Rate Derivatives and FX Options.
3. Other Derivatives includes products–Tom, Spot, Forwards, Fx Swaps
4. All figures in derivative portfolio are classified as “Level 2”
5. Net Gain/Loss recognised in Profit & Loss Account includes both Realised and Unrealised Profit/Loss (MTM) figures.
6. MTM of GIFT and DIFC in USD are converted to Rupee at Quarter–end FEDAI rate.

(ii) Forward Rate Agreements/Interest Rate Swaps:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
The notional principal of swap agreements	175,464.44	141,828.23
Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	1,559.49	727.76
Collateral required by the Bank upon entering into swaps	NA	NA
Concentration of credit risk arising from the swaps	23.73% (Banks)	41.86% (Banks)
The fair value of the swap book	617.72	(337.48)

(iii) Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Notional principal amount of exchange traded interest rate derivatives undertaken during the year	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding and not “highly effective” *	NA	NA
Mark to market value of exchange traded interest rate derivatives outstanding and not “highly effective” *	NA	NA

* Being trading positions

(iv) Disclosures on Risk Exposures in Derivatives:

(a) Qualitative Disclosures:

(i) Structure and Organisation for Management of Risk in Derivatives Trading:

The Board of Directors, the Risk Management Committee (RMC), Board Committee for Derivatives products, the Asset Liability Management Committee (ALCO), the Senior Management Committee for Derivatives (SMC) and the Risk Management Department are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved Investment and Derivative policies. The ALCO of the Bank is empowered to set the limit-framework for derivatives. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also defines the risk appetite.

The Board Committee for Derivatives products and the Senior Management Committee for Derivatives (SMC) oversee the client derivatives business. These committees are responsible for reviewing and approving the derivative products that can be offered to clients (within the regulatory framework provided by the RBI). The Board approved 'Customer Suitability and Appropriateness Policy for Derivatives' lays down the risk management & governance framework for offering derivatives.

The Bank has Operations and Risk Management functions-independent of the dealing function. The Market Risk Management & Counterparty Risk Management Departments are responsible for assessment, monitoring, measurement & reporting of market & counterparty risks in derivatives.

(ii) Scope and Nature of Risk Measurement, Risk Reporting and Risk Monitoring Systems:

All significant risks of the derivative portfolio are monitored, measured & reported to the senior management. The Treasury Middle Office, on a daily basis, measures & reports risk-metrics like Value-at-Risk (VaR), PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho etc. Counterparty Risk exposure of the derivatives portfolio is also monitored & reported daily. The Treasury Middle Office independently reports profitability on a daily basis. Rate reasonability tests are performed on the Derivative portfolio to ensure that all trades are entered into at market rates. Stress testing is performed to measure the impact of extreme market shifts on the Bank's portfolio (including derivatives). Suitability and Appropriateness assessment is performed before offering derivatives to clients. The Bank continuously invests in technology to enhance the Risk Management architecture.

(iii) Policies for Hedging and/or Mitigating Risk and Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges/Mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

(iv) Accounting Policy for Recording Hedge and Non-Hedge Transactions; Recognition of Income, Premiums and Discounts; Valuation of Outstanding Contracts; Provisioning, Collateral and Credit Risk Mitigation:

Derivative transactions are segregated into trading or hedge transactions. Trading transactions outstanding as at the Balance Sheet dates are marked to market and the resulting profits or losses, are recorded in the Profit and Loss Account.

Derivative transactions designated as "Hedges" are accounted in accordance with hedging instruments on an accrual basis over the life of the underlying instrument.

Option premium paid/received is accounted for in the Profit and Loss Account on expiry of the option.

Pursuant to the RBI guidelines, any receivables as well positive Mark to Market (MTM) in respect of future receivable under derivative contracts comprising of crystallised receivables which remain overdue for more than 90 days are reversed through the Profit and Loss Account. Full provision is made for the entire amount of overdue and future receivables relating to positive marked to market value of non-performing derivative contracts. Limits for counterparty exposure (arising from derivative trades) to Corporates are approved by the Credit Committee and for Banks by the ALCO. These limits are renewable annually and are duly supported by ISDA agreements. MTM breaches are monitored daily and are cash collateralised wherever necessary. Further, to mitigate the current exposure in noncentrally cleared forex and derivative transactions, Bank has entered into Credit Support Annex ('CSA') agreements with some of the major international counterparty banks and few Indian financial institutions.



(b) Quantitative Disclosures:

31st March, 2026:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	704,049.59	175,464.44
2	Marked to Market Positions**		
	a) Asset (+)	-	617.72
	b) Liability (-)	14.81	-
3	Credit Exposure	11,967.03	1,521.18
4	Likely impact of one percentage change in interest rate (100*PV01)#		
	a) On hedging derivatives	-	-
	b) On trading derivatives	117.45	1,237.84
5	Maximum of 100*PV01 observed during the year#		
	a) On hedging derivatives	-	-
	b) On trading derivatives	123.38	1,642.01
6	Minimum of 100*PV01 observed during the year#		
	a) On hedging derivatives	-	-
	b) On trading derivatives	71.34	1,237.84

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

*Forwards in currency derivatives includes TOM, Spot deal.

** The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM includes MTM on Export Bills-Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

The Nature and Terms of the Interest Rate Swaps (IRS) as on 31st March, 2026 are Set Out Below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	7	172.47	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	2	143.37	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	176	18,150.23	SOFR	Receive Floating Vs. Pay Fixed
Trading	101	11,165.96	SOFR	Receive Fixed Vs. Pay Floating
Trading	403	19,890.00	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	250	16,010.50	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	1,036	41,147.59	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,764	59,374.05	MIBOR	Receive Floating Vs. Pay Fixed
Trading	383	9,410.28	FBIL	Receive Fixed Vs. Pay Floating
Total	4,122	175,464.45		

*Benchmark FBIL pertains to trades done in Rates FRA product.

*Above notional principal does not include Inter Branch deals between HO and GIFT since it gets zeroed at bank level however, only count of trades done is considered.

The Nature and Terms of the Cross Currency Swaps (CCS) as on 31st March, 2026 are Set Out Below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	6	431.98	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	3	242.92	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	90	7,595.61	FIXED	Receive Fixed Vs. Pay Fixed
Trading	5	972.89	SOFR	Receive Floating Vs. Pay Fixed
Trading	67	6,265.86	SOFR	Receive Fixed Vs. Pay Floating

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	45	1,383.26	SOFR vs EURIBOR	Receive Floating Vs. Pay Floating
Trading	1	474.18	SOFR vs MIBOR	Receive Floating Vs. Pay Floating
Trading	4	559.22	SOFR vs MIOIS	Receive Floating Vs. Pay Floating
Trading	6	1,896.70	SOFR vs TONAR	Receive Floating Vs. Pay Floating
Trading	2	1,138.02	SOFR vs TORAF	Receive Floating Vs. Pay Floating
Trading	3	24.70	MIOIS	Receive Fixed Vs. Pay Floating
Total	232	20,985.34		

*Above notional principal does not include trades done with GIFT City branch since it gets zeroed at bank level however, only count of trades done is specified.

The overnight Net open position as at 31st March, 2026 is ₹138.71 crore (previous year ₹216.86 crore).

31st March, 2025:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
a)	For hedging	-	-
b)	For trading	899,659.94	141,828.23
2	Marked to Market Positions**		
a)	Asset (+)	104.78	-
b)	Liability (-)	-	337.48
3	Credit Exposure	21,390.96	1,656.31
4	Likely impact of one percentage change in interest rate (100*PV01)*		
a)	On hedging derivatives	-	-
b)	On trading derivatives	77.93	1,478.81
5	Maximum of 100*PV01 observed during the year#		
a)	On hedging derivatives	-	-
b)	On trading derivatives	109.55	1,622.28
6	Minimum of 100*PV01 observed during the year#		
a)	On hedging derivatives	-	-
b)	On trading derivatives	32.36	1,357.22

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

*Forwards in currency derivatives includes TOM, Spot deal.

** The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills-Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

The Nature and Terms of the Interest Rate Swaps (IRS) as on 31st March, 2025 are Set Out Below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	4	992.58	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	3	986.09	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	164	14,165.06	SOFR	Receive Floating Vs. Pay Fixed
Trading	84	8,457.24	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	454.62	SONIA	Receive Floating Vs. Pay Fixed
Trading	1	454.62	SONIA	Receive Fixed Vs. Pay Floating
Trading	1	76.93	SOFR Vs. SOFR	Receive Floating Vs. Pay Floating
Trading	340	16,877.24	Mod MIFOR	Receive Fixed Vs. Pay Floating



(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	171	11,435.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	765	24,623.02	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,742	54,091.52	MIBOR	Receive Floating Vs. Pay Fixed
Trading	493	9,214.32	FBIL	Receive Fixed Vs. Pay Floating
Total	3,769	141,828.24		

*Benchmark FBIL pertains to trades done in Rates FRA product.

The Nature and Terms of the Cross Currency Swaps (CCS) as on 31st March, 2025 are Set Out Below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	8	733.30	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	5	538.89	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	2	738.31	FIXED	Pay Fixed
Trading	3	345.91	FIXED	Receive Fixed
Trading	84	3,951.91	FIXED	Receive Fixed Vs. Pay Fixed
Trading	0	-	SOFR	Receive Fixed Vs. Pay Fixed
Trading	60	4,295.46	SOFR	Receive Fixed Vs. Pay Floating
Trading	7	1,445.79	SOFR	Receive Floating Vs. Pay Fixed
Trading	46	1,492.03	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
Trading	3	350.84	SOFR Vs. MIOIS	Receive Floating Vs. Pay Floating
Trading	3	854.75	SOFR Vs. TONAR	Receive Floating Vs. Pay Floating
Trading	2	1,025.70	SOFR Vs. TORF	Receive Floating Vs. Pay Floating
Total	223	15,772.89		

*Above notional principal does not include trades done with GIFT City branch since it gets zeroed at bank level however, only count of trades done is specified.

(v) Credit Default Swaps:

The Bank has not entered into any Credit Default Swap transactions (previous year Nil).

8. DISCLOSURES RELATING TO SECURITISATION

The Bank has not under taken any securitisation transaction during the year ended 31st March, 2026 (previous year Nil)

9. There are no Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) (previous year Nil).

10. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND)

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Opening balance of amounts transferred to DEA Fund	542.51	412.00
Add: Amounts transferred to DEA Fund during the year	75.48	141.91
Less: Amounts reimbursed by DEA Fund towards claim	13.80	11.40
Closing balance of amounts transferred to DEA Fund	604.19	542.51

11. DISCLOSURE OF COMPLAINTS:

(i) Summary Information on Complaints Received by the Bank from Customers and from the Offices of the Banking Ombudsman (OBOs):

Sr. No.	Particulars	31 st March, 2026	31 st March, 2025
Complaints received by the bank from its customers(*)			
1.	Number of complaints pending at beginning of the year	5,325	16,418
2.	Number of complaints received during the year	224,585	209,161

Sr. No.	Particulars	31 st March, 2026	31 st March, 2025
3.	Number of complaints disposed during the year	219,684	220,254
3.1	Of which, number of complaints rejected by the bank	107,345	96,577
4.	Number of complaints pending at the end of the year	10,226	5,325
*No of complaints reported are excluding complaints redressed in 0 & 1 day. Net complaints previously excluded complaints received from the OBOs and redressed within 0 & 1 day for the previous financial year up to December 2024; from January 2025 to March 2025, these (30 complaints) are now included and also for the current financial year.			
Maintainable complaints received by the bank from OBOs			
5.	Number of maintainable complaints received by the bank from OBOs	6,233*	5,173*
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	3,381	2,447
5.2	Of 5, number of complaints resolved through conciliation/mediation/ advisories issued by BOs	2,852	2,726
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2021 (Previously BO Scheme 2006) and covered within the ambit of the Scheme.

*Data for FY 2025-26 as downloaded from RBI CMS portal & Data for FY 2024-25 is as received from CEPD, RBI

(ii) Top Five Grounds of Complaints Received by the Bank from Customers :

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
31st March, 2026					
Internet Banking /Mobile Banking/ E-Banking	325	31,861	2.30%	366	6
ATM/Debit Cards	980	24,354	(46)%	848	37
Credit Cards	580	16,249	-5%	769	288
Account opening/difficulty in operation of accounts	199	15,891	70%	1,572	792
Levy of charges without prior notice/ excessive charges/foreclosure charges	406	13,593	47%	1,406	857
Others	2,835	122,637	27%	5,265	2,210
Total	5,325	224,585	7%	10,226	4,190
31st March, 2025					
ATM/Debit Cards	5,312	45,406	(43.4)%	980	174
Internet Banking/Mobile Banking/ E-Banking	1,693	31,145	(51)%	325	6
Credit Cards	6,051	17,190	(45)%	580	149
Account opening/difficulty in operation of accounts	320	9,336	(40)%	199	12



Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
Levy of charges without prior notice/ excessive charges/foreclosure charges	350	9,254	(26)%	406	1
Others	2,692	96,830	9%	2,835	92
Total	16,418	209,161	(28)%	5,325	434

Note: The master list for identifying the grounds of complaints is provided in Appendix 1 as prescribed in Master Circular on Strengthening of Grievance Redress Mechanism in Bank (CEPD.CO.PR.D.Cir.No.01/13.01.013/2020-21; dtd 27th January, 2021.)

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

12. DISCLOSURE OF PENALTIES IMPOSED BY THE RBI:

During the year, the Reserve Bank of India has levied penalty of ₹1.23 crore (previous year ₹0.01 crore) on the Bank for the following:

Year ended 31st March, 2026:

On 17th April, 2025, RBI levied penalty of ₹0.61 crores towards non-compliance with certain directions issued by RBI on Guidelines on Loan System for Delivery of Bank Credit' and Loans and Advances-Statutory and Other Restrictions. The said penalty was already provided by the Bank in the books of accounts for FY 2024-25.

On 19th December, 2025, RBI levied penalty of ₹0.62 crores towards non-compliance with certain directions issued by RBI on 'Access to Banking Services-Basic Savings Bank Deposit Account' and 'Scope of activities to be undertaken of Business Correspondents (BCs)' and contravention of provisions of Credit Information Companies Rules, 2006 (CIC Rules).

Year ended 31st March, 2025:

₹0.01 crores for 8 instances in relation to exchange of soiled notes/adjudicate mutilated notes as detected during incognito visits undertaken by RBI.

Note: On 17th April, 2025, RBI had levied penalty of ₹0.61 crores towards non-compliance with certain directions issued by RBI on Guidelines on Loan System for Delivery of Bank Credit' and Loans and Advances-Statutory and Other Restrictions.

13. DISCLOSURES ON REMUNERATION

A. Qualitative Disclosures:

a) Information Relating to the Composition and Mandate of the Remuneration Committee:

The Nomination and Remuneration Committee of the Board of Directors assists the Board in laying down criteria and developing procedures and practices, in compliance with the provisions of applicable laws, for setting policies inter alia for the appointment of Directors and senior management personnel, determining their remuneration and evaluating performance and discharging Board's other responsibilities and functions concerning human resource.

The Nomination & Remuneration committee comprises of independent directors of the Bank. Key mandate of the Nomination & Remuneration committee is to oversee the overall design and operation of the compensation policy of the Bank and work in coordination with the Risk Management Committee to achieve alignment between risks and remuneration.

The Nomination and Remuneration Committee (NRC) will be, inter alia, reviewing and tracking the implementation of the Compensation Policy of the Bank. The NRC will comprise of at least 3 Non-executive Directors, out of which at least two third of the members should be independent directors and should include at least one member from the Bank's Risk Management Committee of the Board. (RMC).

b) Information Relating to the Design and Structure of Remuneration Processes and the Key Features and Objectives of Remuneration Policy:

Objective of Banks' Compensation Policy is:

- To maintain fair, consistent and equitable compensation practices in alignment with Bank's core values and strategic business goals;
- To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking;
- To have mechanisms in place for effective supervisory oversight and Board engagement in compensation
- To ensure that the Compensation practices are within the regulatory framework stipulated from time to time by RBI.

The remuneration process is aligned to the Bank's Compensation Policy objectives.

c) Description of the Ways in Which Current and Future Risks are Taken Into Account in the Remuneration Processes. It Should Include the Nature and Type of the Key Measures Used to Take Account of These Risks:

In order to manage current and future risk and allow a fair amount of time to measure and review both quality and quantity of the delivered outcomes, a significant portion of senior and middle management compensation is variable. Further reasonable portion variable compensation is non-cash and deferred, over a period of 3 years or longer.

In case the employee is retiring within next 2 years, cash to non-cash ratio may change in favour of more cash (including deferred cash) and the vesting schedule may be shorter.

In addition, remuneration process provides for 'malus' and 'clawback' option to take care of any disciplinary issue or future drop in performance of individual/business/company.

The nature and type of these measures have not changed over the past year and hence, there is no impact on remuneration.

d) Description of the Ways in Which the Bank Seeks to Link Performance During a Performance Measurement Period With Levels of Remuneration:

Individual performances are assessed in line with business/individual delivery of the Key Result Areas (KRAs), top priorities of business, budgets etc. KRAs of Line roles are linked to financials, people, service and process (Quality) and compliance parameters and KRAs of non-Line Roles have linkage to functional deliveries needed to achieve the top business priorities.

Further remuneration process is also linked to market salaries/job levels, business budgets and achievement of individual KRAs.

In cases where the performance metrics are weak with respect to bank performance, business performance and individual performance parameters, the Bank moderates the remuneration taking into account the weak performance.

e) Discussion of How the Bank Ensures that Risk and Compliance Employees are Remunerated Independently of the Businesses they Oversee

Employees part of risk control and compliance functions are compensated in a manner that is independent of the business areas they oversee and commensurate with their role. The mix of fixed and variable compensation for this category of employees would be weighed in favour of fixed compensation. Also, the KRAs of such non line roles are linked to functional deliveries required to support and enable the Bank's top business priorities and are not dependent on the financial performance or outcomes of the business units they oversee, thereby ensuring objectivity, independence and avoidance of conflicts of interest. However, company performance will have an impact on the entire bonus pool including bonus pool for Risk, Control and Compliance functions.

f) Description of the type of employees covered and number of such employees

The compensation policy is applicable to all the employees of the Bank, i.e., 74,054 as on 31st March, 2026 (previous year 75,323).

g) A discussion of the banks' policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

A discussion on Policy on Deferral of Remuneration Basis Last Amendment Effective 1st April, 2025

Employees have been broadly classified into following categories:

- Category I – Comprising MD & CEO and Whole Time Directors (WTDs).



- Category II – Material Risk Takers (MRTs). These include employees, whose actions may have material impact on the risk exposures of the bank and who satisfy both–qualitative and quantitative criteria, as given below:
 - Qualitative Criteria:
 - i. Employees in the grade M10 and above
 - ii. Organisation Structure: Business & Function Heads in reporting hierarchy up to 2 level below MD&CEO
 - Quantitative Criteria: Fixed Cost to Company (FCTC) is ₹1.5 crore p.a. and above.

This excludes employees under Category III.

- Category III – Risk control and compliance employees–comprising staff in grade M10 and above in the following Control functions.
 - Risk & Policy function
 - Financial Control including group consolidation;
 - Compliance;
 - Internal Audit;
 - Back-office Operations
 - Vigilance
 - Legal
 - Secretarial
 - HR
 - CSR

Note: The definition applicable for FY 2024-25 is as mentioned below

Category III – Risk control and compliance employees–comprising staff in grade M9 and above in the following Control functions.

- Risk & Policy function
- Financial Control including group consolidation.
- Compliance;
- Internal Audit;
- Back-office Operations
- Vigilance
- Legal
- Secretarial
- HR
- Investor Relations
- CSR
- Category IV: Other employees–This includes all employees, not explicitly covered in the first three categories.

Following principles are applied for deferral/vesting of variable remuneration in accordance with RBI guidelines and Bank's compensation policy:

Category I & II

- At least 50% of Total Pay, should be variable for arriving at the total compensation for the year
- The Cash component of the Variable Pay will not exceed 50% of the Fixed Pay
- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.

- Regardless of the quantum of pay, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.
- However, in cases where the cash component of variable pay is under ₹25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both the cash and non-cash components of the variable pay.

The compensation will be approved by the Nomination and Remuneration committee. Additionally, for Category I, the same will be further approved by RBI.

Category III

- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- However, in cases where the cash component of variable pay is under ₹25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both the cash and non-cash components of the variable pay.

Approval authority: MD & CEO or as delegated by MD & CEO, will approve the variable pay.

For Adjusting Deferred Remuneration Before & After Vesting:

Malus: Payment of all or part of amount of deferred variable pay can be prevented. Malus arrangement is applicable for all type of variable pay which has not yet vested or vested but not paid/exercised.

Clawback: Previously paid or already vested deferred variable pay can also be recovered under this clause.

Malus and clawback may be applied for following circumstances:

- Fraud, misfeasance, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the bank or any of its affiliates;
- Willful misinterpretation/misreporting of financial performance of the bank;
- Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the employee, whether directly or indirectly;
- Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or an act of a felonious or criminal nature;
- Non-disclosure of material conflict of interest by the employee or any misuse of official powers;
- An act of willful, reckless or grossly negligent conduct which is detrimental to the interest or reputation of the bank or any of its affiliates, monetarily or otherwise;
- Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply malus or/and clawback provisions;

Besides the above there can be other circumstances when malus may be applied. In deciding the application of malus/ clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality.

h) Description of the Different forms of Variable Remuneration (i.e. Cash, Shares, ESOPs and Other forms) that the Bank Utilizes and the Rationale for Using these Different Forms:

Depending on the nature of the business/function/role, the risk involved, the time horizon for review, various forms of Variable Pay may be applicable.



The components of such variable pay will include:

- Cash—this may be paid at intervals ranging from Monthly, Quarterly, half-yearly and annual. The Monthly/Quarterly/Half Yearly Variable Pay will be under the role and preapproved business specific incentive schemes. This may be payable within one year of grant.
- Long Term Incentive Pay (LTIP): This shall be granted to employees, in the form of Employee Stock Options (ESOPs) and/or Stock Appreciation Rights (SARs) and/or Deferred Cash. This shall be granted on a discretionary and reasonable basis, to motivate employees, create shareholder value by aligning interest of employees with the long-term interests of the Bank. LTIP may also be granted from time to time with the objective of retaining employees.
 - ESOPs/SARs will be linked to Kotak Mahindra Bank Stock price and will vest over a period of time.
 - Black Scholes Model will generally be applied for arriving at the value of the units to be granted. However, Bank may choose any other model with the approval of NRC within the regulatory framework.
 - ESOPs/SARs will be approved by the NRC. The quantum of ESOPs/SARs will be reasonable and the formulation of the ESOP series, the coverage, the vesting period and their pricing schedule, etc. will also be decided by the NRC as per SEBI guidelines.
 - Deferred Cash may be paid over a period of 3 to 5 years.

i) External Consultants Whose Advice Has Been Sought, the Body by Which They Were Commissioned, and in What Areas of the Remuneration Process:

During the year ended 31st March, 2026, the Bank employed the services of a consulting firm for market benchmarking in the area of compensation and benefits, including executive compensation.

B. Quantitative Disclosures:

a) Number of Meetings of the Nomination and Remuneration Committee Held During the Financial Year and Remuneration (Sitting Fees) Paid to its Members During the Financial Year.

During the financial year ended 31st March, 2026, 9 meetings (previous year 8 meetings) of the Nomination and Remuneration Committee were held. Members of the Nomination and Remuneration Committee were paid, for attending the meetings held during the financial year, a sitting fee of ₹75,000 per meeting [previous year ₹75,000 per meeting].

b) Number of Employees Having Received a Variable Remuneration Award During the Financial Year.

As Per FY 2025–26 Policy for the year ended 31st March, 2026 (“FY 2025–26 Policy”):

Quantitative disclosure restricted to one CEO & three* Whole Time Directors (Executive Directors) as Category I employees and Forty Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

*Plus 1 Whole Time Director (Executive Director) superannuated during the year.

As per FY 2024–25 Policy for the year ended 31st March, 2025 (“FY 2024–25 Policy”):

Quantitative disclosure restricted to one CEO & two* Whole Time Directors (Executive Directors) as Category I employees and Thirty Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

*Plus 1 Whole Time Director (Executive Director) during the year

c) Number of Employees and Total Amount of Sign-On/Joining Bonus Made During the Financial Year.

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
No of employees	2	1
Cash (Cr)	Nil	Nil
ESOPs (equity shares)	6,95,850	Nil
SARs (rights)	2,28,800	2,35,000*

* Refer to Note no. 18B–1 for explanation of split of shares.

d) **Details of Severance Pay, in Addition to Accrued Benefits, if Any.**

Year ended 31 st March, 2026	Year ended 31 st March, 2025
Nil	Nil

e) **Total Amount of Outstanding Deferred Remuneration, Split into Cash, Types of Share-Linked Instruments and Other Forms.**

	As at 31 st March, 2026	As at 31 st March, 2025
Cash (Deferred)	₹33.88 crore	₹26.54 crore
Outstanding SARs	2,612,810 rights	2,514,375 rights*
Outstanding ESOPs	4,274,035 equity shares	3,621,995 equity shares*
Outstanding PRSUs	899,750 equity shares	-

* Refer to Note no. 18B-1 for explanation of split of shares.

f) **Total Amount of Deferred Remuneration Paid Out in the Financial Year.**

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Cash (Deferred)	₹13.00 crore	₹10.39 crore
Payment towards SARs	₹47.34 crore	₹33.73 crore

g) **Breakdown of Amount of Remuneration Awards for the Financial Year to Show Fixed and Variable, Deferred and Non-Deferred.**

Fixed Pay

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Total fixed salary	₹113.57 crore	₹97.08 crore

Variable Pay

	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Deferred Variable Pay[§]		
Cash (Deferred)	₹22.49 crore	₹18.40 crore
SARs	1,263,060 rights	244,110 rights
ESOPs	1,598,150 equity shares	2,136,850 equity shares*
PRSUs	944,870 equity shares	-
Non Deferred variable pay[§]	₹27.39 crore	₹19.58 crore

[§] Details relating to variable pay pertains to remuneration awards for the financial year 2025-26 awarded in FY 2025-26.

Remuneration award for the year ended 31st March, 2026 are yet to be reviewed and approved by the Nomination and Remuneration Committee.

* Refer to Note no. 18B-1 for explanation of split of shares.



h) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.

Nil (previous year Nil)

i) Total amount of reductions during the financial year due to ex-post explicit adjustments.

Nil (previous year Nil)

j) Total amount of reductions during the financial year due to ex- post implicit adjustments.

Nil (previous year Nil)

k) Number of MRT identified

45 (previous year 34)

l) Number of cases where malus has been exercised.

Nil (previous year Nil)

m) Number of cases where clawback has been exercised.

Nil (previous year Nil)

n) Number of cases where both malus and clawback have been exercised

Nil (previous year Nil)

o) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.

Mean pay for the Bank as a whole for all employees who were in employment for the whole of FY 2025-26 and FY 2024-25 was ₹0.14 crore (previous year ₹0.13 crore).

Ratio of pay of each WTD to the mean pay for the bank as a whole

Director	Ratio	
	Year ended 31 st March, 2026	Year ended 31 st March, 2025
Mr. Ashok Vaswani	128.19X	98.76X
Mr. K.V.S. Manian	-	5.46X
Ms. Shanti Ekambaram	50.04X	50.64X
Mr. Jaideep Hansraj	54.34X	3.63X
Mr. Paritosh Kashyap	29.83X	-
Mr. Anup Saha	2.08X	-

Notes:

1. Pay includes Fixed pay + variable pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961 (excluding perquisite value of Stock Options).
2. Stock Appreciation Rights are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the Bank's stock on specified dates. Cash paid out during the year is included for the purposes of remuneration.
3. Ms. Shanti Ekambaram superannuated on 31st October, 2025, remuneration includes retirement payouts
4. Mr. KVS Manian's remuneration for FY 2024-25 is for 1 month (Resigned as JMD effective Apr' 24), hence there are no comparative details for FY 2025-26
5. Mr. Jaideep Hansraj's remuneration for the FY 2024-25 is w.e.f 11th Feb'25
6. Mr. Paritosh Kashyap appointed as a Whole-time Director (Executive Director) w.e.f 1st September, 2025
7. Mr. Anup Saha appointed as a Whole-time Director (Executive Director) w.e.f 6th March, 2026

14. OTHER DISCLOSURES:**(i) Business Ratios/Information:**

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Interest income as a percentage of working funds (A)	7.80%	8.52%
Non-Interest income as a percentage of working funds	1.63%	2.41%
Cost of deposits	4.60%	5.10%
Net Interest Margin (E)	4.60%	4.96%
Operating profit as a percentage of working funds (B) & (F)	3.10%	3.95%
Return on assets (average) (F)	1.97%	2.65%
Business (deposit plus advance) per employee (₹ in crore) (C)	13.08	10.89
Profit per employee (₹ in crore)	0.19	0.21

Definitions:

- (A) Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X, during the 12 months of the financial year.
- (B) Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).
- (C) For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.
- (D) Productivity ratios are based on average number of employees.
- (E) Net Interest Income/Average Earning Assets. Net Interest Income = Interest Income – Interest Expense
- (F) Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

(ii) Bancassurance Business:

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 st March, 2026	31 st March, 2025
1.	For selling life insurance policies	956.92	854.27
2.	For selling non life insurance policies	118.23	110.36

This Income has been reflected under Commission, exchange and brokerage under Other Income.

(iii) Marketing and Distribution (Excluding Bancassurance Business)

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 st March, 2026	31 st March, 2025
1.	Referral Fees	511.00	461.09
2.	Arrangers Fees	251.93	275.15
3.	For selling mutual fund products	393.23	355.66
4.	Other Income	11.86	10.70

Above has been reflected under Commission, exchange and brokerage under Other Income.

(iv) Disclosure Regarding Priority Sector Lending Certificates:

The amount of PSLCs (category wise) Purchased and Sold during the year:

As at 31st March, 2026:

(₹ in crore)

Sr. No.	Type of PSLCs	Purchased		Sold	
1	PSLC-Agriculture	-		3,003.00	
2	PSLC-SF/MF	16,499.00		2,180.00	
3	PSLC-Micro Enterprises	42,667.00		45,328.75	
4	PSLC-General	-		65,511.00	
TOTAL		59,166.00		116,022.75	

As at 31st March, 2025:

(₹ in crore)

Sr. No.	Type of PSLCs	Purchased	Sold
1	PSLC-Agriculture	-	4,092.00
2	PSLC-SF/MF	18,682.50	-
3	PSLC-Micro Enterprises	4,149.00	21,000.00
4	PSLC-General	-	86,000.00
TOTAL		22,831.50	111,092.00

(v) Provisions and Contingencies

Breakup of “Provisions and Contingencies” (including write-offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Provisions for Investments (including NPI) [#]	(68.06)	93.65
Provision towards NPA	3,203.45	2,576.31
Provision towards Unhedged Foreign Currency Exposure	(12.12)	23.43
Provision towards Standard Assets	406.88	305.71
General Provision-Covid-19 Deferment Cases*	(64.10)	(52.35)
Provision for country risk exposure	-	-
Provision for Current Tax	4,706.34	5,381.91
Provision for Deferred Tax	(128.32)	(247.88)
Other Provision and Contingencies	15.13	(4.39)
Total Provisions and Contingencies	8,059.20	8,076.39

[#] Includes provision/(reversal) of ₹ (71.66) crore (Previous year: ₹46.90 crore) on applicable Alternate Investments Funds (“AIF”) Investments pursuant to RBI Master Direction dated 28th November, 2025

*The Bank held an aggregate COVID-19 related provision of ₹210.20 crore as of 31st March, 2025. Based on the improved outlook and on actual collections, the Bank has reversed provisions amounting to ₹64.10 crore during the year ended 31st March, 2026 and continues to hold provision of ₹146.10 crore as at 31st March, 2026.

(vi) Implementation of IFRS Converged Indian Accounting Standards (Ind AS):

The Ministry of Finance, Government of India, had vide its press release dated 18th January, 2016 outlined the roadmap for implementation of International Financial Reporting Standards (“IFRS”) converged Indian Accounting Standards (“Ind AS”) for Scheduled Commercial Bank (excluding RRBs), Non-Banking Financial Companies and Insurance companies. The Reserve Bank of India (“RBI”) vide its circular dated 22nd March, 2019, deferred the implementation of Ind AS for Scheduled Commercial Banks (“SCB”) till further notice pending the consideration of some recommended legislative amendments by the Government of India. The RBI has not issued any further notification on implementation of Ind AS for SCBs.

The Bank is adequately prepared for implementation of IndAS as and when these become applicable to Banks. Further there may be clarifications for application, which the Bank will suitably incorporate in its implementation.

The Reserve Bank of India on 27th April, 2026 issued final guidelines for asset classification, provisioning and income recognition. These guidelines effective from 1st April, 2027 replace the extant framework based on incurred loss with an Expected Credit Loss (ECL) approach, subject to a prudential floor, while retaining the existing asset classification norms. Under the new rules, credit losses are now recognised from initial recognition of a financial asset, without waiting for a credit event to occur. The objective is to ensure that provisions better reflect the underlying credit risk over the life of an exposure, rather than reacting only after deterioration has occurred.

The estimation of expected future credit losses may incorporate historical experience, current conditions, and forward looking information. Successful adoption of ECL requires enhancements to systems, processes, data, and sound governance.

The Bank had formed Steering Committee for Ind AS implementation. The Steering Committee headed by the Whole Time Director ('WTD') comprises representatives from Finance, Risk, and Technology. The Bank prepares Proforma Ind AS Financial statements on a half yearly basis and submits to RBI.

(vii) Payment of DICGC Insurance Premium

(₹ in crore)

Sr. No.	Particulars	31 st March, 2026	31 st March, 2025
i)	Payment of DICGC Insurance Premium	611.00	539.16
ii)	Arrears in payment of DICGC Premium	-	-

(viii) Disclosure on Amortisation of Expenditure on Account of Enhancement in Family Pension of Employees of Banks

Pursuant to the revision in family pension payable to employees of the Bank covered under 11th Bi-Partite settlement and Joint Note dated 11th November, 2020, the Bank has recognised the entire additional liability of ₹ Nil in the Profit and Loss Account during the year ended 31st March, 2026 (previous year Nil). There is no unamortised expenditure in the Balance Sheet on account of Family Pension.

(ix) Disclosure of Letters of Comfort (LoCs) Issued by Banks

The Bank has not issued any letters of comfort for its subsidiaries and associates (previous year Nil).

(x) Portfolio-Level Information on the Use of Funds Raised from Green Deposits

The Bank has not yet offered green deposits to its customers.

(xi) Items Exceeding 1% of Total Assets/Total Income

- Details of items under Others (including provisions) (Schedule 5–Other Liabilities and Provisions) exceeding 1% of total assets of the Bank is Nil. (previous year Nil).
- Details of items under Others (Schedule 11–Other Assets) exceeding 1% of total assets of the Bank is Nil (previous year Nil)
- Details of items under Miscellaneous Income (Schedule 14–Other Income) exceeding 1% of total income of the Bank is Nil. (previous year Nil)
- Details of items under Other expenditure (Schedule 16–Operating Expenses) exceeding 1% of total income of the Bank are given below:

(₹ in crore)

Sr. No.	Nature of expense	Year ended	
		31 st March, 2026	31 st March, 2025
1	Professional Fees	1,485.53	1,857.07
2	Brokerage Fees	859.60	802.06

15. DIVIDEND:

The Board of Directors of the Bank have a proposed a dividend of ₹0.65 per share having a face value ₹1 for the year ended 31st March, 2026 (previous Year ₹0.50 per share). Dividend will be paid after the approval of the shareholders at the Annual General Meeting. (Refer Note 18B–1)

**B. OTHER DISCLOSURES:****1. EARNINGS PER EQUITY SHARE:**

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Reconciliation between weighted shares used in the computation of basic and diluted earnings per share		
Weighted average number of equity shares used in computation of basic earnings per share	9,943,428,400	9,940,484,350
Effect of potential equity shares for stock options outstanding	1,621,830	208,225
Weighted average number of equity shares used in computation of diluted earnings per share	9,945,050,230	9,940,692,575
Following is the reconciliation between basic and diluted earnings per share	-	-
Nominal value per share*	1.00	1.00
Basic earnings per share	14.09	16.55
Effect of potential equity shares for stock options	-	-
Diluted earnings per share	14.09	16.55
Profit for the year after tax (₹ in crore)	14,007.70	16,450.08
Earnings used in the computation of basic and diluted earnings per share (₹ in crore)	14,007.70	16,450.08

*Basis the shareholder's approval received on 26th December, 2025, the sub-division (split) of 1 (one) existing equity share having a face value of ₹5/- (Rupees Five only) each, fully paid-up, into 5 (five) equity shares having face value of ₹1/- (Rupee one only) each, fully paid-up was effective from 14th January, 2026 (the record date). The impact of the aforesaid has been considered for calculation of EPS for all the periods in accordance with the requirements of AS 20 - Earnings per share.

2. SEGMENT REPORTING:

The Summary of the operating segments of the Bank are as given below:

(₹ in crore)

Sr. No.	Particulars	31 st March, 2026	31 st March, 2025
1.	Segment Revenue		
a.	Treasury, BMU and Corporate Centre [#]	12,483.76	15,246.03
b.	Corporate/Wholesale Banking	26,158.79	24,786.28
c.	Retail Banking*	34,434.33	33,829.72
(i)	Digital Banking	2,407.59	2,171.33
(ii)	Other Retail Banking	32,026.74	31,658.39
d.	Other Banking business	-	-
	Sub-total	73,076.88	73,862.03
	Less: Inter-segmental revenue	5,889.62	5,981.17
	Total	67,187.26	67,880.86
2.	Segment Results		
a.	Treasury, BMU and Corporate Centre [#]	4,663.40	7,835.77
b.	Corporate/Wholesale Banking	8,269.11	7,890.16
c.	Retail Banking*	5,653.21	5,858.18
(i)	Digital Banking	77.63	284.45
(ii)	Other Retail Banking	5,575.58	5,573.73
d.	Other Banking business	-	-
	Sub-total	18,585.72	21,584.11
	Total Profit Before Tax	18,585.72	21,584.11
	Provision for Tax	4,578.02	5,134.03
	Total Profit After Tax	14,007.70	16,450.08
3.	Segment Assets		
a.	Treasury, BMU and Corporate Centre	251,728.16	217,430.77
b.	Corporate/Wholesale Banking	308,807.68	274,494.22

(₹ in crore)

Sr. No.	Particulars	31 st March, 2026	31 st March, 2025
c.	Retail Banking*	499,201.58	443,829.55
(i)	Digital Banking	221.25	52.99
(ii)	Other Retail Banking	498,980.33	443,776.56
d.	Other Banking business	-	-
	Sub-total	1,059,737.42	9,35,754.54
	Less: Inter-segmental Assets	276,734.66	242,130.36
	Total	783,002.76	6,93,624.18
	Add: Unallocated Assets	-	-
	Total Assets as per Balance Sheet	783,002.76	693,624.18
4.	Segment Liabilities		
a.	Treasury, BMU and Corporate Centre	205,099.03	177,867.83
b.	Corporate/Wholesale Banking	272,372.91	244,021.51
c.	Retail Banking*	445,584.36	395,970.73
(i)	Digital Banking	25,490.96	19,063.17
(ii)	Other Retail Banking	420,093.40	376,907.56
d.	Other Banking business	-	-
	Sub-total	923,056.30	817,860.07
	Less: Inter-segmental Liabilities	276,734.66	242,130.36
	Total	646,321.64	575,729.71
	Add: Unallocated liabilities	1,482.53	748.85
	Add: Share Capital & Reserves & surplus	135,198.59	117,145.62
	Total Capital & Liabilities as per Balance Sheet	783,002.76	6,93,624.18
5.	Capital Expenditure[^]		
a.	Treasury, BMU and Corporate Centre	145.48	228.27
b.	Corporate/Wholesale Banking	113.75	78.06
c.	Retail Banking	603.61	641.50
d.	Other Banking business	-	-
	Total	862.84	947.83
6.	Depreciation/Amortisation[^]		
a.	Treasury, BMU and Corporate Centre	186.25	151.11
b.	Corporate/Wholesale Banking	72.29	59.19
c.	Retail Banking	560.10	518.39
d.	Other Banking business	-	-
	Total	818.64	728.69

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions.

Segment results are net of segment revenue and segment expenses including interdivisional items.

*RBI's Master Direction on Financial Statements-Presentation and Disclosures, requires to divide the 'Retail banking' into (a) Digital Banking (as defined in Reserve Bank of India (Commercial Banks-Branch Authorisation) Directions, 2025 dated 28th November 2025) and (b) Other Retail Banking segment.

[#] Including exceptional item [Refer note 16-Schedule 18B]

[^] Including Exchange gain/(loss) during the year.

3. LEASE DISCLOSURES:

- The Bank has taken various premises and equipment under operating lease. The lease payments recognised in the Profit and Loss Account are ₹872.02 crore (previous year ₹836.81 crore). The sub-lease income recognised in the Profit and Loss Account is ₹17.43 crore (previous year ₹14.17 crore).
- The future minimum lease payments under non-cancellable operating lease – not later than one year is ₹757.04 crore (previous year ₹732.88 crore), later than one year but not later than five years is ₹2,180.91 crore (previous year ₹2,194.07 crore) and later than five years ₹981.17 crore (previous year ₹928.92 crore).

The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by lease arrangements. There are escalation clauses in the lease agreements.



4. DEFERRED TAXES:

“Others” in Other Liabilities (Schedule 5 (VI)) includes deferred tax liability (net) of ₹648.94 crore (previous year ₹110.52 crore).

The components of the same are as follows:

(₹ in crore)

Particulars of Asset/(Liability)	Year Ended	
	31 st March, 2026	31 st March, 2025
Provision for NPA and General provisions	860.57	652.95
Expenditure allowed on payment basis	162.30	157.66
Depreciation	67.81	41.74
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	(391.78)	(281.77)
Investments	(1,347.84)	(681.10)
Net Deferred Tax (Liability)/Asset	(648.94)	(110.52)

5. PROVISIONS:

Given below is the movement in provisions recognised by the Bank:

a) Credit Card & Debit Card Reward Points:

The following table sets forth, for the periods indicated, movement in actuarially determined provision for credit card and debit card account reward points:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Opening provision for reward points	135.99	124.12
Add :Provision for reward points made during the year	187.83	267.42
Less :Utilisation/write-back of provision for reward points	(202.90)	(255.55)
Closing provision for reward points*	120.92	135.99

* This amount will be utilised towards redemption of the credit card & debit card accounts reward points.

b) Legal:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Opening Provision	34.37	35.08
Add: Addition during the year	14.73	0.61
Less: Reduction during the year	(13.35)	(1.32)
Closing Provision	35.75	34.37

c) Fraud and Other Provisions:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Opening Provision	35.20	45.99
Add: Addition during the year	159.87	16.26
Less: Reduction during the year	(14.61)	(27.05)
Closing Provision	180.46	35.20

6. FIXED ASSETS AS PER SCHEDULE 10 B INCLUDE INTANGIBLE ASSETS RELATING TO PURCHASED SOFTWARE AND SYSTEM DEVELOPMENT EXPENDITURE WHICH ARE AS FOLLOWS:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Gross Block		
At cost on 31 st March of the preceding year	1,165.23	1,020.73
Add: Additions/Exchange gain/(loss) during the year	408.65	144.50
Less: Deductions during the year	-	-
Total	1,573.88	1,165.23
Depreciation/Amortisation		
As at 31 st March of the preceding year	942.57	780.06
Add: Charge/Exchange gain/(loss) for the year	216.24	162.51
Less: Deductions during the year	-	-
Depreciation to date	1,158.81	942.57
Net Block	415.07	222.66

Capital commitments for purchase of software and system development expenditure are ₹178.12 crore (previous year ₹166.51 crore).

7. RELATED PARTY DISCLOSURES:

As per Accounting Standard-18, Related Party Disclosure, the Bank's related parties are disclosed below:

A. Parties Where Control Exists:

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited
	Kotak Securities Limited
	Kotak Mahindra Capital Company Limited
	Kotak Mahindra Life Insurance Company Limited
	Kotak Mahindra Investments Limited
	Kotak Mahindra Asset Management Company Limited
	Kotak Mahindra Trustee Company Limited
	Kotak Mahindra (International) Limited
	Kotak Mahindra (UK) Limited
	Kotak Mahindra Inc.
	Kotak Alternate Asset Managers Limited
	Kotak Mahindra Trusteeship Services Limited
	Kotak Infrastructure Debt Fund Limited
	Kotak Mahindra Pension Fund Limited
	Kotak Mahindra Financial Services Limited
	Kotak Mahindra Asset Management (Singapore) Pte. Limited
	IVY Product Intermediaries Limited
	BSS Sonata Microcredit Limited (formerly known as BSS Microfinance Limited; wef 1 st April, 2025 Sonata Finance Private Limited merged with BSS Microfinance Limited)
	Kotak Karma Foundation


B. Other Related Parties:

Nature of relationship	Related Party
Associates/Others	Phoenix ARC Limited (formerly known as Phoenix ARC Private Limited) Zurich Kotak General Insurance Company (India) Limited (formerly known as Kotak Mahindra General Insurance Company Limited) – (Subsidiary upto 17 th June, 2024, Associate wef 18 th June, 2024) ING Vysya Foundation
Individual having significant influence over the enterprise	Mr. Uday S. Kotak, Promoter along with the persons/entities forming part of the Promoter Group, holds 25.87% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2026.
Key Management Personnel (KMP)	Mr. Uday S. Kotak - Non Executive Director Mr. Ashok Vaswani - Managing Director & CEO Mr. KVS Manian - Joint Managing Director (upto 30 th April, 2024) Ms. Shanti Ekambaram - Deputy Managing Director (upto 31 st October, 2025) Mr. Jaideep Hansraj - Whole-Time Director (wef 11 th February, 2025) Mr. Paritosh Kashyap - Whole-time Director (wef 1 st September, 2025) Mr. Anup Kumar Saha - Whole-time Director (wef 6 th March, 2026)
Enterprises over which KMP/Individual having Significant influence over Bank relatives of such personnel; have control / significant influence	Aero Agencies Private Limited Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited. Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodity Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF KF Trust Kotak Family Foundation Helena Realty Private Limited Doreen Realty Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd August, 2024) (Renato Realty Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd August, 2024) Pine Tree Estates Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd August, 2024) Meluha Developers Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd August, 2024) Quantyco Realty Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd August, 2024) Xanadu Properties Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd August, 2024)

Nature of relationship	Related Party
Relatives of KMP/Individual having Significant influence over the Bank	Laburnum Adarsh Trust
	Manian Family Trust (upto 30 th April, 2024)
	Kotak Mahindra Group Employee Welfare Trust
	TML Benefit Trust
	Amrit Lila Enterprises Private Limited
	Manians Family Trust II (upto 30 th April, 2024)
	USK Benefit Trust III
	Kudin Trusteeship Services Private Limited
	Shanti Family Trust (upto 31 st October, 2025)
	Shivkaran Trust (upto 31 st October, 2025)
	Oneleap Educonnect Private Limited (upto 23 rd January, 2026)
	Niraant Aviation Private Limited (wef 29 th June, 2024)
	Anukriya Foundation (wef 11 th February, 2025)
	USK Capital Partners
	Infina Finance Private Limited (Associate upto 23 rd March, 2026)
	Ms. Pallavi Kotak
	Mr. Suresh Kotak
	Ms. Indira Kotak
	Mr. Jay Kotak
	Mr. Dhawal Kotak
	Ms. Aarti Chandaria
	Ms. Aditi Arya
	Ms. Seetha Krishnan (upto 30 th April, 2024)
	Ms. Lalitha Mohan (upto 30 th April, 2024)
	Ms. Shruti Manian (upto 30 th April, 2024)
	Mr. Shashank Manian (upto 30 th April, 2024)
	Mr. Ramesh Krishnan (upto 30 th April, 2024)
	Ms. Vanathi Gopalakrishnan (upto 30 th April, 2024)
	Ms. G. Saraswathi (upto 31 st October, 2025)
	Ms. Shobha Srivastava (upto 31 st October, 2025)
	Ms. Archana Jaideep Hansraj (wef 11 th February, 2025)
	Mr. Rahul Jaideep Hansraj (wef 11 th February, 2025)
	Ms. Sanjana Hansraj (wef 11 th February, 2025)
	Mr. Sanjeev Hansraj (wef 11 th February, 2025)
	Mr. Varun Dinkar Gogri (wef 11 th February, 2025)
	Ms. Veena Vaswani
	Ms. Usha Kashyap (wef 1 st September, 2025)
	Ms. Aditi Kashyap (wef 1 st September, 2025)
	Ms. Vibhuti Kashyap (wef 1 st September, 2025)
	Mr. Ashutosh Kashyap (wef 1 st September, 2025)
	Ms. Sunita Soni (wef 1 st September, 2025)
	Mr. Ronak Saha (wef 6 th March, 2026)

Details of Related Party Transactions as at/for the year ended 31st March, 2026:

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Liabilities						
Deposits	5,516.54 (4,348.42)	82.95 (150.58)	30.82 (7.68)	113.98 (247.58)	136.59 (161.07)	5,880.88 (4,915.33)
Borrowings	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Payable	21.38 (21.47)	0.01 (0.02)	0.02 (#)	0.88 (1.70)	0.43 (0.74)	22.72 (23.93)
Other Payables	82.23 (226.86)	2.46 (1.64)	- (-)	0.01 (#)	- (-)	84.70 (228.50)
Assets						
Advances	1,031.39 (716.21)	# (10.31)	5.39 (5.77)	1.51 (1.35)	1.85 (1.37)	1,040.14 (735.01)
Investments–Gross	3,065.34 (3,065.34)	321.82 (321.82)	- (-)	# (#)	- (-)	3,387.16 (3,387.16)
Commission Receivable	181.05 (200.01)	14.12 (16.71)	- (-)	- (-)	- (-)	195.17 (216.72)
Others Receivables	224.00 (169.41)	3.22 (97.70)	0.03 (0.03)	# (0.01)	0.01 (0.01)	227.26 (267.16)
Non Funded Commitments						
Bank Guarantees	0.82 (10.72)	- (-)	- (-)	1.13 (1.13)	- (-)	1.95 (11.85)
Swaps/Forward contracts	100.00 (100.00)	- (-)	- (-)	- (-)	- (-)	100.00 (100.00)
Expenses						
Salaries/fees (Include ESOP/ SARs)	- (-)	- (-)	40.76 (22.07)	- (-)	0.65 (0.61)	41.41 (22.68)
Interest Expense	207.50 (181.69)	0.13 (0.39)	0.42 (3.73)	5.40 (6.76)	10.82 (12.28)	224.27 (204.85)
Expenses for services received	473.53 (995.73)	70.04 (7.68)	- (-)	2.30 (2.38)	- (-)	545.87 (1,005.79)
Income						
Dividend	448.52 (380.00)	- (-)	- (-)	- (-)	- (-)	448.52 (380.00)
Interest Income	56.30 (65.03)	0.46 (1.89)	0.44 (0.08)	0.01 (0.06)	0.10 (0.03)	57.31 (67.09)
Income from services rendered	1,522.60 (2,016.85)	119.21 (112.13)	0.01 (0.01)	0.11 (0.20)	0.01 (0.02)	1,641.94 (2,129.21)
Other Transactions						
Sale of Investments	465.71 (995.00)	- (-)	- (-)	- (-)	- (-)	465.71 (995.00)
Purchase of Investments	413.47 (705.30)	- (-)	- (-)	- (-)	- (-)	413.47 (705.30)
Loan Disbursed During the Year	10,190.00 (7,261.42)	- (-)	- (-)	- (-)	- (-)	10,190.00 (7,261.42)
Loan Repaid During the Year	9,875.00 (6,946.42)	10.31 (15.00)	- (-)	- (-)	- (-)	9,885.31 (6,961.42)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Assignment Portfolio Buyout During the year	-	-	-	-	-	-
	(348.88)	(-)	(-)	(-)	(-)	(348.88)
Purchase/Acquisition of Business Asset	49.27	-	-	-	-	49.27
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	128.16	0.13	0.83	129.12
	(-)	(-)	(102.47)	(0.10)	(0.67)	(103.24)
Reimbursement to companies	33.20	-	-	-	-	33.20
	(42.91)	(0.28)	(-)	(-)	(-)	(43.19)
Reimbursement from companies	161.33	0.02	-	(0.01)	-	161.34
	(150.02)	(1.73)	(-)	(0.01)	(-)	(151.76)
Purchase of Fixed assets	0.33	-	-	-	-	0.33
	(0.61)	(-)	(-)	(-)	(-)	(0.61)
Sale of Fixed assets	0.36	-	-	-	-	0.36
	(1.19)	(-)	(-)	(-)	(-)	(1.19)
Swaps/Forward contracts	293.45	43.63	3.90	69.69	19.30	429.97
	(339.24)	(0.70)	(3.50)	(26.40)	(23.97)	(393.81)
Guarantees/Lines of credit	1.10	-	-	1.00	-	2.10
	(10.22)	(-)	(-)	(-)	(-)	(10.22)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	2.43	-	-	-	-	2.43
	(0.66)	(-)	(-)	(-)	(-)	(0.66)
BSS Sonata Microcredit Limited	74.66	-	-	-	-	74.66
	(191.59)	(-)	(-)	(-)	(-)	(191.59)
Kotak Securities Limited	2.40	-	-	-	-	2.40
	(26.66)	(-)	(-)	(-)	(-)	(26.66)
Kotak Alternate Asset Managers Limited	0.33	-	-	-	-	0.33
	(3.35)	(-)	(-)	(-)	(-)	(3.35)
Kotak Mahindra (UK) Limited	2.15	-	-	-	-	2.15
	(3.86)	(-)	(-)	(-)	(-)	(3.86)
Zurich Kotak General Insurance Company (India) Limited	-	2.46	-	-	-	2.46
	(-)	(1.64)	(-)	(-)	(-)	(1.64)
Others	0.26	-	-	0.01	-	0.27
	(0.75)	(-)	(-)	(#)	(-)	(0.75)
II. Assets:						
Investments						
Kotak Mahindra Life Insurance Company Limited	1,557.20	-	-	-	-	1,557.20
	(1,557.20)	(-)	(-)	(-)	(-)	(1,557.20)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Kotak Mahindra Capital Company Limited	65.14	-	-	-	-	65.14
	(65.14)	(-)	(-)	(-)	(-)	(65.14)
BSS Sonata Microcredit Limited	675.69	-	-	-	-	675.69
	(675.69)	(-)	(-)	(-)	(-)	(675.69)
Kotak Mahindra Investments Limited	338.03	-	-	-	-	338.03
	(338.03)	(-)	(-)	(-)	(-)	(338.03)
Zurich Kotak General Insurance Company (India) Limited	-	321.82	-	-	-	321.82
	(-)	(321.82)	(-)	(-)	(-)	(321.82)
Kotak Infrastructure Debt Fund Limited	91.49	-	-	-	-	91.49
	(91.49)	(-)	(-)	(-)	(-)	(91.49)
Kotak Alternate Asset Managers Limited	228.24	-	-	-	-	228.24
	(228.24)	(-)	(-)	(-)	(-)	(228.24)
Kotak Mahindra Asset Management Company Limited	29.80	-	-	-	-	29.80
	(29.80)	(-)	(-)	(-)	(-)	(29.80)
Kotak Mahindra Inc.	15.20	-	-	-	-	15.20
	(15.20)	(-)	(-)	(-)	(-)	(15.20)
Kotak Mahindra Pension Fund Limited	30.23	-	-	-	-	30.23
	(30.23)	(-)	(-)	(-)	(-)	(30.23)
Others	34.32	-	-	#	-	34.32
	(34.32)	(-)	(-)	(#)	(-)	(34.32)
Commission Receivable						
Kotak Mahindra Life Insurance Company Limited	181.05	-	-	-	-	181.05
	(200.01)	(-)	(-)	(-)	(-)	(200.01)
Zurich Kotak General Insurance Company (India) Limited	-	14.12	-	-	-	14.12
	(-)	(16.71)	(-)	(-)	(-)	(16.71)
Others Receivable						
Kotak Mahindra Prime Limited	20.46	-	-	-	-	20.46
	(15.86)	(-)	(-)	(-)	(-)	(15.86)
Kotak Securities Limited	24.00	-	-	-	-	24.00
	(20.78)	(-)	(-)	(-)	(-)	(20.78)
Kotak Alternate Asset Managers Limited	73.36	-	-	-	-	73.36
	(66.63)	(-)	(-)	(-)	(-)	(66.63)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Kotak Mahindra Investments Limited	1.33	-	-	-	-	1.33
	(0.92)	(-)	(-)	(-)	(-)	(0.92)
Kotak Mahindra Life Insurance Company Limited	34.64	-	-	-	-	34.64
	(28.74)	(-)	(-)	(-)	(-)	(28.74)
Kotak Infrastructure Debt Fund Limited	0.10	-	-	-	-	0.10
	(0.26)	(-)	(-)	(-)	(-)	(0.26)
BSS Sonata Microcredit Limited	50.89	-	-	-	-	50.89
	(21.67)	(-)	(-)	(-)	(-)	(21.67)
Kotak Mahindra Asset Management Company Limited	6.96	-	-	-	-	6.96
	(8.35)	(-)	(-)	(-)	(-)	(8.35)
Zurich Kotak General Insurance Company (India) Limited	-	3.22	-	-	-	3.22
	(-)	(97.57)	(-)	(-)	(-)	(97.57)
Phoenix ARC Limited	-	-	-	-	-	-
	(-)	(0.12)	(-)	(-)	(-)	(0.12)
Kotak Mahindra (International) Limited	6.43	-	-	-	-	6.43
	(4.19)	(-)	(-)	(-)	(-)	(4.19)
Kotak Mahindra Capital Company Limited	5.06	-	-	-	-	5.06
	(1.31)	(-)	(-)	(-)	(-)	(1.31)
Others	0.77	-	0.03	#	0.01	0.81
	(0.70)	(-)	(0.03)	(0.02)	(0.01)	(0.76)
Non Funded Commitments						
Bank Guarantees						
Kotak Mahindra Life Insurance Company Limited	0.27	-	-	-	-	0.27
	(0.27)	(-)	(-)	(-)	(-)	(0.27)
Kotak Securities Limited	0.15	-	-	-	-	0.15
	(0.10)	(-)	(-)	(-)	(-)	(0.10)
Aero Agencies Private Limited	-	-	-	1.00	-	1.00
	(-)	(-)	(-)	(1.00)	(-)	(1.00)
Kotak Mahindra Prime Limited	0.35	-	-	-	-	0.35
	(0.35)	(-)	(-)	(-)	(-)	(0.35)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Kotak Alternate Asset Managers Limited	0.05	-	-	-	-	0.05
	(10.00)	(-)	(-)	(-)	(-)	(10.00)
Others	-	-	-	0.13	-	0.13
	(-)	(-)	(-)	(0.13)	(-)	(0.13)
Swaps/Forward contracts						
Kotak Mahindra Prime Limited	100.00	-	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(-)	(100.00)
III. Expenses:						
Salaries/fees (Include ESOP)						
Mr. Uday Kotak	-	-	0.81	-	-	0.81
	(-)	(-)	(0.69)	(-)	(-)	(0.69)
Mr. Jaideep Hansraj	-	-	8.74	-	-	8.74
	(-)	(-)	(0.76)	(-)	(-)	(0.76)
Mr. Anup Kumar Saha	-	-	1.08	-	-	1.08
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. KVS Manian	-	-	-	-	-	-
	(-)	(-)	(-0.53)	(-)	(-)	(-0.53)
Mr. Paritosh Kashyap	-	-	3.28	-	-	3.28
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Shanti Ekambaram	-	-	7.51	-	-	7.51
	(-)	(-)	(7.01)	(-)	(-)	(7.01)
Mr. Ashok Vaswani	-	-	19.34	-	-	19.34
	(-)	(-)	(14.14)	(-)	(-)	(14.14)
Mr. Jay Kotak	-	-	-	-	0.65	0.65
	(-)	(-)	(-)	(-)	(0.61)	(0.61)
Expenses for services received						
Kotak Securities Limited	0.40	-	-	-	-	0.40
	(1.08)	(-)	(-)	(-)	(-)	(1.08)
Kotak Mahindra Life Insurance Company Limited	14.75	-	-	-	-	14.75
	(16.31)	(-)	(-)	(-)	(-)	(16.31)
Zurich Kotak General Insurance Company (India) Limited	-	70.04	-	-	-	70.04
	(-)	(7.68)	(-)	(-)	(-)	(7.68)
Kotak Mahindra Prime Limited	0.72	-	-	-	-	0.72
	(0.16)	(-)	(-)	(-)	(-)	(0.16)
Aero Agencies Private Limited	-	-	-	2.30	-	2.30
	(-)	(-)	(-)	(2.38)	(-)	(2.38)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Business Standard Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(#)	(-)	(#)
BSS Sonata Microcredit Limited	454.11	-	-	-	-	454.11
	(974.26)	(-)	(-)	(-)	(-)	(974.26)
Kotak Alternate Asset Managers Limited	3.48	-	-	-	-	3.48
	(3.82)	(-)	(-)	(-)	(-)	(3.82)
Kotak Mahindra (UK) Limited	0.07	-	-	-	-	0.07
	(0.10)	(-)	(-)	(-)	(-)	(0.10)
IV. Income:						
Dividend						
Kotak Mahindra Capital Company Limited	63.57	-	-	-	-	63.57
	(42.95)	(-)	(-)	(-)	(-)	(42.95)
Kotak Mahindra Life Insurance Company Limited	225.93	-	-	-	-	225.93
	(176.82)	(-)	(-)	(-)	(-)	(176.82)
Kotak Mahindra Asset Management Company Limited	95.36	-	-	-	-	95.36
	(111.75)	(-)	(-)	(-)	(-)	(111.75)
Kotak Mahindra Prime Limited	16.04	-	-	-	-	16.04
	(12.48)	(-)	(-)	(-)	(-)	(12.48)
Kotak Mahindra Investments Limited	5.62	-	-	-	-	5.62
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Securities Limited	42.00	-	-	-	-	42.00
	(36.00)	(-)	(-)	(-)	(-)	(36.00)
Income from services rendered						
Kotak Mahindra Life Insurance Company Limited	999.92	-	-	-	-	999.92
	(910.85)	(-)	(-)	(-)	(-)	(910.85)
Zurich Kotak General Insurance Company (India) Limited	-	119.18	-	-	-	119.18
	(-)	(112.12)	(-)	(-)	(-)	(112.12)
Kotak Securities Limited	246.42	-	-	-	-	246.42
	(258.64)	(-)	(-)	(-)	(-)	(258.64)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Kotak Mahindra Capital Company Limited	22.58	-	-	-	-	22.58
	(15.21)	(-)	(-)	(-)	(-)	(15.21)
Kotak Mahindra Asset Management Company Limited	32.21	-	-	-	-	32.21
	(27.16)	(-)	(-)	(-)	(-)	(27.16)
Kotak Mahindra Prime Limited	44.78	-	-	-	-	44.78
	(41.45)	(-)	(-)	(-)	(-)	(41.45)
Kotak Alternate Asset Managers Limited	154.38	-	-	-	-	154.38
	(103.64)	(-)	(-)	(-)	(-)	(103.64)
BSS Sonata Microcredit Limited	1.59	-	-	-	-	1.59
	(642.68)	(-)	(-)	(-)	(-)	(642.68)
Others	20.72	0.03	0.01	0.11	0.01	20.88
	(17.22)	(0.01)	(0.01)	(0.20)	(0.02)	(17.46)
V. Other Transactions:						
Sale of Investment						
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(150.00)	(-)	(-)	(-)	(-)	(150.00)
Kotak Mahindra Investments Limited	-	-	-	-	-	-
	(150.00)	(-)	(-)	(-)	(-)	(150.00)
Kotak Mahindra (UK) Limited	390.09	-	-	-	-	390.09
	(695.00)	(-)	(-)	(-)	(-)	(695.00)
Kotak Mahindra Life Insurance Company Limited	75.62	-	-	-	-	75.62
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investments						
Kotak Mahindra (UK) Limited	413.47	-	-	-	-	413.47
	(705.30)	(-)	(-)	(-)	(-)	(705.30)
Loan Disbursed During the Year						
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(261.42)	(-)	(-)	(-)	(-)	(261.42)
Kotak Securities Limited	10,190.00	-	-	-	-	10,190.00
	(7,000.00)	(-)	(-)	(-)	(-)	(7,000.00)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Loan Repaid During the Year						
Kotak Mahindra Investments Limited	60.00	-	-	-	-	60.00
	(60.00)	(-)	(-)	(-)	(-)	(60.00)
Kotak Securities Limited	9,815.00	-	-	-	-	9,815.00
	(6,875.00)	(-)	(-)	(-)	(-)	(6,875.00)
Phoenix ARC Limited	-	10.31	-	-	-	10.31
	(-)	(15.00)	-	-	-	(15.00)
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(11.42)	(-)	(-)	(-)	(-)	(11.42)
Assignment Portfolio Buyout During the year						
BSS Sonata Microcredit Limited	-	-	-	-	-	-
	(348.88)	(-)	(-)	(-)	(-)	(348.88)
Purchase/Acquisition of Business Asset						
Kotak Alternate Asset Managers Limited	49.27	-	-	-	-	49.27
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend Paid						
Mr. Uday Kotak	-	-	127.76	-	-	127.76
	(-)	(-)	(102.20)	(-)	(-)	(102.20)
Ms. Shanti Ekambaram	-	-	0.33	-	-	0.33
	(-)	(-)	(0.27)	(-)	(-)	(0.27)
Ms. Pallavi Kotak	-	-	-	-	0.28	0.28
	(-)	(-)	(-)	(-)	(0.22)	(0.22)
Mr. Jaideep Hansraj	-	-	0.07	-	-	0.07
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Indira Kotak	-	-	-	-	0.50	0.50
	(-)	(-)	(-)	(-)	(0.40)	(0.40)
Others	-	-	#	0.13	0.05	0.18
	(-)	(-)	(-)	(0.10)	(0.05)	(0.15)
Reimbursement to companies						
Kotak Mahindra Capital Company Limited	1.93	-	-	-	-	1.93
	(7.58)	(-)	(-)	(-)	(-)	(7.58)
Kotak Mahindra Prime Limited	5.57	-	-	-	-	5.57
	(6.58)	(-)	(-)	(-)	(-)	(6.58)
Kotak Securities Limited	11.12	-	-	-	-	11.12
	(14.95)	(-)	(-)	(-)	(-)	(14.95)
Kotak Mahindra Life Insurance Company Limited	0.79	-	-	-	-	0.79
	(0.22)	(-)	(-)	(-)	(-)	(0.22)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Kotak Alternate Asset Managers Limited	2.67	-	-	-	-	2.67
	(1.70)	(-)	(-)	(-)	(-)	(1.70)
Kotak Mahindra Investments Limited	0.25	-	-	-	-	0.25
	(2.93)	(-)	(-)	(-)	(-)	(2.93)
Kotak Mahindra (International) Limited	0.89	-	-	-	-	0.89
	(-)	(-)	(-)	(-)	(-)	(-)
BSS Sonata Microcredit Limited	0.02	-	-	-	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra (UK) Limited	9.92	-	-	-	-	9.92
	(8.69)	(-)	(-)	(-)	(-)	(8.69)
Others	0.04	-	-	-	-	0.04
	(0.26)	(0.28)	(-)	(-)	(-)	(0.54)
Reimbursement from companies						
Kotak Mahindra Capital Company Limited	11.37	-	-	-	-	11.37
	(11.89)	(-)	(-)	(-)	(-)	(11.89)
Kotak Mahindra Prime Limited	43.08	-	-	-	-	43.08
	(38.12)	(-)	(-)	(-)	(-)	(38.12)
Kotak Mahindra Life Insurance Company Limited	14.32	-	-	-	-	14.32
	(11.72)	(-)	(-)	(-)	(-)	(11.72)
Kotak Securities Limited	36.64	-	-	-	-	36.64
	(40.32)	(-)	(-)	(-)	(-)	(40.32)
Kotak Mahindra Investments Limited	8.63	-	-	-	-	8.63
	(8.26)	(-)	(-)	(-)	(-)	(8.26)
Kotak Mahindra Asset Management Company Limited	12.41	-	-	-	-	12.41
	(13.41)	(-)	(-)	(-)	(-)	(13.41)
Kotak Alternate Asset Managers Limited	12.52	-	-	-	-	12.52
	(10.33)	(-)	(-)	(-)	(-)	(10.33)
Kotak Mahindra Asset Management (Singapore) Pte. Limited	9.62	-	-	-	-	9.62
	(5.24)	(-)	(-)	(-)	(-)	(5.24)
Zurich Kotak General Insurance Company (India) Limited	-	0.02	-	-	-	0.02
	(-)	(1.73)	(-)	(-)	(-)	(1.73)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Others	12.74 (10.73)	# (#)	- (-)	- 0.01 (0.01)	- (-)	12.73 (10.74)
Purchase of Fixed Assets						
Kotak Mahindra Prime Limited	# (#)	- (-)	- (-)	- (-)	- (-)	# (#)
Kotak Mahindra Investments Limited	- (0.41)	- (-)	- (-)	- (-)	- (-)	- (0.41)
Kotak Alternate Asset Managers Limited	0.33 (0.18)	- (-)	- (-)	- (-)	- (-)	0.33 (0.18)
Kotak Mahindra Asset Management Company Limited	# (0.02)	- (-)	- (-)	- (-)	- (-)	# (0.02)
Sale of Fixed Assets						
Kotak Alternate Asset Managers Limited	0.01 (0.34)	- (-)	- (-)	- (-)	- (-)	0.01 (0.34)
Kotak Mahindra Asset Management Company Limited	- (#)	- (-)	- (-)	- (-)	- (-)	- (#)
Kotak Mahindra Investments Limited	# (0.48)	- (-)	- (-)	- (-)	- (-)	# (0.48)
Kotak Mahindra Prime Limited	0.19 (0.37)	- (-)	- (-)	- (-)	- (-)	0.19 (0.37)
Kotak Securities Limited	0.16 (-)	- (-)	- (-)	- (-)	- (-)	0.16 (-)
Swaps/Forwards/ Options Contracts						
Zurich Kotak General Insurance Company (India) Limited	- (-)	43.63 (0.70)	- (-)	- (-)	- (-)	43.63 (0.70)
Kotak Mahindra Investments Limited	0.03 (100.02)	- (-)	- (-)	- (-)	- (-)	0.03 (100.02)
Kotak Mahindra Life Insurance Company Limited	46.60 (52.70)	- (-)	- (-)	- (-)	- (-)	46.60 (52.70)
Kotak Alternate Asset Managers Limited	33.82 (27.54)	- (-)	- (-)	- (-)	- (-)	33.82 (27.54)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/Individual having Significant influence over the Bank/relative of such personnel have control/ significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
Kotak Mahindra Asset Management Company Limited	7.64	-	-	-	-	7.64
	(7.99)	(-)	(-)	(-)	(-)	(7.99)
Kotak Mahindra Capital Company Limited	71.01	-	-	-	-	71.01
	(35.33)	(-)	(-)	(-)	(-)	(35.33)
Kotak Securities Limited	134.18	-	-	-	-	134.18
	(114.90)	(-)	(-)	(-)	(-)	(114.90)
Niraant Aviation Private Limited	-	-	-	64.23	-	64.23
	(-)	(-)	(-)	(11.17)	(-)	(11.17)
Dhawal Kotak	-	-	-	-	14.98	14.98
	(-)	(-)	(-)	(-)	(14.06)	(14.06)
Others	0.17	-	3.90	5.46	4.32	13.85
	(0.76)	(-)	(3.50)	(15.23)	(9.91)	(29.40)
Guarantees/Lines of Credits						
Kotak Alternate Asset Managers Limited	1.05	-	-	-	-	1.05
	(10.10)	(-)	(-)	(-)	(-)	(10.10)
Kotak Securities Limited	0.05	-	-	-	-	0.05
	(-)	(-)	(-)	(-)	(-)	(-)
Aero Agencies Private Limited	-	-	-	1.00	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Life Insurance Company Limited	-	-	-	-	-	-
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(0.10)	(-)	(-)	(-)	(-)	(0.10)

Note:

- Figures in brackets represent previous year's figures.
- The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.
- # in the above table denotes amounts less than ₹50,000
- Remuneration paid to KMPs is pursuant to approval from RBI (excluding value of employee stock options exercised during the year).
- Previous year figures are re-grouped, re-arranged wherever required.

Maximum Balance Outstanding During the year

(₹ in crore)

Particulars	Subsidiary Companies	Associates/ Others	KMP/ Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank/Relative of KMP have control/ significant influence	Relatives of KMP/Individual having Significant influence over Bank
Liabilities					
Deposits ¹	11,888.95	455.81	129.90	804.51	184.54
	(14,998.96)	(250.92)	(132.36)	(654.35)	(239.28)
Borrowings ¹	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)
Other Liabilities ²	204.59	2.51	0.02	1.11	0.86
	(260.73)	(5.89)	(#)	(1.72)	(1.50)
Assets					
Advances ¹	2,244.04	10.33	6.69	3.15	2.31
	(2,087.95)	(25.31)	(5.83)	(1.41)	(1.68)
Investments–Gross ¹	3,065.34	321.82	-	#	-
	(3,359.92)	(875.00)	(-)	(#)	(-)
Commission Receivable ²	181.05	14.12	-	-	-
	(200.01)	(16.71)	(-)	(-)	(-)
Others Assets ²	355.66	83.43	0.03	#	0.01
	(321.57)	(101.95)	(0.03)	(2.28)	(0.01)
Non Funded Commitments					
Bank Guarantees ¹	10.77	-	-	1.13	-
	(10.75)	(-)	(-)	(1.13)	(-)
Swaps/Forward contracts ¹	141.60	9.74	1.45	65.76	12.54
	(238.75)	(0.37)	(3.47)	(15.45)	(15.63)

Notes

1. Maximum balance is determined based on comparison of total daily outstanding balances at party level during the financial year.
2. Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year
3. Figures in brackets represent figures for corresponding period in previous year.
4. # in the above table denotes amounts less than ₹50,000.
5. Previous year figures are re-grouped, re-arranged wherever required.

8. EMPLOYEE SHARE BASED PAYMENTS:**Employee Stock Option Scheme (ESOP)**

The shareholders of the Bank passed Special Resolutions on 29th June, 2015 and 22nd December, 2023, respectively, to grant options to the eligible employees of the Bank and its subsidiaries. Pursuant to these resolutions, the Kotak Mahindra Equity Option Scheme 2015 and Kotak Mahindra Equity Option Scheme 2023 have been formulated and adopted, respectively. The Kotak Mahindra Equity Option Scheme 2015 is operational only to the extent of treatment of options granted till 22nd December, 2023 and Kotak Mahindra Equity Option Scheme 2023 is currently in force.

Performance Linked Restricted Stock Units (PRSU)

The shareholders of the Bank passed Special Resolution on 20th February, 2025, to grant performance linked restricted stock units to the eligible employees of the Bank and its concerned subsidiaries. Pursuant to these resolutions, the Kotak Mahindra Performance Linked Restricted Stock Unit Scheme 2025 has been formulated and adopted and is currently in force.



Equity-settled options/units

The Bank has granted options/units to employees of the Group vide various schemes. During the year ended 31st March, 2026, the following schemes were in operation:

	ESOP Scheme 2015	ESOP Scheme 2023	PRSU Scheme 2025
Date of grant	Various Dates	Various Dates	Various Dates
Date of Board Approval	Various Dates	Various Dates	Various Dates
Date of Shareholder's approval	29 th June, 2015	22 nd December, 2023	20 th February, 2025
Number of options granted (since inception) (post split)	105,404,815	12,591,585*	3,757,500
Method of Settlement (Cash/Equity)	Equity	Equity	Equity
Vesting Period	0.01 – 4.16 years	1.01 – 4.11 years	1.45 – 4.68 years
Exercise Period	0.03 – 1.00 years	0.50 – 1.00 years	1 year
Vesting Conditions	Graded/Cliff vesting	Graded/Cliff vesting	Graded/Cliff vesting

* Net-off 182,450 options which were unallocated and stood cancelled ab initio.

The details of activity (post split) under ESOP Scheme 2015 have been summarised below:

Particulars	Year ended 31 st March, 2026		Year ended 31 st March, 2025	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	7,608,315	373.38	13,498,645	365.11
Granted during the year	-	-	-	-
Forfeited during the year	359,905	374.09	583,405	374.33
Exercised during the year	3,330,660	369.07	1,432,755	304.08
Expired during the year	485,050	376.81	3,874,170	370.41
Outstanding at the end of the year	3,432,700	377.00	7,608,315	373.38
Out of the above exercisable at the end of the year	189,085	369.89	441,035	376.77
Weighted average remaining contractual life (in years)		1.00		1.33
Weighted average fair value of options granted		-		-

The details of activity (post split) under ESOP Scheme 2023 have been summarised below:

Particulars	Year ended 31 st March, 2026		Year ended 31 st March, 2025	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	9,288,730	343.69	542,085	364.60
Granted during the year	2,701,700*	414.48	9,347,800*	342.83
Forfeited during the year	485,775	346.49	523,435	346.93
Exercised during the year	1,885,925	340.25	77,720	364.60
Expired during the year	46,740	339.40	-	-
Outstanding at the end of the year	9,571,990	364.23	9,288,730	343.69
Out of the above exercisable at the end of the year	358,935	366.02	31,670	364.60
Weighted average remaining contractual life (in years)		2.04		2.31
Weighted average fair value of options granted		94.12		85.18

* Net-off 12,500 (previous year 169,950) options which were unallocated and stood cancelled ab initio.

The weighted average share price at the date of exercise for stock options exercised during the year was ₹423.85 (Previous year ₹364.31).

The details of activity (post split) under PRSU Scheme 2025 have been summarised below:

Particulars	Year ended 31 st March, 2026		Year ended 31 st March, 2025	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	3,757,500	1.00	-	-
Forfeited during the year	169,150	1.00	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	3,588,350	1.00	-	-
Out of the above exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)		3.67		-
Weighted average fair value of options granted		398.00		-

The details of exercise price for stock options (post split) outstanding at the end of the year are:

31st March, 2026

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
320-360	7,534,535	1.63	343.65
>360-400	3,090,955	1.44	386.26
>400-440	2,379,200	2.63	419.21

31st March, 2025

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
320-360	11,167,850	2.07	344.66
>360-400	5,497,495	1.44	379.21
>400-440	231,700	2.38	428.98

Stock Appreciation Rights (SARs)

On 29th June, 2015, the shareholders of the Bank had passed Special Resolution to grant SARs to the eligible employees of the Bank and its subsidiaries. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 had been formulated and adopted.

Further, on 17th November, 2023, the Board of Directors of the Bank have formulated and adopted the Kotak Mahindra Stock Appreciation Rights Scheme 2023 effective from 1st December, 2023 in place of Kotak Mahindra Stock Appreciation Rights Scheme 2015. Kotak Mahindra Stock Appreciation Rights Scheme 2015 is operational only to the extent of treatment of SARs granted till 30th November, 2023.

The SARs granted under the Kotak Mahindra Stock Appreciation Rights Scheme 2015 and Kotak Mahindra Stock Appreciation Rights Scheme 2023 are settled in cash and vest on the respective due dates in a graded manner as per the terms and conditions of grant. The contractual life of the SARs outstanding range from 1.01 to 4.24 years.



Detail of activity under SARs (post split) is summarised below:

Particulars	Year Ended 31 st March, 2026	Year Ended 31 st March, 2025
Outstanding at the beginning of the year	13,327,090	10,101,855
Granted during the year	3,786,050	7,694,850*
Additions/(Reduction) due to transfer of employees	(112,515)	38,480
Settled during the year	4,100,975	3,160,830
Forfeited during the year	1,794,855	1,347,265
Outstanding at the end of the year	11,104,795	13,327,090

* Net-off 66,950 SARs which were unallocated and stood cancelled ab initio.

Fair Value of Employee Stock Options/Units

The fair value of the equity-settled options/units is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options/units were granted. The fair value of the cash-settled options is remeasured at each Balance Sheet date. The following table lists the inputs to the model used for equity-settled and cash-settled options:

Particulars	Year ended 31 st March,				
	2026			2025	
	Equity-settled		Cash-settled	Equity-settled	
	Options	Units		Options	Cash-settled
Exercise Price ₹	398.96-425.36	1.00	-	339.31-428.98	0-360.20
Weighted Average Share Price ₹	414.41	400.63	375.50	342.76	359.81
Expected Volatility	21.12%-24.62%	21.23%-24.49%	19.30%-42.58%	20.62%-30.5%	21.01%-34.86%
Historical Volatility	21.12%-24.62%	21.23%-24.49%	19.30%-42.58%	20.62%-30.5%	21.01%-34.86%
Life of the options granted (Vesting and exercise period)					
- At the grant date	1.51-4.61	1.95-5.18	-	1.26-4.55	-
- As at 31 st March	-	-	0.02-3.50	-	0.02-4.17
Risk-free interest rate	5.74%-6.24%	5.83%-6.57%	5.30%-6.72%	6.54%-7.22%	6.28%-6.62%
Expected dividend rate	0.12%-0.13%	0.12%-0.13%	0.13%-0.14%	0.09%-0.12%	0.09%-0.10%

The expected volatility was determined based on historical volatility data and the Bank expects the volatility of its share price may not differ from historical volatility. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant for equity settled options and remeasurement date for the cash settled options, corresponding with the expected/residual life of the share-linked instruments has been considered.

The above number of ESOPs/PRSU/SARs, exercise price, fair value and share price have been adjusted for split of the underlying equity shares from ₹5 paid up to ₹1 paid up per share for previous year.

Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

(₹ in crore)

Year ended 31 st March,	2026	2025
Total Employee compensation cost pertaining to share-based payment plans	189.21	242.02
Compensation cost pertaining to equity-settled employee share-based payment plan included above	45.02	20.88
Liability for employee stock options outstanding as at year end	280.05	170.56
Deferred Compensation Cost	166.92	76.29
Closing balance of liability for cash-settled options	243.03	272.79

9. EMPLOYEE BENEFITS

- i. The Bank has recognised the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Provident Fund	343.74	323.63
Superannuation Fund	1.42	1.33
New Pension Fund	31.08	15.97
DIFC Employee Workplace Savings Scheme (DEWS)	1.07	0.79

ii. Gratuity

The gratuity plan provides a lumpsum payment to vested domestic employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Bank subject to a maximum of ₹0.20 crore. There is no ceiling on gratuity payable to directors and certain categories of employees subject to service regulations and service awards.

Reconciliation of opening and closing balance of present value of defined benefit obligation for gratuity benefits is given below.

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Change in benefit obligations		
Liability at the beginning of the year	668.99	580.43
Current Service cost	125.37	106.15
Interest cost	47.73	44.25
Actuarial Losses/(Gain)	3.10	32.67
Past Service Cost	63.60	-
Liability assumed on acquisition/(Settled on divestiture)	0.44	(0.59)
Benefits paid	(116.88)	(93.92)
Liability at the end of the year	792.35	668.99
Change in plan assets		
Fair value of plan assets at the beginning of the year	655.81	632.92
Expected return on plan assets	45.57	44.79
Actuarial Gain/(Losses)	(56.94)	16.59
Benefits paid	(116.88)	(93.92)
Employer contributions	232.13	55.43
Fair value of plan assets at the end of the year	759.69	655.81

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan assets	As at	
	31 st March, 2026	31 st March, 2025
Fair value of plan assets at the end of the year	759.69	655.81
Liability at the end of the year	792.35	668.99
(Net Liabilities)/Net Asset included in "Others" under "Other Liabilities/Other Asset"	(32.66)	(13.18)
Expense recognised for the year		
Current Service cost	125.37	106.15
Interest cost	47.73	44.25
Expected return on plan assets	(45.57)	(44.79)
Actuarial (Gain)/Loss	60.04	16.08
Past Service Cost	63.60	-
Net gratuity expense recognised in Schedule 16.I	251.17	121.69
Actual return on plan assets	(11.37)	61.37



(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet	As at	
	31 st March, 2026	31 st March, 2025
Net (Asset)/Liability at the beginning of the year	13.18	(52.49)
Expense recognised	251.17	121.69
Liability assumed on acquisition/(Settled on divestiture)	0.44	(0.59)
Employer contributions	(232.13)	(55.43)
Net (Asset)/Liability	32.66	13.18

Investment Details of Plan Assets

The plan assets are invested in insurer managed funds. Major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	31 st March, 2026	31 st March, 2025
LIC managed funds #	0.32%	0.35%
Government securities	16.41%	21.74%
Bonds, debentures and other fixed income instruments	17.89%	16.89%
Money market instruments and other assets	12.80%	4.56%
Equity shares	52.58%	56.46%
Total	100.00%	100.00%

**In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.*

Actuarial Assumptions Used

Discount rate	6.55% - 7.20% p.a. (Previous Year 6.55% - 6.62% p.a.)
Salary escalation rate	5.50% - IBA, 7% - others p.a. (Previous Year 5.50% - IBA, 7% - others p.a.)
Expected return on plan assets	7.50 % p.a. (Previous Year 7.50% p.a.)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments

Amounts for the current and previous four years are as follows:

(₹ in crore)

Gratuity	Year ended 31 st March				
	2026	2025	2024	2023	2022
Defined benefit obligation	792.35	668.99	580.43	522.55	515.20
Plan assets	759.69	655.81	632.92	502.57	572.43
Surplus/(Deficit)	(32.66)	(13.18)	52.49	(19.98)	57.23
Experience adjustments on plan liabilities	10.18	14.60	12.97	7.66	22.61
Experience adjustments on plan assets	(56.94)	16.59	64.85	(40.51)	34.10

The Bank expects to contribute ₹53.97 crore to gratuity fund in financial year 2026-2027.

The above information is as certified by the actuary and relied upon by the auditors

iii. Pension

Pension liability relates to employees of EIVBL

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension benefits is given below.

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
	Funded	Funded
Change in benefit obligations		
Liability at the beginning of the year	2,266.47	2,111.67
Transfer of liabilities funded during the year	-	-
Current Service cost	57.67	63.81
Interest cost	159.23	148.83
Actuarial (gain)/loss on obligations	30.11	137.74
Past Service cost	-	-
Benefits paid	(103.78)	(195.58)
Liability at the end of the year	2,409.70	2,266.47
Change in plan assets		
Fair value of plan assets at the beginning of the year	2,184.45	1,879.31
Expected return on plan assets	152.48	136.87
Actuarial Gain/(loss)	18.61	16.36
Benefits paid	(103.78)	(195.58)
Employer contributions	91.50	347.49
Fair value of plan assets as at the end of the year	2,343.26	2,184.45

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan Assets	As at	
	31 st March, 2026	31 st March, 2025
	Funded	Funded
Fair value of plan assets as at the end of the year	2,343.26	2,184.45
Liability at the end of the year	2,409.70	2,266.47
Net Asset/(Liability) included in “Others” under “Other Assets”/“Other Liabilities”	(66.44)	(82.02)
Expenses recognised for the year		
Current service cost	57.67	63.81
Interest cost	159.23	148.83
Expected return on plan assets	(152.48)	(136.87)
Actuarial (gain) / loss	11.50	121.38
Effect of the limit in Para 59(b)	-	-
Net pension expense recognised in Schedule 16.I	75.92	197.15
Actual return on plan assets	171.10	153.23

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
	Funded	Funded
Reconciliation of the Liability recognised in the Balance Sheet		
Net (Asset)/Liability at the beginning of the year	82.02	232.36
Expense recognised	75.92	197.15
Employer contributions	(91.50)	(347.49)
Effect of the limit in Para 59(b)	-	-
Net (Asset)/Liability is included in “Others” under “Other Assets”/“Other Liabilities”	66.44	82.02



Investment Details of Plan Assets

The plan assets are invested in a fund managed by Life Insurance Corporation of India. In the absence of detailed information regarding plan assets of the fund, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Actuarial Assumptions Used

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Discount rate	7.22% p.a.	6.65% p.a.
Salary escalation rate	5.50% p.a.	5.50% p.a.
Expected rate of return on plan assets	7.50% p.a.	7.50% p.a.
Inflation	10.00% p.a.	10.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors like settlement with employee unions.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience Adjustments

Amounts for the current year are as follows:

(₹ in crore)

Pension	Year ended 31 st March,				
	2026	2025	2024	2023	2022
Defined benefit obligation	2,409.70	2,266.47	2,111.67	1,912.65	1,909.31
Plan assets	2,343.26	2,184.45	1,879.31	1,873.26	1,953.43
Surplus/(deficit)	(66.44)	(82.02)	(232.36)	(39.39)	44.12
Experience adjustments on plan liabilities	(39.65)	28.75	133.49	140.78	248.33
Experience adjustments on plan assets	18.61	16.36	13.37	11.27	34.13

The Bank expects to contribute ₹220.80 crore to pension fund in financial year 2026-2027.

iv. Compensated Absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total actuarial liability	158.33	164.70
Assumptions:		
Discount rate	6.60% - 7.20%, 4.32% (DIFC) p.a.	6.55% - 6.62%, 4.18% (DIFC) p.a.
Salary escalation rate	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.

v. Long Service Award

The actuarially determined liability in respect of Long Service Award of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2026	31 st March, 2025
Total actuarial liability	14.19	12.28
Assumptions:		
Discount rate	6.60%-7.05% p.a.	6.55%-6.63% p.a.

10. The Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes' on 21st November, 2025. Accordingly, the Bank has assessed the impact of these changes and based on certain estimates and actuarial valuation, has recognised an incremental provision of ₹95.53 crore under 'Employees cost' in the results during the year ended 31st March, 2026, considering information available. The above impact estimates will be re-assessed and finalised based on the final Rules and industry practices.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Kotak Mahindra Bank Limited ("Bank") recognises its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility ("CSR") initiatives.

Disclosures in Relation to Corporate Social Responsibility Expenditure:

Details of CSR Expenditure	31 st March, 2026	31 st March, 2025
Amount of expenditure incurred*		
Contribution to Kotak Education Foundation	76.42	63.74
Contribution to Other Initiatives*	207.75	177.46
Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	45.03	44.54
Other than ongoing project	Nil	Nil
Total	329.20	285.74
Amount required to be spent as per Section 135 of the Act	328.99	285.53
Amount of cumulative unspent at the end of the year	71.20**	122.48
Amount spent during the year on		
(i) Construction/acquisition of any asset ⁵	53.76	69.63
(ii) On purposes other than (i) above	230.41	171.56

*Includes administrative overheads and impact assessment cost.

** includes refund of ₹2.90 crore received in April, 2026 in KMBL Unspent CSR Account FY 2023-24

⁵ For funding capital assets which are held in the books of the implementing partner organisations/beneficiaries/public authorities. Includes advances paid against construction/acquisition of Capital assets and doesn't include amount spent on creation/acquisition of Capital assets out of Unspent CSR accounts of previous financial years.

Details of Ongoing CSR Projects Under Section 135(6) of the Act:

(₹ in crore)

Financial Year	Balance as at 1 st April		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 st March	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 2025-26	-	-	164.08	119.05		45.03 [#]	-
FY 2024-25	44.54*	-	44.54	-	44.54	-	Nil
FY 2023-24	-	63.13	63.13	-	36.95**	-	26.18
FY 2022-23	-	14.82	14.82	-	14.82	-	Nil

[#] The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY 2025-26 on 27th April, 2026

* The amount was transferred to Kotak Mahindra Bank Limited Unspent Account FY 2024-25 on 28th April, 2025.

** Refund of ₹2.90 crore received in April, 2026

Details of CSR Expenditure Under Section 135(5) of the Act in Respect of Other than Ongoing Projects:

(₹ in crore)

Balance unspent as at 1 st April, 2025	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year*	Amount spent during the year	Balance unspent as at 31 st March, 2026
Nil	-	158.38	158.38	Nil

Notes

* The amount required to be spent is Board approved CSR Project budget for Other than Ongoing (Annual) CSR Projects undertaken and completed in FY 2025-26.

**Details of Excess CSR Expenditure Under Section 135(5) of the Act:**

(₹ in crore)

	Amount Required to be spent during year	Amount Spent during the year	Excess Amount spent for the year	Set off taken during the year	Amount Available for Setoff as on 31 st March, 2026
FY 2024-25	283.54*	285.74**	2.20*	Nil	2.20
FY 2025-26	328.99	329.20**	0.21	Nil	0.21

*after set-off of excess of ₹1.99 crore of previous year.

**includes transfer to Unspent A/c.

12. DETAILS OF PAYMENTS OF AUDIT FEES

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2026	31 st March, 2025
Statutory Audit fees	4.79	4.34
Other Matters	0.76	0.96
Total	5.55	5.30

13. DESCRIPTION OF CONTINGENT LIABILITIES:

Sr. No.	Contingent Liability*	Brief Description
1.	Claims not acknowledged as debts	This includes liability on account of Direct and Indirect tax demands and legal cases filed against the Bank. The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. In respect of appeals filed by the Income Tax department with higher authorities, where the matter was settled in favour of the Bank at the first appellate stage, and where in view of the Management, it gives rise to an item of timing difference, no contingent liability is envisaged by the Bank.
2.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts with inter Bank participants and with its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
3.	Guarantees on behalf of constituents	As a part of its Banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
4.	Acceptances, endorsements and other obligations	Documentary credit such as letters of obligations, enhance the credit standing of the customers of the Bank.
5.	Other items for which the Bank is contingently liable	These include: - Liabilities in respect of interest rate swaps, currency swaps, forward rate agreements, futures and options contracts. The Bank enters into these transactions with inter Bank participants and its customers. Currency Swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of interest component of the contracts. - Liability in respect of Capital commitments relating to fixed assets and undrawn commitments in respect of investments. - Bills re-discounted by the Bank and cash collateral provided by the Bank on assets which have been securitised. - Underwriting commitments in respect of Debt Syndication. - Amount Transferred to RBI under the Depositor Education and Awareness Fund ('DEA Fund').

* Also refer Schedule 12 – Contingent Liability

14. SMALL AND MEDIUM ENTERPRISES:

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following is the disclosure as applicable:

(₹ in crore)

Sr. No.	Particulars	As at	
		31 st March, 2026	31 st March, 2025
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	2.76
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid on principal amount due to suppliers as at year end	Nil	0.04
3	Principal amounts paid to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	59.10	43.51
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
6	Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made	0.46	0.52
7	Further interest remaining due and payable for earlier years	0.93	0.37
8	Total amount of interest remaining due and unpaid at the end of the current financial year (sum of items in Sr. no. 2, 6 & 7)	1.39	0.93

15. The Bank, as part of its normal banking business that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16. On 18th June, 2024, the Bank completed the divestment of 70% stake (through a combination of fresh growth capital and share sale) in its subsidiary Kotak Mahindra General Insurance Company Limited ("KGI") to Zurich Insurance Company Limited ("Zurich"). The Bank sold 553,181,595 equity shares of KGI for a consideration of ₹4,095.82 crore, resulting in net gain from such sale of ₹3,519.90 crore (pre-tax) which has been disclosed as an exceptional item in the results for the year ended 31st March, 2025. Consequent to this sale, KGI ceased to be a subsidiary of the Bank and became an Associate with effect from 18th June, 2024. The Bank continues to hold the remaining 30% of the share capital Zurich Kotak General Insurance Company (India) Limited (formerly known as Kotak Mahindra General Insurance Company Limited) as at 31st March, 2026.



17. As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014, the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software. Further, the audit trail has been preserved by the Bank for all the accounting softwares used for maintaining its books of accounts as per the statutory requirements for record retention.
18. Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current years' presentation.

As per our report of even date attached.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117365W

G. K. Subramaniam
Partner
Membership No.109839

For **M M NISSIM & CO LLP**
Chartered Accountants
Firm Registration No. 107122W/W100672

Sanjay Khemani
Partner
Membership No. 044577

Mumbai
2nd May, 2026

For and on behalf of the Board of Directors

C S Rajan
Chairman
DIN: 00126063

Jaideep Hansraj
Whole-time Director
(Executive Director)
DIN: 02234625

Devang Gheewalla
Group President and
Group Chief Financial Officer
Membership No. 045993

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Ashu Suyash
Independent Director
DIN: 00494515

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430



Independent Auditor's Report

To the Members of Kotak Mahindra Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of **Kotak Mahindra Bank Limited** (the 'Bank'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement for the year ended 31 March 2025, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (the 'Standalone Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 and Companies Act, 2013 (the 'Act') and the circulars, guidelines and directions issued by the Reserve Bank of India (the 'RBI') from time to time (the 'RBI guidelines'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 as applicable to banks and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2025 and its profit and its cash flows for the year ended 31 March 2025.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of and Provisioning against Non-performing Assets ('NPAs'):

Total Loans and Advances (Net of Provision) as at March 31, 2025: ₹ 426,909.20 Crores

Provision for NPAs as at March 31, 2025: ₹ 4,790.41 Crores

Refer Schedule 9, Schedule 17(C)(2) and Schedule 18(A), note 11 and note 13

Key audit matter	How our audit addressed the key audit matter
The Bank is required to comply with the Master Circular issued by the Reserve Bank of India ('RBI') on 'Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the 'IRAC norms') and amendments thereto ("RBI guidelines") which prescribes the norms for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors.	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of income recognition, asset classification and provisioning pertaining to advances. In particular: • We have evaluated and understood the Bank's internal control system in adhering to the RBI guidelines; • We have analysed and understood key IT systems/ applications used and tested the design and implementation and operational effectiveness of relevant controls in relation to income recognition, asset classification, viz., standard, sub-standard, doubtful and loss with reference to RBI guidelines and provisioning pertaining to advances; and

Key audit matter	How our audit addressed the key audit matter
As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit due to stakeholder and regulatory focus, we have identified this as a key audit matter.	We test checked advances to examine the validity and accuracy of the recorded amounts, impairment provision for NPAs, and compliance with IRAC norms of RBI guidelines.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
As the Bank operates on core banking solution across its branches and asset centres, the reliability and security of Information technology ("IT") systems plays a key role in the business operations. Since large volume of transactions are processed daily, the IT controls are required to ensure that applications process data as expected and that changes are made in an appropriate manner. IT infrastructure is critical for smooth functioning and accurate accounting and financial reporting process. Due to the pervasive nature and complexity of the IT environment, we have ascertained key IT systems used in financial reporting process and its related controls as a key audit matter.	In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT control environment, IT infrastructure and IT systems. We conducted an assessment and identified key IT systems that are critical for accounting and financial reporting process and are relevant for our audit and tested their internal controls. In particular: - We obtained an understanding of the Bank's IT control environment and key changes during the audit period that may be relevant to the audit; - We tested the design, implementation and operating effectiveness of the Bank's General IT controls over the key IT systems that are critical to accounting and financial reporting. This included evaluation of Bank's controls for user access management, program change management, database management, network operations, incident management and other IT operations performed by the Bank during the period of audit; - We tested key automated and manual business cycle controls and logic for system generated reports relevant to the audit; and - We also tested compensating controls and performed alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.



RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS' FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying Standalone Financial Statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 as applicable to banks, and other accounting principles generally accepted in India, and provisions of Section 29 of the Banking Regulation Act, 1949 and the RBI guidelines. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, the Banking Regulation Act, 1949 and the RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.



12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The Standalone Financial Statements of the Bank for the year ended 31 March 2024, were jointly audited by M/s Price Waterhouse LLP and KKC & Associates LLP (formerly Khimji Kunverji & Co LLP) vide their report dated 4 May 2024, expressed an unmodified opinion on those Standalone Financial Statements. Accordingly, Deloitte Haskins & Sells does not express any opinion on the Standalone Financial Statements for the year ended 31 March 2024.

Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In our opinion, the Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and the relevant rules issued thereunder.
16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice during the course of our audit, have been within the powers of the Bank;
 - c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. We have visited 80 branches to examine the records maintained at the branches for the purpose of our audit.
17. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.
18. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books;
 - c) The Standalone Balance Sheet, the Standalone Profit and Loss Account and the Standalone Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act;



- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in Annexure A, wherein we have expressed an unmodified opinion; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Bank has disclosed the impact of pending litigations on its financial position as at the year end in its Standalone Financial Statements – Refer Schedule 12 (I), Schedule 17C – Note 13 and Schedule 18B Note 14 to the Standalone Financial Statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 (II), 12 (Va) and 12 (Vb), Schedule 17C – Note 10, Note 11 and Note 13 and Schedule 18A – Note 9 and Note 10 to the Standalone Financial Statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended 31 March 2025;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 16 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 16 to the Standalone Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (i) and (ii) of Rule 11(e), as provided under (a) and (b) above contain any material misstatement.
 - v. The dividend declared and paid during the year ended 31 March 2025 by the Bank is in compliance with Section 123 of the Act.
 - vi. Based on our examination, which included test checks, the Bank has used accounting softwares for maintaining its books of account for the financial year ended 31 March 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved as per as the statutory requirements for record retention, since enabled.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No.: 117365W)

For **KKC & Associates LLP**
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
(Firm Registration No.: 105146W/W100621)

G. K. Subramaniam
Partner
Membership No.: 109839
UDIN: 25109839BMOFVC3420

Gautam Shah
Partner
Membership No.: 117348
UDIN: 25117348BMOBCH2344

Place: Mumbai
Date: 3 May 2025

Place: Mumbai
Date: 3 May 2025

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF KOTAK MAHINDRA BANK LIMITED FOR THE YEAR ENDED 31 MARCH 2025

REFERRED TO IN PARAGRAPH 18(f) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE

Independent Auditor's Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Kotak Mahindra Bank Limited ('the Bank') as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to standalone financial statements of the Bank as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act, the Banking Regulation Act, 1949 and the RBI guidelines.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Standalone Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('SAs') issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements includes obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements

6. A Bank's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the standalone financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2025 based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No.: 117365W)

For **KKC & Associates LLP**
(formerly Khimji Kunverji & Co LLP)
Chartered Accountants
(Firm Registration No.:105146W/W100621)

G. K. Subramaniam
Partner
Membership No.: 109839
UDIN: 25109839BMOFVC3420

Gautam Shah
Partner
Membership No.: 117348
UDIN: 25117348BMOBCH2344

Place: Mumbai
Date: 3 May 2025

Place: Mumbai
Date: 3 May 2025

Standalone Balance Sheet

as at 31st March, 2025

(₹ in thousands)

	Schedule	As at 31 st March, 2025	As at 31 st March, 2024
CAPITAL AND LIABILITIES			
Capital	1	9,941,115	9,939,604
Employee's Stock Options (Grants) Outstanding		942,677	792,938
Reserves and Surplus	2	1,161,515,050	956,455,026
Deposits	3	4,990,551,352	4,489,537,451
Borrowings	4	484,427,559	283,680,956
Other Liabilities and Provisions	5	288,864,030	263,164,482
Total		6,936,241,783	6,003,570,457
ASSETS			
Cash and Balances with Reserve Bank of India	6	416,991,962	362,520,376
Balances with Banks and Money at Call and Short Notice	7	240,799,573	165,363,645
Investments	8	1,819,074,474	1,554,037,587
Advances	9	4,269,092,008	3,760,752,659
Fixed Assets	10	23,588,568	21,552,965
Other Assets	11	166,695,198	139,343,225
Total		6,936,241,783	6,003,570,457
Contingent Liabilities	12	11,078,556,722	7,172,811,816
Bills for Collection		526,908,188	474,677,060
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**

Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W100621

C S Rajan

Chairman
DIN: 00126063
Jaipur
3rd May, 2025

Ashok Vaswani

Managing Director and
Chief Executive Officer
DIN: 10227550
Mumbai
3rd May, 2025

Gautam Shah

Partner
Membership No. 117348
Mumbai
3rd May, 2025

Shanti Ekambaram

Deputy Managing Director
DIN: 00004889
Mumbai
3rd May, 2025

Ashu Suyash

Director
DIN: 00494515
Mumbai
3rd May, 2025

For **Deloitte Haskins & Sells**

Chartered Accountants
Firm Registration No. 117365W

Devang Gheewalla

Group President and
Group Chief Financial Officer
Membership No. 045993
Mumbai
3rd May, 2025

Avan Doomasia

Senior Executive Vice President and
Company Secretary
FCS. No. 3430
Mumbai
3rd May, 2025

G. K. Subramaniam

Partner
Membership No.109839
Mumbai
3rd May, 2025



Standalone Profit and Loss Account

for the year ended 31st March, 2025

(₹ in thousands)

	Schedule	Year ended 31 st March, 2025	Year ended 31 st March, 2024
I. INCOME			
Interest Earned	13	529,197,287	457,989,110
Other Income	14	149,611,350	102,731,007
Total		678,808,637	560,720,117
II. EXPENDITURE			
Interest Expended	15	245,779,512	198,057,109
Operating Expenses	16	187,764,395	166,788,460
Provisions and Contingencies (Refer Note 10 -Schedule 18 B)		80,763,945	58,058,724
Total		514,307,852	422,904,293
III. PROFIT			
Net Profit for the year (I - II)		164,500,785	137,815,824
Add: Balance in Profit and Loss Account brought forward from previous year		451,030,223	377,600,930
Total		615,531,008	515,416,754
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		41,125,200	34,454,000
Transfer to Capital Reserve		20,652,700	-
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		1,500,000	1,250,000
Transfer to Investment Reserve Account		-	8,316,321
Transfer to Investment Fluctuation Reserve Account		5,000,000	12,000,000
Transfer to Capital Redemption Reserve		-	5,000,000
Dividend		3,976,240	3,366,210
Balance carried over to Balance Sheet		543,276,868	451,030,223
Total		615,531,008	515,416,754
V. EARNINGS PER SHARE (Face value of ₹ 5/-) (Refer Note 1 - Schedule 18 B)			
Basic		82.74	69.15
Diluted		82.74	69.15
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W100621

C S Rajan
Chairman
DIN: 00126063
Jaipur
3rd May, 2025

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550
Mumbai
3rd May, 2025

Gautam Shah
Partner
Membership No. 117348
Mumbai
3rd May, 2025

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889
Mumbai
3rd May, 2025

Ashu Suyash
Director
DIN: 00494515
Mumbai
3rd May, 2025

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117365W

Devang Gheewalla
Group President and
Group Chief Financial Officer
Membership No. 045993
Mumbai
3rd May, 2025

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430
Mumbai
3rd May, 2025

G. K. Subramaniam
Partner
Membership No. 109839
Mumbai
3rd May, 2025

Cash Flow Statement

for the year ended 31st March, 2025

(₹ in thousands)

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	164,500,785	137,815,824
Add: Provision for tax	51,340,332	42,321,343
Net Profit before taxes	215,841,117	180,137,167
Adjustments for :-		
Employee Stock Options Expense	208,821	254,406
Depreciation on Bank's Property	7,286,889	6,147,920
Profit on sale of investment in subsidiary (net)	(35,198,986)	-
Diminution in the value of Investments written off	936,479	792,218
Dividend from Subsidiaries / Joint Ventures	(3,799,953)	(3,089,012)
Amortization of premium/(discount) on investments	2,618,906	3,613,242
(Profit)/Loss on revaluation of Investments (net)	(5,251,975)	(14,817,762)
Provision for Non Performing Assets, Standard Assets and Other Provisions	28,487,134	14,945,163
Profit on sale of Fixed Assets	(419,152)	(30,256)
	210,709,280	187,953,086
Adjustments for :-		
Decrease/(Increase) in Investments (other than Subsidiaries, Joint Ventures, Associates and Other HTM Investments)	13,759,542	(354,952,676)
(Increase) in Advances	(534,102,440)	(577,005,271)
(Increase) / Decrease in Other Assets	(32,616,732)	3,559,820
Increase in Deposits	501,013,901	858,576,925
Increase in Other Liabilities and Provisions	16,115,405	67,027,511
Sub-total	(35,830,324)	(2,793,691)
Direct Taxes Paid	(46,823,561)	(46,151,531)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	128,055,395	139,007,864
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,379,290)	(8,847,258)
Sale of Fixed Assets	575,009	277,290
Proceeds from sale of Investment in Subsidiaries (net)	40,730,802	-
Investments in Subsidiaries / Joint Ventures	-	(7,331,239)
(Increase)/Decrease in Investments in HTM securities	(231,288,536)	33,027,233
Dividend from Subsidiaries / Joint Ventures	3,799,953	3,089,012
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES (B)	(195,562,062)	20,215,038



Cash Flow Statement

for the year ended 31st March, 2025

(₹ in thousands)

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease)/Increase in Refinance	(95,083,500)	40,751,200
Increase in Borrowings [other than Refinance]	295,830,103	8,767,072
Money received on exercise of Stock Options	464,007	1,992,348
Redemption of Perpetual Non Cumulative Preference Shares	-	(5,000,000)
Dividend paid	(3,976,240)	(3,366,210)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	197,234,370	43,144,410
Increase in Foreign Currency Translation Reserve (D)	179,811	93,631
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	129,907,514	202,460,943
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note below)	527,884,021	325,423,078
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note below)	657,791,535	527,884,021
Note:		
Balance with Banks in India in Fixed Deposit (As per Sch 7 I (i) (b))	11,733	11,733
Balance with Banks in India in Current Account (As per Sch 7 I (i) (a))	4,110,791	3,266,665
Money at Call and Short Notice in India (as per Sch 7 I (ii))	59,037,880	114,806,705
Cash in hand (including foreign currency notes) (As per Sch 6 I.)	16,933,258	19,910,301
Balance with RBI in Current Account (As per Sch 6 II (a))	197,788,704	192,100,075
Balance with RBI in other account (As per Sch 6 II (b))	202,270,000	150,510,000
Balance with Banks Outside India:		
(i) In Current Account (As per Sch 7 II (i))	60,980,325	27,895,220
(ii) In other Deposit Accounts (As per Sch 7 II (ii))	116,658,844	19,383,322
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	657,791,535	527,884,021

Refer Note 12 of Schedule 18B for amount of CSR expenses spent during the year in cash

As per our report of even date attached.

For and on behalf of the Board of Directors

For KKC & Associates LLP

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration No. 105146W/W100621

C S Rajan

Chairman

DIN: 00126063

Jaipur

3rd May, 2025

Ashok Vaswani

Managing Director and

Chief Executive Officer

DIN: 10227550

Mumbai

3rd May, 2025

Gautam Shah

Partner

Membership No. 117348

Mumbai

3rd May, 2025

Shanti Ekambaram

Deputy Managing Director

DIN: 00004889

Mumbai

3rd May, 2025

Ashu Suyash

Director

DIN: 00494515

Mumbai

3rd May, 2025

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration No. 117365W

Devang Gheewalla

Group President and

Group Chief Financial Officer

Membership No. 045993

Mumbai

3rd May, 2025

Avan Doomasia

Senior Executive Vice President and

Company Secretary

FCS. No. 3430

Mumbai

3rd May, 2025

G. K. Subramaniam

Partner

Membership No.109839

Mumbai

3rd May, 2025

Schedules

Forming Part of Standalone Balance Sheet as at 31st March, 2025

SCHEDULE 1 - CAPITAL

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
Authorised Capital		
2,800,000,000 Equity Shares of ₹5/- each		
2,800,000,000 (31 st March, 2024: 2,800,000,000 Equity Shares of ₹5/- each)	14,000,000	14,000,000
1,000,000,000 (31 st March, 2024: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹5/- each	5,000,000	5,000,000
	19,000,000	19,000,000
Issued, Subscribed and Paid-up Capital		
1,988,222,993 (31 st March, 2024: 1,987,920,898) Equity Shares of ₹5/- each fully paid-up	9,941,115	9,939,604
Total	9,941,115	9,939,604

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. Statutory Reserve		
Opening Balance	182,771,983	148,317,983
Add: Transfer from Profit and Loss Account	41,125,200	34,454,000
Total	223,897,183	182,771,983
II. Capital Reserve		
Opening Balance	3,531,886	3,531,886
Add: Transfer from Profit and Loss Account	20,652,700	-
Total	24,184,586	3,531,886
III. General Reserve		
Opening Balance	6,495,020	6,425,304
Add: Increase during the year (Refer Note 8 - Schedule 18 A)	1,004,982	-
Add: Amount transferred on Employee's Stock Options (Grant) Outstanding lapsed	156,983	69,716
Add: Transfer from Investment Reserve Account	8,316,321	-
Total	15,973,306	6,495,020
IV. Investment Reserve Account		
Opening Balance	8,316,321	-
Add: Transfer from Profit and Loss Account	-	8,316,321
Less: Transfer to General Reserve	8,316,321	-
Total	-	8,316,321
V. Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	10,192,000	8,942,000
Add: Transfer from Profit and Loss Account	1,500,000	1,250,000
Total	11,692,000	10,192,000
VI. Securities Premium Account		
Opening Balance	252,014,738	249,839,331
Add: Received during the year	519,367	2,175,407
Total	252,534,105	252,014,738
VII. Capital Redemption Reserve		
Opening Balance	5,000,000	-
Add: Transfer from Profit and Loss Account	-	5,000,000
Total	5,000,000	5,000,000



(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
VIII. Amalgamation Reserve		
Opening Balance	1,224,046	1,224,046
Add: Additions	-	-
Total	1,224,046	1,224,046
IX. Investment Allowance (Utilised) Reserve		
Opening Balance	500	500
Add: Transfer from Profit and Loss Account	-	-
Total	500	500
X. Investment Fluctuation Reserve		
Opening Balance	35,000,000	23,000,000
Add: Transfer from Profit and Loss Account	5,000,000	12,000,000
Total	40,000,000	35,000,000
XI. Foreign Currency Translation Reserve		
Opening Balance	878,309	784,678
Add: Increase during the year	179,811	93,631
Total	1,058,120	878,309
XII. Available for Sale Reserve*		
Opening Balance	-	-
Add: Increase during the year (Refer Note 8 - Schedule 18 A)	42,674,336	-
Total	42,674,336	-
* - on revaluation of Available for Sale category of investments.		
XIII. Balance in the Profit and Loss Account		
Balance in the Profit and Loss Account	543,276,868	451,030,223
Total	543,276,868	451,030,223
Total (I to XIII)	1,161,515,050	956,455,026

SCHEDULE 3 - DEPOSITS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
A I. Demand Deposits		
i. From Banks	4,098,529	3,068,958
ii. From Others	824,507,709	749,013,968
Total	828,606,238	752,082,926
II. Savings Bank Deposits	1,315,552,776	1,290,951,628
III. Term Deposits		
i. From Banks	66,919,525	96,581,087
ii. From Others	2,779,472,813	2,349,921,810
Total	2,846,392,338	2,446,502,897
Total Deposits** (I to III)	4,990,551,352	4,489,537,451
B. (i) Deposits of branches in India	4,964,576,283	4,461,142,550
(ii) Deposits of branches outside India	25,975,069	28,394,901
Total (i and ii)	4,990,551,352	4,489,537,451

** - Amount of deposits against which lien is marked in Total Deposits is ₹ 29,875.41 crore (previous year ₹ 27,061.11 crore)

SCHEDULE 4 - BORROWINGS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. Borrowings in India		
(i) Reserve Bank of India	108,710,000	-
(ii) Other Banks	1,000,000	-
(iii) Other Institutions and Agencies	303,070,312	209,701,800
Total	412,780,312	209,701,800
II. Borrowings outside India		
Banks and Other Institutions	71,647,247	73,979,156
Total	71,647,247	73,979,156
Total Borrowings (I and II)	484,427,559	283,680,956
Secured Borrowings other than CBLO and Repo Borrowings included in I above	-	-
Tier II Bonds included in I (iii) above	-	-
Tier II Bonds included in II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. Bills Payable	36,395,992	36,051,339
II. Interest Accrued	26,192,343	22,336,906
III. Provision for tax (net of advance tax and tax deducted at source)	5,440,624	-
IV. Standard Asset provision	19,547,808	16,256,473
V. Derivative Liabilities	68,756,548	28,766,319
VI. Others (including provisions) (Refer Note 50 - Schedule 18 A and Note 4, Note 11 - Schedule 18 B)	132,530,715	159,753,445
Total	288,864,030	263,164,482

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. Cash in hand (including foreign currency notes)	16,933,258	19,910,301
Total	16,933,258	19,910,301
II. Balances with RBI		
(a) In Current Account	197,788,704	192,100,075
(b) In Other Deposit Account	202,270,000	150,510,000
Total	400,058,704	342,610,075
Total (I+II)	416,991,962	362,520,376

**SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE**

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. In India		
(i) Balances with Banks		
(a) In Current Accounts	4,110,791	3,266,665
(b) In Other Deposit Accounts	11,733	11,733
Total	4,122,524	3,278,398
(ii) Money at Call and Short Notice		
(a) With Banks	-	-
(b) With Other Institutions	59,037,880	114,806,705
Total	59,037,880	114,806,705
Total (i and ii)	63,160,404	118,085,103
II. Outside India		
(i) In Current Accounts	60,980,325	27,895,220
(ii) In other Deposit Accounts	116,658,844	19,383,322
(iii) Money at call and short notice	-	-
Total (i, ii and iii)	177,639,169	47,278,542
Total (I and II)	240,799,573	165,363,645

SCHEDULE 8 - INVESTMENTS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. In India		
(i) Government Securities	1,322,146,783	1,133,950,690
(ii) Other Approved Securities	-	-
(iii) Shares	63,061,980	12,245,800
(iv) Debentures and Bonds	103,220,087	168,493,691
(v) Subsidiaries and Joint Ventures	33,488,317	39,020,133
(vi) Others [Units, Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts, Pass Through Certificates(PTC), Alternate Assets Funds]	289,209,119	183,138,405
Total	1,811,126,286	1,536,848,719
II. Outside India		
(i) Government Securities	2,438,954	2,777,753
(ii) Subsidiaries and Joint Ventures	383,242	383,242
(iii) Other Investments		
(a) Shares	203,826	18,040
(b) Debentures and Bonds	4,922,166	14,009,833
Total	7,948,188	17,188,868
Total Investments (I and II) (Refer Note 8 - Schedule 18 A)	1,819,074,474	1,554,037,587

SCHEDULE 9 - ADVANCES

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
A. (i) Bills purchased and discounted #	55,296,796	75,847,475
(ii) Cash credits, overdrafts and loans repayable on demand^	1,415,569,469	1,204,741,113
(iii) Term loans®	2,798,225,743	2,480,164,071
Total	4,269,092,008	3,760,752,659
# Bills purchased and discounted is net of Bills Rediscounted ₹ 2,760.15 crore (Previous Year ₹ 2,723.66 crore)		
^ net of borrowings under Inter Bank Participatory certificates of ₹ Nil crore (Previous Year ₹ 2.54 crore)		
® net of borrowings under Inter Bank Participatory certificates of ₹ 14,996.90 crore (Previous Year ₹ 12,927.26 crore)		
B. (i) Secured by tangible assets *	3,363,649,519	2,851,501,397
(ii) Covered by Bank / Government guarantees	15,076,508	33,513,741
(iii) Unsecured	890,365,981	875,737,521
Total	4,269,092,008	3,760,752,659
* including advances against book debts.		
C.I. Advances in India		
(i) Priority Sector	1,948,052,268	1,677,430,941
(ii) Public Sector	24,545,864	23,509,188
(iii) Banks	8,718	13,650,218
(iv) Others	2,215,260,209	1,985,655,735
Total	4,187,867,059	3,700,246,082
C.II. Advances outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	-	-
b) Syndicated and term loans	81,224,949	60,506,577
c) Others	-	-
Total	81,224,949	60,506,577
Grand Total (C.I. and C.II.)	4,269,092,008	3,760,752,659

SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
A. Premises (Including Land)		
Gross Block		
At cost on 31 st March of the preceding year	10,579,397	10,577,170
Additions	-	2,240
Less: Deductions during the year	130,800	13
Total	10,448,597	10,579,397
Depreciation		
As at 31 st March of the preceding year	2,538,936	2,364,590
Add: Charge	172,808	174,346
Less: Deductions during the year	55,830	-
Depreciation to date	2,655,914	2,538,936
Net Block	7,792,683	8,040,461
B. Other Fixed Assets (including furniture and fixtures)		
Gross Block		
At cost on 31 st March of the preceding year	40,422,957	32,549,618
Additions	9,478,349	8,742,449
Less: Deductions during the year	712,439	869,110
Total	49,188,867	40,422,957



(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
Depreciation		
As at 31 st March of the preceding year	26,910,453	21,715,950
Add: Charge	7,114,081	5,973,574
Less: Deductions during the year	631,552	779,071
Depreciation to date	33,392,982	26,910,453
Net Block (Refer Note 6 - Schedule 18 B)	15,795,885	13,512,504
C. Leased Fixed Assets		
Gross Block		
At cost on 31 st March of the preceding year	-	1,540,585
Additions	-	-
Less: Deductions during the year	-	1,540,585
Total	-	-
Depreciation		
As at 31 st March of the preceding year	-	1,383,601
Add: Charge	-	-
Less: Deductions during the year	-	1,383,601
Depreciation to date	-	-
Net Block	-	-
Total (A) +(B)+(C)	23,588,568	21,552,965

SCHEDULE 11 - OTHER ASSETS

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. Interest accrued	51,618,145	44,126,279
II. Advance tax (net of provision for tax)	-	1,938,700
III. Stationery and Stamps	54,674	14,768
IV. Derivative Assets	65,670,446	28,603,608
V. Others (Refer Note 50 - Schedule 18 A and Note 4 - Schedule 18 B)***	49,351,933	64,659,870
Total	166,695,198	139,343,225

***Includes deposits placed with NABARD/SIDBI ₹ 2,050.97 crore (Previous year ₹ 3,253.85 crore).

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in thousands)

	As at 31 st March, 2025	As at 31 st March, 2024
I. Claims not acknowledged as debts	4,940,177	55,37,058
II. Liability on account of outstanding Forward Exchange Contracts	8,741,277,097	5,019,139,271
III. Guarantees on behalf of Constituents		
i) In India	388,111,013	319,446,355
ii) Outside India	6,864,592	-
IV. Acceptances, Endorsements and other obligations	251,647,280	266,940,082
V. Other Items for which the Bank is contingently liable :		
a. Liability in respect of interest rate and currency swaps and forward rate agreements	1,576,011,249	1,432,586,428
b. Liability in respect of Options Contracts	97,593,396	116,319,586
c. Capital commitments not provided	6,686,779	8,723,033
d. Unclaimed Customer balances transferred to RBI DEAF Scheme	5,425,139	4,120,003
Total	11,078,556,722	7,172,811,816

Schedules

forming part of Standalone Profit and Loss Account for the year ended 31st March, 2025

SCHEDULE 13 - INTEREST EARNED

(₹ in thousands)

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
I. Interest / discount on Advances / Bills	407,461,668	356,579,938
II. Income on Investments	108,288,959	88,980,830
III. Interest on balances with RBI and other inter-bank funds	8,945,312	7,793,843
IV. Others	4,501,348	4,634,499
Total	529,197,287	457,989,110

SCHEDULE 14 - OTHER INCOME

(₹ in thousands)

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
I. Commission, exchange and brokerage	79,442,638	70,485,388
II. Profit / (Loss) on sale of Investments (net) (Refer Note 17 - Schedule 18 B)	39,793,534	(5,597,936)
III. Profit / (Loss) on revaluation of Investments (net)	5,251,975	14,817,762
IV. Profit / (Loss) on sale of building and other assets (net)	419,152	30,256
V. Profit on exchange transactions (net) (including derivatives)	14,277,936	14,032,659
VI. Income earned by way of dividend, etc. from Subsidiaries / Associates and / or Joint Venture in / outside India	5,243,769	4,560,996
VII. Profit on recoveries of non-performing assets acquired	3,918,918	3,031,033
VIII. Miscellaneous Income (Refer Note 50 - Schedule 18 A)	1,263,428	1,370,849
Total	149,611,350	102,731,007

SCHEDULE 15 - INTEREST EXPENDED

(₹ in thousands)

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
I. Interest on Deposits	226,158,140	183,267,206
II. Interest on RBI / Inter-Bank Borrowings	6,762,204	3,666,491
III. Others	12,859,168	11,123,412
Total	245,779,512	198,057,109

SCHEDULE 16 - OPERATING EXPENSES

(₹ in thousands)

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
I. Payments to and provision for employees (Refer Note 9 - Schedule 18 B)	79,183,467	68,926,322
II. Rent, taxes and lighting (Refer Note 3 - Schedule 18 B)	10,354,449	8,336,698
III. Printing and Stationery	1,359,504	1,944,074
IV. Advertisement, Publicity and Promotion	10,090,130	9,709,109
V. Depreciation on Bank's property	7,286,889	6,147,920
VI. Directors' fees, allowances and expenses ^{&}	57,425	57,440
VII. Auditors' fees and expenses (Refer Note 13 - Schedule 18 B)	53,051	41,619
VIII. Law Charges	239,106	317,976
IX. Postage, telephone etc.	4,689,303	4,178,355
X. Repairs and maintenance	13,455,398	11,026,629
XI. Insurance	5,534,484	4,688,982
XII. Other Expenditure (Refer Note 50 - Schedule 18 A and Note 12 - Schedule 18 B)	56,023,014	51,946,459
	188,326,220	167,321,583
Less: Reimbursement of Costs from Group Companies	561,825	533,123
Total	187,764,395	166,788,460

& - Pertains to non-executive directors remuneration.



SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES

A BACKGROUND

In February 2003, Kotak Mahindra Finance Limited was given a license to carry out banking business by the Reserve Bank of India (“RBI”). It was the first Non Banking Finance Company (NBFC) in India to be converted into a Bank. Kotak Mahindra Bank Limited (“Kotak Mahindra Bank”, “Kotak” or “the Bank”) provides a full suite of banking services to its customers encompassing Consumer Banking, Commercial Banking, Treasury and Corporate Banking in India and also has a representative office in Dubai. The Bank set up and commenced operations in May 2016, at its International Financial Services Center Banking Unit (“IBU”) in Gujarat International Finance Tec (GIFT) City, Gujarat. The Bank has commenced operations in October 2019 at its first overseas branch at the Dubai International Financial Centre (“DIFC”), Dubai, UAE.

B BASIS OF PREPARATION

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of Kotak Mahindra Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention unless stated otherwise and it conforms with Generally Accepted Accounting Principles in India (“Indian GAAP”), the Accounting Standards specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to banks and the guidelines issued by RBI.

Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Bank’s Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

C SIGNIFICANT ACCOUNTING POLICIES

1 Investments

Policies applicable for the year ended 31st March, 2025:

Classification:

In accordance with Reserve Bank of India (‘RBI’) Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 (‘RBI Directions’) issued on 12 September 2023, the Bank classifies its entire investment portfolio (except investments in their own subsidiaries, joint ventures and associates) under three categories, viz., Held to Maturity (‘HTM’), Available for Sale (‘AFS’) and Fair Value through Profit and Loss (‘FVTPL’). Held for Trading (‘HFT’) is a separate investment sub-category within FVTPL.

Under each of these categories, investments are further classified under six groups – Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures, and Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows ‘Settlement Date’ accounting for recording purchase and sale transactions in securities, except in the case of equity shares where ‘Trade Date’ accounting is followed.

Basis of classification

The Bank classifies its investments as subsequently measured into the above categories based on the business model for managing the investments and the contractual cash flow characteristics of the investments.

Business model assessment

The Bank makes an assessment of the objective of a business model in which an investment is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management’s strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the investments to the duration of the liabilities that are funding those investments or realising cash flows through the sale of the investments;
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank’s stated objective for managing the investments is achieved and how cash flows are realised; and
- The risks that affect the performance of the business model, the investments held within that business model and how those risks are managed.

Assessment whether contractual cashflows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the investment on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank considers:

- Reset terms;
- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank’s claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

Investments at HTM

An investment is classified at HTM only if both of the following conditions are met:

- It is held with the objective to collect the contractual cash flows; and
- The contractual terms of the investment give rise to cash flows that are Solely Payments of Principal and Interest (‘SPPI’ criterion) on principal outstanding on the specified dates.

Investments at AFS

An investment is classified at AFS only if both of the following conditions are met:

- It is acquired with an objective that is achieved by both collecting contractual cash flows and selling investment; and
- The contractual terms of the investment meet SPPI criteria.

For equity instruments not held with the objective of trading, the Bank has an option on initial recognition to classify such instruments under AFS. The Bank makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investments at FVTPL

Any investment, which does not meet the criteria for categorization as at HTM or as AFS, is classified at FVTPL.

Investments at HFT

HFT is a separate investment sub-category within FVTPL consisting of instruments that meet the specifications for HFT instruments or are held with the intention of trading or short-term gains is classified under HFT as set out in the RBI Circular dated 12th September, 2023.

Investments in Subsidiaries, Associates and Joint Ventures

All investments in subsidiaries, associates and joint ventures are held in a distinct category for such investments separate from the other investment categories (viz. HTM, AFS and FVTPL).

Acquisition Cost:

The cost of investments is determined on “first-in, first-out” (‘FIFO’) basis. Broken period interest paid to seller is not capitalized but treated as an item of expenditure under Profit and Loss Account in respect of investment in securities. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

Disposal of investments:

Investments classified as AFS

- **Debt instruments:** Upon sale or maturity, the accumulated gain/ loss in the AFS Reserve is transferred from the AFS Reserve and recognized in the Profit and Loss Account.
- **Equity instruments:** Any gain or loss on sale is transferred from AFS Reserve to the Capital Reserve.



Investments classified as FVTPL/ HFT

Any gain or loss on sale of investments is recognised in the Profit and Loss Account.

Investments in subsidiaries, associates and joint ventures

Profit or loss on sale of investments is recognised in the Profit and Loss Account and profit, if any, is appropriated to the Capital Reserve Account after adjustments for tax and transfer to Statutory Reserve.

Investments classified as HTM

Profit on sale or redemption of investments is recognised in the Profit and Loss Account and profit if any, on sale is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale or redemption is recognised in the Profit and Loss Account.

Short Sale:

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is categorised under HFT category and netted off from Investments in the Balance Sheet. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Gain or loss on settlement of the short position is recognised in the Profit and Loss Account.

Valuation:

The valuation of investments is performed in accordance with the RBI guidelines as follows:

- a) **Investments classified as HTM** – These are carried at cost and not Marked-to-Market ('MTM') after initial recognition. Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument using by straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account.
- b) **Investments classified as AFS** – These are fair valued on a quarterly basis. The valuation gains and losses are aggregated, and the net appreciation or depreciation directly gets credited or debited to AFS reserve (net of effect of applicable taxes). Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument by using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account.
- c) **Investments classified as FVTPL/HFT** - These are fair valued and the net gain or loss arising on such valuation is directly credited/debited to the Profit and Loss Account. Securities that are classified under the HFT sub-category within FVTPL are fair valued on daily basis, whereas other securities in FVTPL are fair valued on a quarterly basis. Any discount or premium on acquisition of debt instruments is amortized over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and loss Account.
- d) **Investments in subsidiaries, associates and joint ventures** - All investments in subsidiaries, associates and joint ventures are held at acquisition cost. Any discount or premium on the acquisition of debt instruments of subsidiaries and associates are amortised over the remaining life of the instrument using straight-line method ('SLM'). The discount or premium amortized is reflected as a part of interest earned in the Profit and Loss Account. The Bank assesses these investments for impairment and provides for the same, in accordance with RBI Directions.
- e) The fair value of the quoted securities are the prices declared by the Financial Benchmarks India Private Limited ('FBIL'). For securities whose prices are not published by FBIL, the fair value of the quoted securities is based upon quoted price as available from the trades/ quotes on recognised stock exchanges, reporting platforms or trading platforms authorised by RBI or Securities and Exchange Board of India ('SEBI') or prices declared by the Fixed Income Money Market and Derivatives Association of India ('FIMMDA').
- f) Non INR India linked bonds and debentures are valued at prices published by counterparty quotes.
- g) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.
- h) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.
- i) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:
 - In case of unquoted bonds, debentures, Pass Through Certificates (PTCs) and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government

Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;

- Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the Company's latest balance sheet which shall not precede the date of valuation by more than 18 months. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1 per investee company;
 - Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower.
 - Units of Alternate Investment Funds (AIF) are valued at the NAV published by the AIFs. If AIF fails to carry out and disclose valuation of its investments by an independent valuer as per the frequency mandated by the SEBI regulations, the value of units shall be treated as ₹ 1. If the AIF is not registered under the applicable SEBI regulations and the latest disclosed valuation of its investments by an independent valuer is not available for a period beyond 18 months, the investment shall be valued at ₹ 1 per unit. Further, the Bank provides for investments in Alternate Investments Funds (AIFs) in line with RBI circular dated 19th December, 2023 and 27th March, 2024.
- j) Non-performing investments (NPIs) are identified and depreciation / provision are made thereon based on RBI guidelines. Subsequent, MTM gains on NPIs are ignored. NPIs are segregated from rest of the portfolio and are not considered for netting valuation gains and losses. Interest on non-performing investments is not recognized in the Profit & Loss Account until received. The Bank classifies Security Receipts whose tenure has exceeded 8 years, as NPI.
- k) **Repurchase and reverse repurchase transactions** - Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

Day 1 gain/ loss on initial recognition

All investments are measured at fair value on initial recognition.

Unless facts and circumstances suggest that the fair value is materially different from the acquisition cost, it is presumed that the acquisition cost is the fair value. Situations where the presumption is tested include:

- The transaction is between related parties.
- The transaction is done outside the principal market for that class of securities.
- The transaction is taking place under duress where one party is forced to accept the price in the transaction.

The Bank does not expect day 1 gain/ loss in case of investments which are executed through trading platforms like Recognized Stock Exchange or through online investment platforms whereby the prices are determined in an orderly transaction between market participants on the measurement date. Day 1 gain/ loss is tested when transactions are conducted outside the principal market or transactions are done with related parties.

Where the securities are quoted or the fair value can be determined based on market observable inputs (such as yield curve, spread, etc.) any day 1 gain/ loss is recognised in the Profit and Loss Account.

Any day 1 loss arising from Level 3 investments is recognised immediately in the Profit and Loss Account.

Any day 1 gains arising from Level 3 investments is deferred. In the case of debt instruments, the day 1 gain is amortized on a straight-line basis up to the maturity date, while for unquoted equity instruments, the gain is set aside as a liability until the security is listed or derecognised.

Fair Value Hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

The management uses its judgment in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Bank uses observable market data as far as possible.



Fair values are categorized into different levels (Level 1, Level 2, or Level 3) in a fair value hierarchy based on the inputs used in the valuation techniques. The levels are described as follows:

Level 1: The inputs used for valuation of financial instruments are quoted prices (unadjusted) in active markets for identical instruments that the Bank can access at the measurement date.

Level 2: The valuation of financial instruments is based on inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: The valuation of financial instruments is based on unobservable inputs i.e. not based on observable market data.

Transition date accounting as on 1st April, 2024

In line with the RBI Circular dated 12th September, 2023, the fair value as on 31st March, 2024 is the revised carrying value of investments. Further, the difference between the fair value as on 31st March, 2024 and previous carrying value has been adjusted in the Revenue/ General Reserve except that in case of Equity shares in AFS book, the same is adjusted to the AFS Reserve (Refer Note 8 – Schedule 18 A).

Policies applicable for the year ended 31st March, 2024:

Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into “Held for Trading” (‘HFT’), “Available for Sale” (‘AFS’) and “Held to Maturity” (‘HTM’) categories (hereinafter called “categories”). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines at the lower of the acquisition cost or carrying value and market value on the date of the transfer, and depreciation, if any, on such transfer is fully provided.

Under each of these categories, investments are further classified under six groups (hereinafter called “group/groups”) - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows ‘Settlement Date’ accounting for recording purchase and sale transactions in securities, except in the case of equity shares where ‘Trade Date’ accounting is followed.

Basis of classification:

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date. Investments which the Bank intends to hold till maturity are classified as HTM securities. The Bank has classified investments in subsidiaries, joint ventures and associates under HTM category. Investments which are not classified in either of the above two categories are classified under AFS category.

Acquisition Cost:

The cost of investments is determined on weighted average basis. Broken period interest on debt instruments and government securities are considered as a revenue item. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

Disposal of investments:

- **Investments classified as HFT or AFS** - Profit or loss on sale or redemption is recognised in the Profit and Loss Account.
- **Investments classified as HTM** - Profit on sale or redemption of investments is recognised in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale or redemption is recognised in the Profit and Loss Account.

Short Sale:

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is categorised under HFT category and netted off from Investments in the Balance Sheet. The short position is marked to market and loss, if any, is charged to the Profit and Loss Account while gain, if any, is ignored. Gain or loss on settlement of the short position is recognised in the Profit and Loss Account.

Valuation:

The valuation of investments is performed in accordance with the RBI guidelines as follows:

- a) **Investments classified as HTM** – These are carried at their acquisition cost. Any premium on acquisition of debt instruments / government securities is amortised over the balance maturity of the security on a straight line basis. Any diminution, other than temporary, in the value of such securities is provided.
- b) **Investments classified as HFT or AFS** – Investments in these categories are marked to market and the net depreciation, if any, within each group is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored. Further, provision other than temporary diminution is made at individual security level. Except in cases where provision other than temporary diminution is made, the book value of the individual securities is not changed as a result of periodic valuations.
- c) The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared on Fixed Income Money Market and Derivatives Association of India ('FIMMDA') website by Financial Benchmark India Private Limited (FBIL) as at the year end.
- d) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.
- e) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.
- f) Investments in subsidiaries / joint ventures (as defined by RBI) are categorised as HTM and assessed for impairment to determine other than temporary diminution, if any, in accordance with RBI guidelines.
- g) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:
 - In case of unquoted bonds, debentures and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;
 - In case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI. Interest on such securities is not recognised in the Profit and Loss Account until received;
 - Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the Company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1 per investee company;
 - Units of Venture Capital Funds (VCF) held under AFS category where current valuations are not available are marked to market based on the Net Asset Value (NAV) shown by VCF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF. Investment in unquoted VCF after 23rd August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines. Such investments are required to be transferred to AFS thereafter;
 - Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower. The Bank has classified Security Receipts whose tenure has exceeded 8 years, as "Non Performing investments".
 - The Bank provides for investments in Alternate Investments Funds (AIF) in accordance with RBI circular dated 19th December, 2023 and 27th March, 2024.
- h) Non-performing investments are identified and depreciation / provision are made thereon based on RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.
- i) **Repurchase and reverse repurchase transactions** - Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.



2 Advances

Classification:

Advances are classified as performing and non-performing advances ('NPAs') based on RBI guidelines and are stated net of bills rediscounted, inter-bank participation with risk, specific provisions, interest in suspense, claims received from Export Credit Guarantee Corporation and Emergency Credit Line Guarantee Scheme (ECLGS) with respect to non-performing advances, provisions for funded interest term loan and provisions in lieu of diminution in the fair value of restructured assets. Also, NPAs are classified into sub-standard, doubtful and loss assets as required by RBI guidelines. Interest on NPAs remaining uncollected is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

Amounts paid for acquiring non-performing asset(s) from other banks and NBFCs are considered as advances. Actual collections received on such non-performing asset(s) are compared with the cash flow(s) estimated while purchasing the asset to ascertain overdue(s). If such overdue(s) is/are in excess of 90 days, then this/these asset(s) are classified into sub-standard, doubtful or loss as required by the RBI guidelines on purchase of non-performing asset(s).

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown under advances.

Provisioning:

The Bank classifies its advances, investments and overdues from crystallised derivatives including those at overseas branches into performing and non performing in accordance with guidelines issued by the RBI. Provision for NPAs comprising sub-standard, doubtful and loss assets is made in accordance with RBI guidelines. In addition, the Bank considers accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of installments / rate of interest (due to reasons other than competitive reasons).

Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made.

In respect of borrowers restructured under the Resolution Framework – 1.0 and Resolution Framework 2.0 for COVID-19 related stress the Bank holds provisions higher than the provisions as required by the RBI guidelines based on the estimates made by the Bank.

In accordance with RBI guidelines the Bank has provided general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts, and gold at levels stipulated by RBI from time to time. Additional standard asset provision is done for overseas stepdown subsidiaries of Indian corporates. Standard provision is also made at higher than the prescribed rates in respect of advances to stressed sectors as per the framework approved by the Board of Directors. In case of Frauds, the Bank makes provision for amounts it is liable for in accordance with the guidelines issued by RBI. A general provision on the entire amount outstanding from borrowers who had an overdue on 29th February, 2020 and to whom moratorium was given is also made.

Further to provisions required as per the asset classification status, provisions are held for individual country exposure (except for home country) as per the RBI guidelines. Exposure is classified in the seven risk categories as mentioned in the Export Credit Guarantee Corporation of India Limited ('ECGC') guidelines and provisioning is done for that country if the net funded exposure is one percent or more of the Bank's total assets based on the rates laid down by the RBI.

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines.

3 Loss on Sale of Advances to Asset Reconstruction Company

Loss on sale of Advances sold to Asset Reconstruction Company are recognised immediately in the Profit and Loss Account.

4 Securitisation

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/ SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass-Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021.

In accordance with the RBI guidelines on Securitisation of Standard Assets dated 24 September 2021, the profit, loss or premium on account of securitisation of assets at the time of sale is computed as the difference between the sale consideration and the book value of the securitised asset. Any resultant profit, loss or premium realised on account of securitisation is recognised to the Profit and Loss Account in the period in which the sale is completed.

The Bank invests in instruments of other SPVs which are accounted for at the deal value and are classified under Investments.

5 Fixed assets (Property, Plant & Equipment and Intangible) and depreciation / amortisation

Property, Plant & Equipment and Intangible Assets have been stated at cost less accumulated depreciation and amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Gain or loss arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises of the Bank, net of taxes and transfer to statutory reserve is appropriated to Capital Reserve as per RBI guidelines.

Depreciation / Amortisation - Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Asset Type	Estimated Useful life in years
Premises	58
Leasehold Land	Over the lease period
Improvement to leasehold premises	Over the period of lease subject to a maximum of 6 years.
Office equipments (High capacity chillers, Transformers, UPS, DG set, Fire Suppression, HVAC, PAC & Elevators)	10
Office equipments (other than above)	5
Computers	3
Furniture and Fixtures	6
Motor Vehicles	4
ATMs	5
Software (including development) expenditure	3

Used assets purchased are depreciated over the residual useful life from the date of original purchase.

Items costing less than ₹ 5,000 are fully depreciated in the year of purchase.

6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and Balances with Other Banks / institutions and money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

7 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its wholesale customers. The difference between the sale price to customers and actual price quoted by supplier is reflected under other income.



The Bank also borrows and lends gold, which is treated as borrowings or lending as the case may be in accordance with the RBI guidelines and the interest paid or received is classified as interest expense or income and is accounted on an accrual basis.

8 Revenue recognition

Interest income is recognised on accrual basis.

Interest income in respect of retail advances is accounted for by using the internal rate of return method to provide a constant periodic rate of return.

Interest income on investments in PTCs and loans bought out through the direct assignment route is recognised at their effective interest rate.

Interest income on Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits is recognised over tenure of the instrument on a straight line basis. Interest income on other discounted instruments is recognised over the tenure of the instruments so as to provide a constant periodic rate of return.

Service charges, fees and commission income are recognised when due, where the Bank is reasonably certain of ultimate collection.

Commission on Guarantees and letter of credit are recognised over the period of the guarantee / letter of credit. Syndication / arranger fee is recognised as income as per the terms of engagement.

Upon an asset becoming NPA the income accrued gets reversed, and is recognised only on realisation, as per RBI guidelines.

Penal interest/charges on products where applicable is recognised as income on realisation other than on running accounts where it is recognised to the extent of limits available in the account.

Dividend income is accounted on an accrual basis when the Bank's right to receive the dividend is established.

Gain on account of securitisation of assets is amortised over the life of the securities issued in accordance with the guidelines issued by the RBI. Loss on account of securitisation of assets is recognised immediately in Profit and Loss account.

In respect of non-performing assets acquired from other Banks / FIs and NBFCs, collections in excess of the consideration paid at each asset level or portfolio level is treated as income in accordance with RBI guidelines and clarifications.

Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is recognised as expense under other expenses in accordance with the guidelines issued by the RBI.

9 Employee benefits

Defined Contribution Plan

Provident Fund

Contribution as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has no further obligations.

Superannuation Fund

The Bank makes contributions in respect of eligible employees, subject to a maximum of ₹0.01 crore per employee per annum to a Fund administered by trustees and managed by Life Insurance Companies. The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligations.

New Pension Scheme

The Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognises such contributions as an expense in the year when an employee renders the related service.

DIFC Employee Workplace Savings Scheme (DEWS)

The Bank's branch in Dubai International Financial Centre (DIFC) contributes up to 8.33% of eligible branch employees' salary per annum to the DIFC Employee Workplace Savings Scheme (DEWS). The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligation.

Defined Benefit Plan

Gratuity

The Bank provides for Gratuity, covering employees in accordance with the Payment of Gratuity Act, 1972, service regulations and service awards as the case may be. The Bank's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. The Bank makes contribution to Gratuity Funds administered by trustees and managed by Life Insurance Companies.

Pension Scheme

In respect of pension payable to certain erstwhile ING Vysya Bank Limited ("eIVBL") employees under Indian Banks' Association ("IBA") structure, the Bank contributes 10% of basic salary to a pension fund and the difference between the contribution and the amount actuarially determined by an independent actuary is trued up based on actuarial valuation conducted as at the Balance Sheet date. The Pension Fund is administered by the Board of Trustees and managed by Life Insurance Company. The present value of the Bank's defined pension obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan

The contribution made to the Pension fund is recognised as planned assets. The defined benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains or losses in respect of all defined benefit plans are recognised immediately in the Profit and Loss Account in the year in which they are incurred.

Compensated Absences – Other Long-Term Employee Benefits

The Bank accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains / losses are recognised in the Profit and Loss Account in the year in which they arise.

Other Employee Benefits

As per the Bank's policy, employees are eligible for an award after completion of a specified number of years of service with the Bank. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the Projected Unit Credit Method.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include performance incentives.

Employee share based payments

Equity-settled scheme:

The Equity Stock Option Schemes (ESOSs) and the Performance Linked restricted Stock Unit Scheme (PRSU) of the Bank are in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The schemes provide for grant of options and restricted stock units to employees of the Group to acquire the equity shares of the Bank that vest as per the vesting schedule and that are to be exercised within a specified period.

RBI, vide its clarification dated 30th August, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending 31st March, 2021.

In accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Guidance Note on "Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic value method for all options granted on or before 31st March, 2021. The intrinsic value being the excess, if any, of the fair market price of the share under ESOSs over the exercise price of the option is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The Bank has changed its accounting policy from intrinsic value method to fair value method for all share-linked instruments granted after 31st March, 2021 in accordance with the RBI guidance. The fair value of the option is estimated on the date of grant using Black-Scholes model and is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the option. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.



The options that do not vest because of failure to satisfy vesting condition are reversed by a credit to employee compensation expense in "Payment to and provision for employee", equal to the amortised portion of the cost of lapsed option and credit to deferred employee compensation equal to the unamortised portion. In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding account is transferred to General Reserve. The fair market price is the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

Where the terms of an equity-settled award are modified, the minimum expense recognised in 'Payments to and provision for employees' is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total intrinsic/ fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

In respect of options granted to employees of subsidiaries, the Bank recovers the related compensation cost from the respective subsidiaries.

Cash-settled scheme:

The cost of cash-settled transactions, stock appreciation rights (SARs) having grant date on or before 31st March, 2021 is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. Similar to Equity settled options, SARs granted after 31st March, 2021 are measured on fair value basis.

The intrinsic / fair value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in intrinsic / fair value recognised in the profit and loss account in 'Payments to and provision for employees'. The SARs that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense, equal to the amortised cost in respect of the lapsed portion.

10 Foreign currency transactions

Foreign currency monetary assets and monetary liabilities are translated as at the Balance Sheet date at rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gain or loss is accounted in the Profit and Loss Account.

Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transactions except in respect of representative office (which are integral in nature) expenses, which are translated at monthly average exchange rates.

Outstanding forward (other than deposit and placement swaps) and spot foreign exchange contracts outstanding at the Balance Sheet date are revalued at rates notified by FEDAI for specified maturities and at the interpolated rates of interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves in respective currencies. The forward profit or loss on the forward contracts are discounted using discount rate and the resulting profits or losses are recognised in the Profit and Loss Account as per the regulations stipulated by the RBI.

Foreign exchange swaps "linked" to foreign currency deposits and placements are translated at the prevailing spot rate at the time of swap. The premium or discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and the same is recognised in the Profit and Loss Account.

Contingent liabilities on account of letters of credit, bank guarantees and acceptances and endorsements outstanding as at the Balance Sheet date denominated in foreign currencies and other foreign exchange contracts are translated at year-end rates notified by FEDAI.

The financial statements of IBU and DIFC which are in the nature of non-integral overseas operations are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange during the period and (b) All assets and liabilities are translated at closing rate as on Balance Sheet date. The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

11 Derivative transactions

Notional amounts of derivative transactions comprising of swaps, futures and options are disclosed as off Balance Sheet exposures. The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market) or as liabilities when the fair value is negative (negative marked to market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

Outstanding derivative transactions designated as "Hedges" are accounted in accordance with hedging instrument on an accrual basis over the life of the underlying instrument. Option premium paid or received is recognised in the Profit and Loss Account on expiry of the option. Option contracts are marked to market on every reporting date.

12 Lease accounting

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Initial direct costs in respect of operating leases such as legal costs, brokerage costs, etc. are recognised as expense immediately in the Profit and Loss Account.

13 Accounting for provisions, contingent liabilities and contingent assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are measured based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognised nor disclosed in the financial statements.

14 Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent carrying amount of assets exceeds their estimated recoverable amount.

15 Taxes on income

The Income Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets on account of timing differences are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of carry forward losses and unabsorbed depreciation, under tax laws, all the deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of the change.

Current tax assets and liabilities and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis.

16 Accounting for Dividend

As per AS 4 (Revised), with effect from April 2016, the Bank is not required to provide for dividend proposed / declared after the Balance Sheet date. The same shall be appropriated from next year amount available for appropriation.

17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, and share split.



For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

18 Share issue expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

19 Credit cards reward points

The Bank estimates the liability for credit card reward points and cost per point using actuarial valuation conducted by an independent actuary, which includes assumptions such as mortality, redemption and spends.

20 Segment reporting

In accordance with guidelines issued by RBI and Accounting Standard 17 (AS-17) on "Segment Reporting", the Banks' business has been segregated into the following segments whose principal activities were as under:

Segment	Principal activity
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities and Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.
Corporate / Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Comprises of:
Digital Banking	Business involving digital banking products acquired by Digital Banking Unit including existing digital banking products as identified by the Management in accordance with the instructions of the RBI vide its circular dated 7 th April, 2022.
Other Retail Banking	Includes (other than covered under Digital Banking above):
	I Lending
	Commercial vehicle finance, personal loans, home loans, agriculture finance, other loans / services and exposures which fulfill the four criteria for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards: A Revised Framework".
	II Branch Banking
	Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products.
	III Credit Cards
	Receivables / loans relating to credit card business.
Other Banking business	Any other business not classified above.

A transfer pricing mechanism has been established by Asset Liability Committee (ALCO) for allocation of interest cost to the above segments based on borrowing costs, maturity profile of assets / liabilities etc. and which is disclosed as part of segment revenue.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses and provisions.

Segment results are net of segment revenues and segment expenses including interdivisional items.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth and employees' stock option (grants outstanding).

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.

SCHEDULE 18 – NOTES TO ACCOUNTS

A. DISCLOSURES AS LAID DOWN BY RBI CIRCULARS:

1. CAPITAL ADEQUACY RATIO:

The Bank's Capital Adequacy Ratios as per Basel III guidelines are as follows:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Capital Ratios:		
(i) Common Equity Tier I Capital (CET 1)	109,642.71	87,991.19
(ii) Additional Tier I Capital [§]	-	-
(iii) Tier I Capital (i + ii)	109,642.71	87,991.19
(iv) Tier II Capital	5,954.78	5,957.28
(v) Total Capital (Tier I+Tier II)	115,597.49	93,948.47
(vi) Total Risk Weighted Assets (RWAs)	519,614.54	457,206.27
(vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	21.10%	19.25%
(viii) Tier I Ratio (Tier I capital as a percentage of RWAs)	21.10%	19.25%
(ix) Tier II Ratio (Tier II capital as a percentage of RWAs)	1.15%	1.30%
(x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	22.25%	20.55%
(xi) Leverage Ratio	14.15%	13.12%
(xii) Percentage of the shareholding of the Government of India	Nil	Nil
(xiii) Amount of paid-up equity capital raised during the year [#]	52.09	218.22
(xiv) Amount of non-equity Tier I capital raised during the year of which:		
PNCPS	Nil	Nil
PDI	Nil	Nil
(xv) Amount of Tier II Capital raised during the year of which:		
PNCPS	Nil	Nil
PDI	Nil	Nil

[#]The Bank has allotted during the year 302,095 (previous year 1,364,316) equity shares consequent to exercise of ESOPs vested. Accordingly, the share capital further increased by ₹ 0.15 crore (previous year ₹ 0.68 crore) and share premium increased by ₹ 51.94 crore (previous year ₹ 217.54 crore).

[§]The Bank has redeemed perpetual non-cumulative preference share capital ("PNCPS") during the previous year.

2. COMPOSITION OF INVESTMENT PORTFOLIO

(₹ in crore)

As at 31 st March, 2025	Investments in India						Investments outside India				Total Investments	
	Government Securities*	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total Investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others*		Total Investments outside India
Held to Maturity (Including Distinct Category)												
	51,478.84	-	-	-	3,348.83	-	54,827.67	-	38.32	-	38.32	
	Add/(Less) : Unrealised gain/ (loss) and Provisions for Non performing Investments											
	51,478.84	-	-	-	3,348.83	-	54,827.67	-	38.32	-	38.32	
	Available for Sale											
	40,234.54	-	4,320.43	8,366.87	-	5,277.54	58,199.38	243.90	-	495.64	739.54	58,938.92
Fair Value Through Profit & Loss Non HFT	33.73	-	1,760.43	(11.73)	-	9.78	1,792.21	-	-	(3.42)	(3.42)	1,788.79
	40,268.27	-	6,080.86	8,355.14	-	5,287.32	59,991.59	243.90	-	492.22	736.12	60,727.71
Held for Trading	-	-	237.79	150.09	-	1,639.42	2,027.30	-	-	2.59	2.59	2,029.89
	Add/(Less) : Unrealised gain/ (loss) and Provisions for Non performing Investments											
	-	-	(15.14)	(3.86)	-	3.22	(15.78)	-	-	0.34	0.34	(15.44)
	-	-	222.65	146.23	-	1,642.64	2,011.52	-	-	2.93	2.93	2,014.45
	40,017.48	-	55.76	1,809.30	-	21,990.95	63,873.49	-	-	13.56	13.56	63,887.05
Total Investments	450.09		(53.07)	11.34	-	-	408.36	-	-	3.89	3.89	412.25
	40,467.57	-	2.69	1,820.64	-	21,990.95	64,281.85	-	-	17.45	17.45	64,299.30
	131,730.86	-	4,613.98	10,326.26	3,348.83	28,907.91	178,927.84	243.90	38.32	511.79	794.01	179,721.85
	Add/(Less) : Unrealised gain/ (loss) and Provisions for (Non performing Investments)											
	483.82	-	1,692.22	(4.25)	-	13.00	2,184.79	-	-	0.81	0.81	2,185.60
	132,214.68	-	6,306.20	10,322.01	3,348.83	28,920.91	181,112.63	243.90	38.32	512.60	794.82	181,907.45

* Includes securities with face Value of ₹ 36,381.85 crore pledged and encumbered for availment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.

(₹ in crore)

As at 31 st March, 2024	Investments in India						Investments outside India				Total Investments	
	Government Securities*	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others*		Total Investments outside India
Held to Maturity	28,517.74	-	-	-	3,902.02	-	32,419.76	-	38.32	-	38.32	32,458.08
	-	-	-	-	-	-	-	-	-	-	-	-
	28,517.74	-	-	-	3,902.02	-	32,419.76	-	38.32	-	38.32	32,458.08
Available for Sale	77,485.52	-	1,267.83	14,524.76	-	5,869.50	99,147.61	277.78	-	1,421.63	1,699.41	100,847.02
	(294.24)	-	(43.25)	(33.34)	-	(177.63)	(548.46)	-	-	(18.84)	(18.84)	567.30
	77,191.28	-	1,224.58	14,491.42	-	5,691.87	98,599.15	277.78	-	1,402.79	1,680.57	100,279.72
Held for Trading	7,686.05	-	-	2,357.94	-	12,621.97	22,665.96	-	-	-	-	22,665.96
	-	-	-	-	-	-	-	-	-	-	-	-
	7,686.05	-	-	2,357.94	-	12,621.97	22,665.96	-	-	-	-	22,665.96
Total Investments	113,689.31	-	1,267.83	16,882.70	3,902.02	18,491.47	154,233.33	277.78	38.32	1,421.63	1,737.73	155,971.06
	(294.24)	-	(43.25)	(33.34)	-	(177.63)	(548.46)	-	-	(18.84)	(18.84)	(567.30)
	113,395.07	-	1,224.58	16,849.36	3,902.02	18,313.84	153,684.87	277.78	38.32	1,402.79	1,718.89	155,403.76

* Includes securities with face Value of ₹ 4,327.45 crore pledged and encumbered for availment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF

**3. MOVEMENT OF PROVISIONS FOR DEPRECIATION AND INVESTMENT FLUCTUATION RESERVE:**

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	567.30	2,002.65
b) Add: Provisions made during the year	47.11	0.64
c) Less: Write-back/Transfers of provisions during the year	470.51	1,435.99
d) Closing balance*	143.90	567.30
*Closing balance as of 31 st March, 2025 represents provision for NPI		
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	3,500.00	2,300.00
b) Add: Amount transferred during the year	500.00	1,200.00
c) Less: Drawdown	-	-
d) Closing balance	4,000.00	3,500.00
iii) Closing balance in IFR as percentage of closing balance of investments in AFS and HFT/Current Category	3.15%	2.85%

4. DETAILS OF REPO / REVERSE REPO (EXCLUDING LAF AND MSF TRANSACTIONS FOR THE YEAR) DEALS:Year ended 31st March, 2025:

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on 31 st March, 2025	
	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²
Securities sold under repos								
i. Government securities	-	-	27,627.25	27,629.46	4,063.45	4,067.42	18,861.25	18,861.25
ii. Corporate debt securities	-	-	185.71	171.73	9.20	8.61	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	-	-	24,931.45	24,931.45	2,906.34	2,923.75	5,725.28	5,903.79
ii. Corporate debt securities	-	-	500.00	461.78	10.21	9.53	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

¹FV : Face Value²MV : Market ValueYear ended 31st March, 2024:

(₹ in crore)

Particulars	Minimum outstanding during the year		Maximum outstanding during the year		Daily Average outstanding during the year		Outstanding as on 31 st March, 2024	
	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²	FV ¹	MV ²
Securities sold under repos								
i. Government securities	-	-	8,962.75	8,985.06	913.34	921.19	-	-
ii. Corporate debt securities	-	-	185.71	169.20	11.05	11.02	-	-
iii. Any other securities	-	-	-	-	-	-	-	-
Securities purchased under reverse repos								
i. Government securities	-	-	29,237.80	29,296.08	6,000.56	6,050.63	11,450.29	11,485.11
ii. Corporate debt securities	-	-	525.00	454.94	14.97	13.57	-	-
iii. Any other securities	-	-	-	-	-	-	-	-

¹FV : Face Value²MV : Market Value

5. GOVERNMENT SECURITY LENDING (GSL) TRANSACTIONS (IN MARKET VALUE TERMS)

The Bank has not undertaken any government securities lending transactions during the year ended 31st March, 2025 (PY: Nil).

6. DISCLOSURE IN RESPECT OF NON-SLR INVESTMENTS:

(i) Non-performing Non-SLR investments:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2025	31 st March, 2024
Opening balance	124.00	78.67
Additions during the year	47.11	64.91
Reductions during the year	(27.21)	(19.58)
Closing balance	143.90	124.00
Total provisions held	143.90	124.00

(ii) Issuer composition of Non-SLR investments as at 31st March, 2025:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	611.17	350.00	-	-	-
2	FIs	7,169.52	4,116.21	-	-	-
3	Banks	6,721.81	5,769.74	-	881.60	5,787.70
4	Private Corporates	26,305.95	22,642.18	413.89	3,601.96	2,444.90
5	Subsidiaries, Associates and Joint Ventures	3,387.16	1,473.85	-	3,387.16	3,387.16
6	Others	3,795.38	3,431.39	174.02	981.08	3,551.49
7	MTM gain / (loss)	1,845.68				
8	Provisions for NPI	(143.90)				
Total		49,692.77	37,783.37	587.91	8,851.80	15,171.25

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

Issuer composition of Non-SLR investments as at 31st March, 2024:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	608.27	475.00	-	-	-
2	FIs	9,441.36	8,065.55	-	-	7,537.45
3	Banks	5,125.22	2,390.08	-	414.64	4,531.24
4	Private Corporates	19,988.18	16,064.18	244.58	866.78	6,762.68
5	Subsidiaries, Associates and Joint Ventures	3,940.34	2,036.58	-	3,940.34	3,940.34
6	Others	3,178.38	2,668.54	389.28	363.57	2,900.60
7	Provision held towards depreciation	(273.06)	-	-	-	-
Total		42,008.69	31,699.93	633.86	5,585.33	25,672.31

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

7. DETAILS OF SALES MADE OUT OF HTM

During the year ended 31st March, 2025, the value of sale / transfer of securities to / from HTM category (excluding one-time transfer of securities, permitted sales by RBI consequent to a downward revision in SLR requirements and sales to RBI under Open Market Operation auctions/Switch/GSAP) was within 5% of the book value of instruments in HTM category at the beginning of the year.

8. CHANGE IN ACCOUNTING POLICY

The Bank implemented the Master Direction - Classification, Valuation and Operation of Investment Portfolio of Commercial Banks (Directions), 2023 dated 12th September, 2023 which is applicable to banks from 1st April, 2024. Consequent to the transition provisions, the Bank's networth and investments have increased by ₹ 2,905.46 crore (post-tax) and ₹ 3,283.11 crore (pre-tax) respectively as on 1st April, 2024 on account of revision in the carrying value to the fair value as on such date. Subsequent changes in fair value of performing investments under Available for Sale ("AFS") and Fair Value Through Profit and Loss ("FVTPL") (including Held For Trading ("HFT")) categories have been recognised through AFS reserve and Profit and Loss Account respectively. Accordingly, the amounts for periods prior to 1st April, 2024 are not comparable.

9. DERIVATIVES:**A. Forward Rate Agreements/ Interest Rate Swaps:**

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
The notional principal of swap agreements	141,828.23	134,487.28
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	727.76	933.94
Collateral required by the Bank upon entering into swaps	NA	NA
Concentration of credit risk arising from the swaps	41.86% (Banks)	32.19%(Banks)
The fair value of the swap book	(337.48)	186.02

B. Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Notional principal amount of exchange traded interest rate derivatives undertaken during the year	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" *	NA	NA
Mark to market value of exchange traded interest rate derivatives outstanding and not "highly effective" *	NA	NA

* Being trading positions

C. Disclosures on risk exposures in derivatives:**Qualitative disclosures:****a) Structure and organization for management of risk in derivatives trading:**

The Board of Directors, the Risk Management Committee (RMC), Board Committee for Derivatives products, the Asset Liability Management Committee (ALCO), the Senior Management Committee for Derivatives (SMC) and the Risk Management Department are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved Investment and Derivative policies. The ALCO of the Bank is empowered to set the limit-framework for derivatives. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also defines the risk appetite.

The Board Committee for Derivatives products and the Senior Management Committee for Derivatives (SMC) oversee the client derivatives business. These committees are responsible for reviewing and approving the derivative products that can be offered to clients (within the regulatory framework provided by the RBI). The Board approved 'Customer Suitability and Appropriateness Policy for Derivatives' lays down the risk management & governance framework for offering derivatives.

The Bank has Operations and Risk Management functions - independent of the dealing function. The Market Risk Management & Counterparty Risk Management Departments are responsible for assessment, monitoring, measurement & reporting of market & counterparty risks in derivatives.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored, measured & reported to the senior management. The Treasury Middle Office, on a daily basis, measures & reports risk-metrics like Value-at-Risk (VaR), PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho etc. Counterparty Risk exposure of the derivatives portfolio is also monitored & reported daily. The Treasury Middle Office independently reports profitability on a daily basis. Rate reasonability tests are performed on the Derivative portfolio to ensure that all trades are entered into at market rates. Stress testing is performed to measure the impact of extreme market shifts on the Bank's portfolio (including derivatives). Suitability and Appropriateness assessment is performed before offering derivatives to clients. The Bank continuously invests in technology to enhance the Risk Management architecture.

c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Derivative transactions are segregated into trading or hedge transactions. Trading transactions outstanding as at the Balance Sheet dates are marked to market and the resulting profits or losses, are recorded in the Profit and Loss Account.

Derivative transactions designated as "Hedges" are accounted in accordance with hedging instruments on an accrual basis over the life of the underlying instrument.

Option premium paid / received is accounted for in the Profit and Loss Account on expiry of the option.

Pursuant to the RBI guidelines, any receivables as well positive Mark to Market (MTM) in respect of future receivable under derivative contracts comprising of crystallised receivables which remain overdue for more than 90 days are reversed through the Profit and Loss Account. Full provision is made for the entire amount of overdue and future receivables relating to positive marked to market value of non-performing derivative contracts. Limits for counterparty exposure (arising from derivative trades) to Corporates are approved by the Credit Committee and for Banks by the ALCO. These limits are renewable annually and are duly supported by ISDA agreements. MTM breaches are monitored daily and are cash collateralised wherever necessary. Further, to mitigate the current exposure in noncentrally cleared forex and derivative transactions, Bank has entered into Credit Support Annex ('CSA') agreements with some of the major international counterparty banks and few Indian financial institutions.

Quantitative Disclosures:

31st March, 2025:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
	a) For hedging	-	-
	b) For trading	899,659.94	141,828.23
2	Marked to Market Positions **		
	a) Asset (+)	104.78	-
	b) Liability (-)	-	337.48



(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
3	Credit Exposure	21,390.96	1,656.31
4	Likely impact of one percentage change in interest rate (100*PV01) #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	77.93	1,478.81
5	Maximum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	109.55	1,622.28
6	Minimum of 100*PV01 observed during the year #		
	a) On hedging derivatives	-	-
	b) On trading derivatives	32.36	1,357.22

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

*Forwards in currency derivatives includes TOM, Spot deal.

** The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills – Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

The nature and terms of the Interest Rate Swaps (IRS) as on 31st March, 2025 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	4	992.58	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	3	986.09	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	164	14,165.06	SOFR	Receive Floating Vs. Pay Fixed
Trading	84	8,457.24	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	454.62	SONIA	Receive Floating Vs. Pay Fixed
Trading	1	454.62	SONIA	Receive Fixed Vs. Pay Floating
Trading	1	76.93	SOFR Vs. SOFR	Receive Floating Vs. Pay Floating
Trading	340	16,877.24	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	171	11,435.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	765	24,623.02	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,742	54,091.52	MIBOR	Receive Floating Vs. Pay Fixed
Trading	493	9,214.32	FBIL	Receive Fixed Vs. Pay Floating
Total	3,769	141,828.24		

*Benchmark FBIL pertains to trades done in Rates FRA product.

The nature and terms of the Cross Currency Swaps (CCS) as on 31st March, 2025 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	8	733.30	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	5	538.89	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	2	738.31	FIXED	Pay Fixed
Trading	3	345.91	FIXED	Receive Fixed
Trading	84	3,951.91	FIXED	Receive Fixed Vs. Pay Fixed
Trading	0	-	SOFR	Receive Fixed Vs. Pay Fixed
Trading	60	4,295.46	SOFR	Receive Fixed Vs. Pay Floating
Trading	7	1,445.79	SOFR	Receive Floating Vs. Pay Fixed
Trading	46	1,492.03	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
Trading	3	350.84	SOFR Vs. MIOIS	Receive Floating Vs. Pay Floating
Trading	3	854.75	SOFR Vs. TONAR	Receive Floating Vs. Pay Floating
Trading	2	1,025.70	SOFR Vs. TORF	Receive Floating Vs. Pay Floating
Total	223	15,772.89		

*Above notional principal does not include trades done with GIFT-City branch since it gets zeroed at bank level however, only count of trades done is specified.

The overnight Net open position as at 31st March, 2025 is ₹ 216.86 crore (previous year ₹ 142.78 crore).

31st March, 2024:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
a)	For hedging	-	-
b)	For trading	522,317.25	134,487.28
2	Marked to Market Positions **		
a)	Asset (+)	-	186.02
b)	Liability (-)	115.21	-
3	Credit Exposure	12,655.54	1,852.34
4	Likely impact of one percentage change in interest rate (100*PV01) #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	55.95	1,418.33
5	Maximum of 100*PV01 observed during the year #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	63.82	1,549.01
6	Minimum of 100*PV01 observed during the year #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	32.71	1,293.01

Currency interest rate swaps have been included under currency derivatives.

* Excludes PV01 on options.

** Forwards in currency derivatives includes TOM, Spot deal.

** The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills – Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

The nature and terms of the Interest Rate Swaps (IRS) as on 31st March, 2024 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	2	874.96	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	2	874.96	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	158	11,259.48	SOFR	Receive Floating Vs. Pay Fixed
Trading	48	2,746.86	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	431.34	SONIA	Receive Floating Vs. Pay Fixed
Trading	1	431.34	SONIA	Receive Fixed Vs. Pay Floating
Trading	6	356.50	SOFR Vs. SOFR	Receive Floating Vs. Pay Floating
Trading	311	13,781.10	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	91	5,740.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	919	30,612.29	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,889	58,990.94	MIBOR	Receive Floating Vs. Pay Fixed
Trading	452	8,387.51	FBIL*	Receive Fixed Vs. Pay Floating
Total	3,880	134,487.28		

*Benchmark FBIL pertains to trades done in Rates FRA product.

The nature and terms of the Cross Currency Swaps (CCS) as on 31st March, 2024 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	4	365.73	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	4	364.91	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	3	270.82	FIXED	Pay Fixed
Trading	3	241.17	FIXED	Receive Fixed
Trading	52	2,004.94	FIXED	Receive Fixed Vs. Pay Fixed
Trading	1	32.81	SOFR	Receive Fixed Vs. Pay Fixed



(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	37	2,931.41	SOFR	Receive Fixed Vs. Pay Floating
Trading	4	1,117.69	SOFR	Receive Floating Vs. Pay Fixed
Trading	17	441.00	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
Trading	2	1,000.86	SOFR Vs. TORF	Receive Floating Vs. Pay Floating
Total	127	8,771.34		

*Above notional principal does not include trades done with GIFT-City branch since it gets zeroed at bank level however, only count of trades done is specified.

10. CREDIT DEFAULT SWAPS:

The Bank has not entered into any Credit Default Swap transactions (previous year Nil).

11. CLASSIFICATION OF ADVANCES AND PROVISIONS HELD:

As at 31st March, 2025

(₹ in crore)

Particulars	Standard	Non-Performing				Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss	Total Non-Performing Advances	
Gross Standard Advances and NPAs						
Opening Balance	374,815.45	2,092.78	2,979.65	202.35	5,274.78	380,090.23
Add: Additions during the year					6,378.62	
Less: Reductions during the year (*)					(5,519.55)	
Closing Balance	425,571.27	3,105.34	2,832.18	196.33	6,133.85	431,705.12
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(1,210.40)	(1,210.40)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,566.02)	(1,566.02)
iii) Technical/Prudential Write-offs					-	-
iv) Write-offs other than those covered under (iii) above					(2,743.13)	(2,743.13)
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	10.75	1,069.71	2,732.15	202.35	4,004.21	4,014.96
Add: Fresh provisions made during the year					4,814.66	
Less: Excess provision reversed/Write-off loans					(4,028.46)	
Closing balance of provisions held	5.50	2,006.12	2,587.96	196.33	4,790.41	4,795.91
Net NPAs						
Opening Balance		1,023.07	247.50	-	1,270.57	
Add: Fresh additions during the year					1,563.96	
Less: Reductions during the year					(1,491.09)	
Closing Balance		1,099.22	244.22	-	1,343.44	
Ratios						
Gross NPA to Gross Advances (%)						1.42%
Net NPA to Net Advances (%)						0.31%

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹ 1,851.93 crore as at 31st March, 2025.

As at 31st March, 2024

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	318,695.94	1,528.74	3,970.41	269.17	5,768.32	324,464.26
Add: Additions during the year					5,001.11	
Less: Reductions during the year (*)					(5,494.65)	
Closing Balance	374,815.45	2,092.78	2,979.65	202.35	5,274.78	380,090.23
(*) Reductions in Gross NPAs due to:						
v) Upgradation					(1,737.08)	(1,737.08)
vi) Recoveries (excluding recoveries from upgraded accounts)					(1,499.65)	(1,499.65)
vii) Technical/Prudential Write-offs					-	-
viii) Write-offs other than those covered under (iii) above					(2,257.92)	(2,257.92)
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	28.03	837.21	3,468.64	269.17	4,575.02	4,603.05
Add: Fresh provisions made during the year					3,055.16	
Less: Excess provision reversed/Write-off loans					(3,625.97)	
Closing balance of provisions held	10.75	1,069.71	2,732.15	202.35	4,004.21	4,014.96
Net NPAs						
Opening Balance		691.53	501.77	-	1,193.30	
Add: Fresh additions during the year					1,945.95	
Less: Reductions during the year					(1,868.68)	
Closing Balance		1,023.07	247.50	-	1,270.57	
Ratios						
Gross NPA to Gross Advances (%)						1.39%
Net NPA to Net Advances (%)						0.34%

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹ 1,547.53 crore as at 31st March, 2024.

12. MOVEMENT OF TECHNICAL WRITE-OFFS AND RECOVERIES:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2025	31 st March, 2024
Opening balance of Technical / Prudential written-off accounts as at 1 st April	1,100.84	1,581.89
Add: Technical / Prudential write-offs during the year	-	-
Less: Recoveries / Reductions made from previously Technical / Prudential written-off accounts during the year	(387.25)	(481.05)
Closing Balance as at 31st March	713.59	1,100.84

13. The Provision Coverage Ratio (PCR) of the Bank after considering technical write-off is 80.38% as at 31st March, 2025 (previous year 80.07%).

14. CONCENTRATION OF NPAs:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total Exposure to top twenty NPA accounts*	451.22	610.61
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	7.36%	11.58%

(*) Above represents Gross NPA



15. RBI vide its circular dated 1st April, 2019, has directed banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 5 percent (previous year exceed 5 percent) of the published net profits before provision and contingency for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent (previous year exceed 5 percent) of the published incremental Gross NPAs for the reference period, or both. There has been no divergence observed by RBI for the financial year 2023-24 (previous year Nil) in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

16. SECTOR-WISE ADVANCES AND GROSS NPAS

(₹ in crore)

Sl. No	Sector	As at 31 st March, 2025		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector			
1	Agricultural and Allied Activities	44,667.60	1,895.33	4.24%
2	Advances to Industries Sector eligible as Priority sector lending, Of which exceeding 10%:	59,273.15	292.37	0.49%
	- Textiles	10,202.78	29.38	
	- All Engineering	6,433.09	12.99	
3	Services, Of which exceeding 10%:	90,563.70	1,096.07	1.21%
	- Wholesale Trade	25,064.45	626.93	
	- Logistics and Auxiliary transport activities	26,356.63	153.18	
4	Personal Loans and others, Of which exceeding 10%:	2,915.96	42.90	1.47%
	- Home Loans	1,762.16	8.96	
	- Micro Loans	943.74	31.67	
	Sub-Total (A)	197,420.41	3,326.67	1.69%
B	Non Priority Sector			
1	Agricultural and Allied Activities	1,572.16	61.27	3.90%
2	Industry, Of which exceeding 10%:	59,312.62	343.35	0.58%
	- Infrastructure	15,584.50	121.08	
	- Basic Metal and Metal Products	7,011.19	47.94	
3	Services, Of which exceeding 10%:	58,561.04	354.16	0.60%
	- NBFC	9,636.06	-	
	- Real Estate	8,131.27	0.10	
	- Wholesale Trade	10,409.05	145.89	
4	Personal loans and others, Of which exceeding 10%:	114,838.89	2,048.40	1.78%
	- Home Loans	50,041.48	92.43	
	- Loan Against Property	13,121.75	43.33	
	- Credit Cards	14,055.74	927.25	
	- Personal Loans	16,844.71	410.90	
	Sub-Total (B)	234,284.71	2,807.18	1.20%
	Total (A+B)	431,705.12	6,133.85	1.42%

* Represents Gross Advances

(₹ in crore)

Sl. No	Sector	As at 31 st March, 2024		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector			
1	Agricultural and Allied Activities	42,885.36	1,646.23	3.84%
2	Advances to Industries Sector eligible as Priority sector lending, Of which exceeding 10%:	50,274.69	243.61	0.48%
	- Textiles	7,856.83	14.15	

(₹ in crore)

Sl. No	Sector	As at 31 st March, 2024		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
	- Rubber, Plastic and their Products	5,213.98	5.57	
3	Services, Of which exceeding 10%:	74,059.32	795.13	1.07%
	- Wholesale Trade	23,346.39	137.88	
	- Logistics and Auxiliary transport activities	20,025.35	342.23	
4	Personal Loans and others, Of which exceeding 10%:	2,490.25	12.79	0.51%
	- Home Loans	1,631.08	4.06	
	- Micro Loans	539.63	7.48	
	Sub-Total (A)	169,709.62	2,697.76	1.59%
B	Non Priority Sector			
1	Agricultural and Allied Activities	1,283.10	72.37	5.64%
2	Industry, Of which exceeding 10%:	53,835.25	547.77	1.02%
	- Infrastructure	16,367.97	153.52	
3	Services, Of which exceeding 10%:	49,540.84	576.36	1.16%
	- NBFC	7,219.02	-	
	- Real Estate	5,963.79	0.00 [§]	
	- Wholesale Trade	9,369.31	201.36	
	- Financial Intermediation excluding broking services	6,668.08	-	
4	Personal loans and others, Of which exceeding 10%:	105,721.40	1,380.52	1.31%
	- Home Loans [#]	58,969.90	147.81	
	- Credit Cards	14,837.53	528.15	
	- Personal Loans	12,754.13	321.15	
	Sub-Total (B)	210,380.61	2,577.02	1.22%
	Total (A+B)	380,090.23	5,274.78	1.39%

* Represents Gross Advances

[§]Amount is less than 50,000/-.[#]Includes balance of Loan Against Property

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

17. PRIORITY SECTOR LENDING CERTIFICATES

The amount of PSLCs (category wise) Purchased and Sold during the year:

As at 31st March, 2025:

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	-	4,092.00
2	PSLC - SF / MF	18,682.50	-
3	PSLC - Micro Enterprises	4,149.00	21,000.00
4	PSLC – General	-	86,000.00
	TOTAL	22,831.50	1,11,092.00

As at 31st March, 2024:

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	2,800.00	4,712.00
2	PSLC - SF / MF	11,290.00	-
3	PSLC - Micro Enterprises	-	27,342.00
4	PSLC – General	-	35,500.00
	TOTAL	14,090.00	67,554.00



18. DETAILS OF ACCOUNTS SUBJECTED TO RESTRUCTURING*

(₹ in crore)

Particulars	Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
	As on 31 st March, 2025	As on 31 st March, 2024	As on 31 st March, 2025	As on 31 st March, 2024	As on 31 st March, 2025	As on 31 st March, 2024	As on 31 st March, 2025	As on 31 st March, 2024	As on 31 st March, 2025	As on 31 st March, 2024
Standard	5	19	2	1	202	391	516	1,027	725	1,438
Gross Amount (₹ crore)	6.30	12.45	33.92	19.71	170.73	312.59	91.71	149.24	302.66	493.99
Provision held [#] (₹ crore)	1.09	1.31	2.06	-	21.63	38.94	16.61	28.51	41.39	68.76
Substandard	122	203	-	-	125	95	15,493	10,841	15,740	11,139
Gross Amount (₹ crore)	2.68	5.71	-	-	29.32	53.52	191.18	105.69	223.18	164.92
Provision held (₹ crore)	0.79	1.44	-	-	17.23	17.49	92.61	47.78	110.63	66.71
Doubtful	345	259	10	11	674	663	2,802	3,510	3,831	4,443
Gross Amount (₹ crore)	15.99	41.92	84.23	211.00	166.18	167.17	119.30	154.57	385.70	574.66
Provision held (₹ crore)	11.18	37.82	84.23	211.00	145.97	147.66	108.49	134.98	349.87	531.46
Total	472	481	12	12	1,001	1,149	18,811	15,378	20,296	17,020
Gross Amount (₹ crore)	24.97	60.08	118.15	230.71	366.23	533.28	402.19	409.50	911.54	1,233.57
Provision held (₹ crore)	13.06	40.57	86.29	211.00	184.83	204.09	217.71	211.27	501.89	666.93

*Restructuring as defined as per applicable regulations.

#- does not include provisions made over regulatory requirement as on 31st March, 2025 amounting to ₹ 22.50 crore (previous year ₹ 43.08 crore).

Disclosure on the scheme for MSME sector – restructuring of advances

As at 31st March, 2025:

(₹ in crore)

No. of accounts restructured	Amount
411*	238.42

* Disclosure given is at borrower level

As at 31st March, 2024:

(₹ in crore)

No. of accounts restructured	Amount
650*	396.44

* Disclosure given is at borrower level

Disclosure on Resolution of stressed assets:

In terms of the RBI circular dated 7th June, 2019 on Prudential Framework for Resolution of Stressed Assets, during the financial year ended 31st March, 2025, the Bank has implemented Resolution plan (RP) for Nil borrowers (previous year Nil borrowers), for which Inter Creditor Agreement (ICA) was executed under consortium arrangement / multiple banking arrangement. Borrowers for whom resolution plan is implemented under sole banking arrangement are not included here as no ICA is required.

In respect of certain borrowers with banking system exposure of ₹1,500 crore or more, where RP formulation / implementation was pending, the required additional provision has been made as required by RBI stipulations.

19. OVERSEAS ASSETS, NPAS AND REVENUE:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total Assets	9,879.58	8,962.40
Total NPAs	Nil	Nil
Total Revenue	610.30	506.05

20. DISCLOSURE OF TRANSFER OF LOAN EXPOSURES

Details of loans transferred/acquired for the year ended 31st March, 2025 and 31st March, 2024 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September, 2021 are given below:

A. Details of Loans not in default :

a. Transferred to eligible lenders :

(₹ crore except tenor)

Sr. No	Particulars	31 st March, 2025		
		Assignment		Novation
		Fund	Non-Fund	
1.	Aggregate amount of loans transferred	215.25	247.54	1,204.52
2.	Aggregate consideration received	215.25	N.A. *	N.A.
3.	Weighted average residual maturity (In years)		15.54	18.71
4.	Weighted average holding period of originator (In years)		0.32	0.10
5.	Retention of beneficial economic interest		49%	48%
6.	Coverage of tangible security coverage		100%	100%
7.	Rating-wise distribution of rated loans			
	A		10%	N.A.
	A- / IND A-		59%	70%
	AA- / IND AA-		31%	30%

* Part consideration received as Counter Guarantee of ₹145 crores.

The Bank has not transferred any Loans not in default in the previous year.



b. Acquired from eligible lenders :

(₹ crore except tenor)

Sr. No	Particulars	31 st March, 2025	
		Assignment	Novation
1.	Aggregate amount of loans acquired	4,044.05	153.00
2.	Aggregate consideration paid	3954.74	-
3.	Weighted average residual maturity (In years)	3.42	11.50
4.	Weighted average holding period of originator (In years)	1.73	N.A.
5.	Retention of beneficial economic interest	92%	33%
6.	Coverage of tangible security coverage	0.50%	0%
7.	Rating-wise distribution of rated loans		
	A+	4%	100%
	BBB+	6%	N.A.
	Unrated	90%	N.A.

(₹ crore except tenor)

Sr. No	Particulars	31 st March, 2024
1.	Aggregate amount of loans acquired through assignment	1,784.43
2.	Aggregate consideration paid	1,843.61
3.	Weighted average residual maturity (In years)	1.41
4.	Weighted average holding period of originator (In years)	0.53
5.	Retention of beneficial economic interest	100%
6.	Coverage of tangible security coverage (%)	Nil
7.	Rating-wise distribution of rated loans	Retail loans – NA

B. Details of Special Mention Accounts (SMAs):

a. The Bank has not transferred any Special Mention Account (SMA) (Previous year – Nil)

b. Details of Special Mention Accounts (SMAs) acquired from eligible lenders through Assignment:

(₹ crore except tenor)

Portfolio acquired during the year ended	From lenders listed in Clause 3 of the circular dated 24 th September, 2021		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
31 st March, 2025	30.33	17.39	0.87
31 st March, 2024	87.99	50.68	1.06

C. Details of Non-performing Assets (NPAs):

a. Details of of Non-performing Assets (NPAs) transferred to Eligible Lenders through Assignment:

(₹ crore except tenor)

S. No	Particulars	To ARCs	To permitted transferees
1.	No of accounts	2	1
2.	Aggregate principal outstanding of loans transferred	38.12	19.26
3.	Weighted average residual tenor of the loans transferred (years)	N.A.	16.51
4.	Net book value of loans transferred (at the time of transfer)	Nil	16.37
5.	Aggregate consideration	9	20.51
6.	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil

The Bank has not transferred any Non- Performing Accounts (NPAs) in previous year.

b. Details of Non-performing Assets (NPAs) acquired from eligible lenders through Assignment:

(₹ crore except tenor)

Portfolio acquired during the year ended	From lenders listed in Clause 3 of the circular dated 24 th September, 2021		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
31 st March, 2025	8,896.99	426.69	5.06
31 st March, 2024	1,979.11	76.00	1.53 [§]

[§] - Weighted Average residual tenor of loans is excluding limit based facilities

c. Details of recovery ratings assigned for Security Receipts as :

Recovery Rating [^]	Anticipated Recovery as per Recovery Rating	Carrying Value* as at 31 st March, 2025 (₹ crore)	Carrying Value* as at 31 st March, 2024 (₹ crore)
NR1/R1+/RR1+	>150%	482.38	176.51
NR2/R1/RR1	100% - 150%	84.65	208.79
NR3/R2/RR2	75% - 100%	26.15	35.53
NR4/R3/RR3	50% - 75%	100.58	114.87
NR5/R4/RR4	25%-50%	-	0.01
NR6/R5/RR5	0% - 25%	-	-
Yet to be rated**	-	540.01	134.60
Unrated	-	0.22	0.27
Total		1,233.99	670.58

[^] - Recovery Rating is as assigned by various external rating agencies.

* - Net of Provisions.

** - Recent purchases whose statutory period has not elapsed.

21. DISCLOSURES RELATING TO SECURITIZATIONThe Bank has not under taken any securitization transaction during the year ended 31st March, 2025 (previous year Nil)**22. UNSECURED ADVANCES**

(₹ in crore)

Particulars	31 st March, 2025	31 st March, 2024
Total unsecured advances of the bank	89,036.60	87,573.75
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

23. BUSINESS RATIOS / INFORMATION:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2025	31 st March, 2024
Interest income as a percentage of working funds (A)	8.52%	8.66%
Non-Interest income as a percentage of working funds	2.41%	1.94%
Cost of deposits	5.10%	4.77%
Net Interest Margin (E)	4.96%	5.32%
Operating profit as a percentage of working funds (B) & (F)	3.95%	3.71%
Return on assets (average) (F)	2.65%	2.61%
Business (deposit plus advance) per employee (₹ in crore) (C)	10.89	9.63
Profit per employee (₹ in crore)	0.21	0.18

**Definitions:**

- (A) Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X, during the 12 months of the financial year.
- (B) Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).
- (C) For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.
- (D) Productivity ratios are based on average number of employees.
- (E) Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense
- (F) Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

24. MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES:**31st March, 2025:**

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances [^]	633.23	6,053.34	4,690.02	9,391.86	11,587.16	15,716.94	16,828.62	58,148.36	181,613.23	44,977.17	77,269.27	426,909.20
Investments [*]	63,896.25	6,059.32	2,183.84	20,129.13	5,402.65	7,057.06	8,927.13	15,955.97	41,878.11	2,026.52	6,255.78	179,771.76
Deposits	16,036.81	22,001.25	8,802.33	18,538.56	19,505.10	20,251.24	47,987.23	87,839.76	255,362.20	2,334.23	396.43	499,055.14
Borrowings	71.84	29,724.60	95.51	783.79	1,718.92	1,995.38	2,384.68	832.88	4,729.82	3,210.34	2,895.00	48,442.76
Foreign Currency Assets	6,361.16	10,103.40	430.51	1,572.65	4,693.39	2,644.10	2,083.82	1,657.07	3,314.44	4,086.99	312.97	37,260.50
Foreign Currency Liabilities	1,300.73	756.72	386.26	1,563.12	1,281.23	2,022.72	1,600.52	4,303.05	9,244.39	1,412.79	1,091.08	24,962.61

^{*} Listed equity investments in AFS have been considered at 50% (₹ 2,135.69 crore) haircut as per RBI directions.

[^] Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 17,757.05 crore are netted off against advances.

31st March, 2024:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & to 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances [^]	559.22	3,812.33	4,630.36	6,668.53	13,260.60	9,760.99	16,456.09	54,301.68	160,349.60	38,999.66	67,276.21	376,075.27
Investments [*]	74,361.32	3,524.62	2,306.69	3,904.20	4,578.21	7,470.72	13,624.12	13,732.35	37,545.12	2,758.74	6,052.44	169,858.53
Deposits	11,356.30	19,025.36	11,245.44	13,740.69	22,070.82	20,158.35	73,866.27	71,021.81	204,968.15	1,133.61	366.95	448,953.75
Borrowings	449.12	31.21	353.95	578.85	789.30	2,012.33	4,022.36	9,485.09	5,533.86	417.03	4,695.00	28,368.10
Foreign Currency Assets	1,154.64	450.80	160.07	741.83	939.90	1,914.31	845.62	6,584.61	6,320.32	470.99	578.22	20,161.31
Foreign Currency Liabilities	3,090.17	1,544.80	720.03	1,634.90	1,754.59	1,627.41	2,329.41	3,852.66	2,118.91	1,629.11	259.72	20,561.71

^{*} Listed equity investments in AFS have been considered at 50% (₹ 596.23 crore) haircut as per RBI directions.

^{*} ₹15,051 crore of Standing Deposit Facility with RBI is considered.

[^] Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 15,653.46 crore are netted off against advances.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

25. EXPOSURES:
(a) Exposure to Real Estate Sector*:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
a) Direct exposure	74,269.93	72,926.43
i. Residential Mortgages –	45,544.66	45,407.61
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31 st March, 2025 ₹ 1,935.74 crore and as at 31 st March, 2024 ₹ 1,836.47 crore). Exposure also includes non-fund based (NFB) limits		
ii. Commercial Real Estate –	28,725.27	27,518.82
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also includes non-fund based (NFB) limits		
iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures-	-	-
- Residential,	-	-
- Commercial Real Estate	-	-
b) Indirect Exposure	4,324.51	3,313.34
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	4,324.51	3,313.34
Total Exposure to Real Estate Sector (a+b)	78,594.44	76,239.77

* Calculated basis the Master Circular on Exposure Norms on limit or outstanding basis whichever is higher

(b) Exposure to Capital Market*:

(₹ in crore)

	As at	
	31 st March, 2025	31 st March, 2024
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;#	1,187.82	1,967.29
ii. Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	971.16	979.74
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	2,627.06	4,363.65
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	6,924.79	2,604.48
vi. Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-



(₹ in crore)

	As at	
	31 st March, 2025	31 st March, 2024
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	357.45	581.62
ix. Financing to stockbrokers for margin trading;	-	1,900.40
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	374.23	1,735.62
xi. Others (Financial Guarantees)	137.64	293.09
Total Exposure to Capital Market*	12,580.15	14,425.89

* The above amount excludes shares/convertible bonds aggregating to ₹ 57.59 crore (previous year ₹ 10.52 crore) acquired due to conversion of debt to equity under restructuring process. As per para 20 of DBR.No.BP.BC.101/21.04.048/2017-18 dated 12th February, 2018, the above amount is exempt from regulatory ceilings/restriction on capital market exposure.

* Calculated basis the Master Circular on Exposure Norms on limit or outstanding basis whichever is higher

(c) Risk category wise country exposure:

As per extant RBI guidelines, the country exposure of the Bank is categorized into various risk categories listed in following table.

(₹ in crore)

Risk Category	Exposure (net) as at 31 st March, 2025	Provision held as at 31 st March, 2025	Exposure (net) as at 31 st March, 2024	Provision held as at 31 st March, 2024
Insignificant	15,506.52	-	9,976.35	-
Low	5,005.64	-	452.75	-
Moderately Low	282.75	-	64.09	-
Moderate	286.34	-	-	-
Moderately High	854.75	-	-	-
High	30.95	-	38.83	-
Very High	-	-	-	-
Total	21,966.95	-	10,532.02	-

Exposure is given as net exposure basis the definition given in circular dated 19th February, 2003

26. CONCENTRATION OF DEPOSITS:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total deposits of twenty largest depositors	43,148.15	41,269.42
Percentage of deposits of twenty largest depositors to total deposits of the Bank	8.65 %	9.19%

27. CONCENTRATION OF ADVANCES*:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total advances to twenty largest borrowers	60,617.84	47,885.53
Percentage of advances to twenty largest borrowers to total advances of the bank	7.75%	7.10%

* Advances have been computed based on credit exposure i.e. funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, have been reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, Bank has reckoned the outstanding as the credit exposure.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

28. CONCENTRATION OF EXPOSURES**:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total exposure to twenty largest borrowers/customers	73,290.71	55,876.33
Percentage of exposures to twenty largest borrowers/customers to total exposure of the bank on borrowers/customers	8.90%	7.78%

** Exposures represents credit, derivatives and investment exposure as prescribed in Master Circular on Exposure Norms DBR.No.Dir.BC. 12/13.03.00/2015-16 dated 1st July, 2015.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

29. DISCLOSURE ON RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS:

In accordance with Resolution Framework for COVID-19 announced by RBI on 6th August, 2020 and 5th May, 2021, the Bank has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The disclosure requirements as required by RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May, 2021 (Resolution Framework 2.0) as at 31st March, 2025 is given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of the previous half - year (A)**	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half - year [#]	Of (A) amount paid by the borrowers during the half-year [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan- Position as at the end of this half - year
Personal Loans	35.06	0.70	0.21	5.67	28.69
Corporate persons*	25.59	-	-	12.54	13.05
Of which, MSMEs	25.21	-	-	12.23	12.98
Others	48.85	-	-	3.39	45.46
Total	109.50	0.70	0.21	21.60	87.20

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016

** Includes cases where requests received till 30th September, 2021 and implemented subsequently

[#] represents debt that slipped into NPA and was subsequently written off during the half-year

[^] includes change in balances on account of interest and net of increase in exposure during the period

30. The factoring exposure of the Bank as at 31st March, 2025 is ₹ 2,604.16 crore (previous year ₹ 4,710.44 crore).

31. During the year, the Reserve Bank of India has levied penalty of ₹ 0.01 crore (previous year ₹ 3.96 crore) on the Bank for the following:

Year ended 31st March, 2025:

- ₹ 0.01 crores for 8 instances in relation to exchange of soiled notes / adjudicate mutilated notes as detected during incognito visits undertaken by RBI.

Note: On 17th April, 2025, RBI had levied penalty of ₹ 0.61 crores towards non-compliance with certain directions issued by RBI on Guidelines on Loan System for Delivery of Bank Credit* and Loans and Advances – Statutory and Other Restrictions.

Year ended 31st March, 2024:

- ₹ 1 crore on account of failure to carryout annual review / due diligence of service provider.
- ₹ 1 crore on account of failure to ensure that customers are not contacted after 7 pm and before 7 am.
- ₹ 1 crore on account of levying interest from disbursement due date / loan agreement and not from the date of first disbursement of the loan contrary to the terms & conditions of sanction.
- ₹ 0.95 crore on account of charging foreclosures charges for the loans recalled by the Bank.
- ₹ 0.005 crore for 3 instances in relation to exchange of soiled notes / adjudicate mutilated notes as detected during incognito visits undertaken by RBI.



32. There are no Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) (previous year Nil).

33. BANCASSURANCE BUSINESS:

(₹ in crore)

Sr. No.	Nature of Income	Year ended	
		31 st March, 2025	31 st March, 2024
1.	For selling life insurance policies	854.27	691.84
2.	For selling non life insurance policies	110.36	77.99
3.	For selling mutual fund products	355.66	278.01
4.	Others	-	-

This Income has been reflected under Commission, exchange and brokerage under Other Income.

34. FLOATING PROVISIONS:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2025	31 st March, 2024
(a) Opening balance in the floating provisions account	Nil	Nil
(b) The quantum of floating provisions made in the accounting year	Nil	Nil
(c) Amount of draw down made during the accounting year	Nil	Nil
(d) Closing Balance in floating provisions account	Nil	Nil

35. DRAW DOWN FROM RESERVES:

In accordance with the RBI requirement there are no draw downs from reserves during the year (previous year Nil).

36. SUMMARY INFORMATION ON COMPLAINTS RECEIVED BY THE BANK FROM CUSTOMERS AND FROM THE OFFICES OF THE BANKING OMBUDSMAN (OBOS):

Sr. No	Particulars	31 st March, 2025	31 st March, 2024
Complaints received by the bank from its customers(*)			
1.	Number of complaints pending at beginning of the year	16,418	11,218
2.	Number of complaints received during the year	209,161	292,085
3.	Number of complaints disposed during the year	220,254	286,885
3.1	Of which, number of complaints rejected by the bank	96,577	125,105
4.	Number of complaints pending at the end of the year	5,325	16,418
Maintainable complaints received by the bank from OBOS			
5.	Number of maintainable complaints received by the bank from OBOS	5,173*	5,693*
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	2,447	2,529
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	2,726	3,164
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2021 (Previously BO Scheme 2006) and covered within the ambit of the Scheme.

**Data is as received from CEPD, RBI*

**No of complaints reported are total complaints excluding complaints which are resolved within 0 & 1 working days. Net complaints previously excluded complaints received from the OBOS and which are resolved within 0 & 1 working days for the previous financial year and up to December 2024; from January 2025 to March, 2025, these (30 complaints) are now included.*

Top five grounds of complaints received by the bank from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
31st March, 2025					
ATM/Debit Cards	5,312	45,406	(43.4)%	980	174
Internet Banking /Mobile Banking/E-Banking	1,693	31,145	(51)%	325	6
Credit Cards	6,051	17,190	(45)%	580	149
Account opening/difficulty in operation of accounts	320	9,336	(40)%	199	12
Levy of charges without prior notice/excessive charges/ foreclosure charges	350	9,254	(26)%	406	1
Others	2,692	96,830	9%	2,835	92
Total	16,418	209,161	(28)%	5,325	434
31st March, 2024					
ATM/Debit Cards	1,126	80,267	0.3%	5,312	3,687
Internet Banking /Mobile Banking/E-Banking	5,686	63,287	(6)%	1,693	978
Credit Cards	924	31,345	77%	6,051	4,575
Account opening/difficulty in operation of accounts	660	15,641	(1)%	320	117
Levy of charges without prior notice/excessive charges/ foreclosure charges	365	12,561	69%	350	140
Others	2,457	88,984	88%	2,692	1,044
Total	11,218	292,085	24%	16,418	10,541

Note: The master list for identifying the grounds of complaints is provided in Appendix 1 as prescribed in Master Circular on Strengthening of Grievance Redress Mechanism in Bank (CEPD.CO.PR.D.Cir.No.01/13.01.013/2020-21; dtd 27th January 2021.)

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

37. MARKETING AND DISTRIBUTION (EXCLUDING BANCASSURANCE BUSINESS)

(₹ in crore)

Sr. No.	Nature of Income	Year ended	
		31 st March, 2025	31 st March, 2024
1	Referral Fees	461.09	389.12
2	Arrangers Fees	275.15	185.60
4	Income on distribution of Sovereign Gold Bond	-	3.67
5	Other Income	10.70	7.15

Above has been reflected under Commission, exchange and brokerage under Other Income.



38. DISCLOSURES ON REMUNERATION

A. Qualitative Disclosures:

a) Information relating to the composition and mandate of the Remuneration Committee:

The Nomination and Remuneration Committee of the Board of Directors assists the Board in laying down criteria and developing procedures and practices, in compliance with the provisions of applicable laws, for setting policies inter alia for the appointment of Directors and senior management personnel, determining their remuneration and evaluating performance and discharging Board's other responsibilities and functions concerning human resource.

The Nomination & Remuneration committee comprises of independent directors of the Bank. Key mandate of the Nomination & Remuneration committee is to oversee the overall design and operation of the compensation policy of the Bank and work in coordination with the Risk Management Committee to achieve alignment between risks and remuneration.

The Nomination and Remuneration Committee (NRC) will be, inter alia, reviewing and tracking the implementation of the Compensation Policy of the Bank. The NRC will comprise of at least 3 Non-executive Directors, out of which at least two third of the members should be independent directors and should include at least one member from the Bank's Risk Management Committee of the Board. (RMC).

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy¹:

Objective of Banks' Compensation Policy is:

- To maintain fair, consistent and equitable compensation practices in alignment with Bank's core values and strategic business goals;
- To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking;
- To have mechanisms in place for effective supervisory oversight and Board engagement in compensation;
- To ensure that the Compensation practices are within the regulatory framework stipulated from time to time by RBI.

The remuneration process is aligned to the Bank's Compensation Policy objectives.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

In order to manage current and future risk and allow a fair amount of time to measure and review both quality and quantity of the delivered outcomes, a significant portion of senior and middle management compensation is variable. Further reasonable portion variable compensation is non- cash and deferred, over a period of 3 years or longer.

In case the employee is retiring within next 2 years, cash to non-cash ratio may change in favor of more cash (including deferred cash) and the vesting schedule may be shorter.

In addition, remuneration process provides for 'malus' and 'clawback' option to take care of any disciplinary issue or future drop in performance of individual/ business/ company.

The nature and type of these measures have not changed over the past year and hence, there is no impact on remuneration.

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration²:

Individual performances are assessed in line with business/ individual delivery of the Key Result Areas (KRAs), top priorities of business, budgets etc. KRAs of Line roles are linked to financials, people, service and process (Quality) and compliance parameters and KRAs of non-Line Roles have linkage to functional deliveries needed to achieve the top business priorities.

Further remuneration process is also linked to market salaries/ job levels, business budgets and achievement of individual KRAs.

In cases where the performance metrics are weak with respect to bank performance, business performance and individual performance parameters, the Bank moderates the remuneration taking into account the weak performance.

¹ GRI 2-19 | ² GRI 2-20

e) A discussion of the banks' policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

A discussion on Policy on Deferral of Remuneration basis last amendment effective 1st April, 2024

The Compensation Policy is applicable for all employees of the Bank.

Employees have been broadly classified into following categories:

- Category I – Comprising MD & CEO and Whole Time Directors (WTDs).
- Category II – Material Risk Takers (MRTs). These include employees whose actions may have material impact on the risk exposures of the bank and who satisfy both – qualitative and quantitative criteria, as given below:
 - Qualitative Criteria:
 - i. Employees in the grade M10 and above
 - ii. Organization Structure: Business & Function Heads in reporting hierarchy up to 2 level below MD&CEO
 - Quantitative Criteria: Fixed Cost to Company (FCTC) is above ₹ 1.5 Crore p.a.

This excludes employees under Category III.

Note: The definition applicable for FY2024 is as mentioned below

Category II – Material Risk Takers (MRTs). These include employees whose actions may have material impact on the risk exposures of the bank and who satisfy both - qualitative and quantitative criteria, as given below:

- Qualitative Criteria: Employees in the grade M10 and above
- Quantitative Criteria: FCTC is above ₹ 1.25 Crore p.a.

This excludes employees under Category III.

- Category III – Risk control and compliance employees – comprising staff in grade M9 and above in the following Control functions;
 - Risk & Policy function
 - Financial Control including group consolidation;
 - Compliance;
 - Internal Audit;
 - Back-office Operations
 - Vigilance
 - Legal
 - Secretarial
 - HR
 - Investor Relations
 - CSR
- Category IV: Other employees - This includes all employees, not explicitly covered in the first three categories.

Following principles are applied for deferral / vesting of variable remuneration in accordance with RBI guidelines and Bank's compensation policy:

Category I & II

- At least 50% of Total Pay, should be variable for arriving at the total compensation for the year
- The Cash component of the Variable Pay will not exceed 50% of the Fixed Pay
- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.



- Regardless of the quantum of pay, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.
- However, in cases where the cash component of variable pay is under ₹ 25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both, the cash and non-cash components of the variable pay.

The compensation will be approved by the Nomination and Remuneration committee. Additionally, for Category I, the same will be further approved by RBI.

Category III

- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- However, in cases where the cash component of variable pay is under ₹ 25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both, the cash and non-cash components of the variable pay.

Approval authority: MD & CEO or as delegated by MD & CEO, will approve the variable pay.

For adjusting deferred remuneration before & after vesting:

Malus: Payment of all or part of amount of deferred variable pay can be prevented.

Clawback: Previously paid or already vested deferred variable pay can also be recovered under this clause.

Malus and clawback may be applied for following circumstances:

- Fraud, misfeasance, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the bank or any of its affiliates;
- Willful misinterpretation / misreporting of financial performance of the bank;
- Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the employee, whether directly or indirectly;
- Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or an act of a felonious or criminal nature;
- Non-disclosure of material conflict of interest by the employee or any misuse of official powers;
- An act of willful, reckless or grossly negligent conduct which is detrimental to the interest or reputation of the bank or any of its affiliates, monetarily or otherwise;
- Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply malus or / and clawback provisions;

Besides the above there can be other circumstances when malus may be applied. In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality.

f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:

Depending on the nature of the business/function/ role, the risk involved, the time horizon for review, various forms of Variable Pay may be applicable.

The components of such variable pay will include:

- Cash – this may be paid at intervals ranging from Monthly, Quarterly, half-yearly and annual. The Monthly/ Quarterly / Half Yearly Variable Pay will be under the role and preapproved business specific incentive schemes. This may be payable within one year of grant.

- Long Term Incentive Pay (LTIP): This shall be granted to employees, in the form of Employee Stock Options (ESOPs) and / or Stock Appreciation Rights (SARs) and / or Deferred Cash. This shall be granted on a discretionary and reasonable basis, to motivate employees, create shareholder value by aligning interest of employees with the long-term interests of the Bank. LTIP may also be granted from time to time with the objective of retaining employees.
 - ESOPs/ SARs will be linked to Kotak Mahindra Bank Stock price and will vest over a period of time.
 - Black Scholes Model will generally be applied for arriving at the value of the units to be granted. However, Bank may choose any other model with the approval of NRC within the regulatory framework.
 - ESOPs / SARs will be approved by the NRC. The quantum of ESOPs / SARs will be reasonable and the formulation of the ESOP series, the coverage, the vesting period and their pricing schedule, etc. will also be decided by the NRC as per SEBI guidelines.
 - Deferred Cash may paid over a period of 3 to 5 years.

g) External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process:

During the year ended 31st March, 2025, the Bank employed the services of a consulting firm for market benchmarking in the area of compensation and benefits, including executive compensation.

B. QUANTITATIVE DISCLOSURES:

a) Number of meetings of the Nomination and Remuneration Committee held during the financial year and remuneration (sitting fees) paid to its members during the financial year.

During the financial year ended 31st March, 2025, 8 meetings (previous year 14 meetings) of the Nomination and Remuneration Committee were held. Members of the Nomination and Remuneration Committee were paid, for attending the meetings held during the financial year, a sitting fee of ₹ 75,000 per meeting [previous year ₹ 75,000 per meeting].

b) Number of employees having received a variable remuneration award during the financial year.

As per FY25 policy for the year ended 31st March, 2025 ("FY2025 policy"):

Quantitative disclosure restricted to one CEO & two* Whole Time Directors (Executive Directors) as Category I employees and Thirty Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

*Plus 1 Whole Time Director (Executive Director) during the year

As per FY24 policy for the year ended 31st March, 2024 ("FY2024 policy"):

Quantitative disclosure restricted to one CEO* & two Whole Time Directors as Category I employees and Seventy Seven Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

*Plus 2 CEOs during the year

c) Number of employees and total amount of sign-on/joining bonus made during the financial year.

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
No of employees	1	7
Cash (Cr)	Nil	Nil
ESOPs (equity shares)	Nil	217,400
SARs (rights)	47,000	51,813



d) Details of severance pay, in addition to accrued benefits, if any.

Year ended 31 st March, 2025	Year ended 31 st March, 2024
Nil	Nil

e) Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms.

	As at 31 st March, 2025	As at 31 st March, 2024
Cash (Deferred)	₹ 26.54 crore	₹ 35.24 crore
Outstanding SARs	502,875 rights	829,064 rights
Outstanding ESOPs	724,399 equity shares	859,823 equity shares

f) Total amount of deferred remuneration paid out in the financial year.

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Cash (Deferred)	₹ 10.39 crore	₹ 12.20 crore
Payment towards SARs	₹33.73 crore	₹42.25 crore

g) Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.

Fixed Pay

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Total fixed salary	₹ 97.08 crore	₹ 155.13 crore

Variable Pay

	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Deferred Variable Pay[§]		
Cash (Deferred)	₹ 18.40 crore	₹ 20.73 crore
SARs	244,110 rights	415,361 rights
ESOPs	427,370 equity shares	434,647 equity shares
Non Deferred variable pay[§]	₹ 19.58 crore	₹ 26.25 crore

[§] Details relating to variable pay pertains to remuneration awards for the financial year 2023-24 awarded in FY2025. Remuneration award for the year ended 31st March, 2025 are yet to be reviewed and approved by the Nomination and Remuneration Committee.

h) Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.

Nil (previous year Nil)

i) Total amount of reductions during the financial year due to ex- post explicit adjustments.

Nil (previous year Nil)

j) Total amount of reductions during the financial year due to ex- post implicit adjustments.

Nil (previous year Nil)

k) Number of MRT identified

34 (previous year 82)

l) Number of cases where malus has been exercised.

Nil (previous year Nil)

m) Number of cases where clawback has been exercised.

Nil (previous year Nil)

n) Number of cases where both malus and clawback have been exercised

Nil (previous year Nil)

o) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.

Mean pay for the Bank as a whole for all employees who were in employment for the whole of FY2024-25 and FY2023-24 was ₹ 0.13 crore (previous year ₹ 0.12 crore).

Ratio of pay of each WTD to the mean pay for the Bank as a whole³

Director	Ratio	
	Year ended 31 st March, 2025	Year ended 31 st March, 2024
Mr. Ashok Vaswani	98.76X	13.40X
Mr. K.V.S. Manian	5.46X	50.18X
Ms. Shanti Ekambaram	50.64X	54.63X
Mr. Dipak Gupta	-	67.40X
Mr. Jaydeep Hansraj	3.63X	-

Notes:

1. Pay includes Fixed pay + variable pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961(excluding perquisite value of Stock Options).
2. Stock Appreciation Rights are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the Bank's stock on specified dates. Cash paid out during the year is included for the purposes of remuneration.
3. Mr. Dipak Gupta superannuated on 31st Dec 2023 hence there are no comparative details for FY 2024-25
4. Mr. KVS Manian's remuneration for FY 2024-25 is for 1 month (Resigned as JMD effective Apr' 24)
5. Mr. Ashok Vaswani's remuneration for FY 2023-24 is for 3 months (Appointed as MD & CEO effective Jan'24)
6. Mr. Jaideep Hansraj's remuneration is from 11th Feb 2025 to 31st Mar 2025 (Appointed as WTD effective 11th Feb'25)

39. INTRA – GROUP EXPOSURES

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
(a) Total amount of intra-group exposures	9,250.42	6,624.16
(b) Total amount of top-20 intra-group exposures	9,241.02	6,620.09
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	1.12%	0.92%
(d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NA	NA

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

40. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND)

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Opening balance of amounts transferred to DEA Fund	412.00	356.42
Add: Amounts transferred to DEA Fund during the year	141.91	67.51
Less: Amounts reimbursed by DEA Fund towards claim	11.40	11.93
Closing balance of amounts transferred to DEA Fund	542.51	412.00

³GRI 2-21

41. UNHEDGED FOREIGN CURRENCY EXPOSURE OF BORROWERS:

The Bank recognises the importance of the risk of adverse fluctuation of foreign exchange rates on the profitability and financial position of borrowers who are exposed to currency risk. Currency induced credit risk refers to the risk of inability of borrowers to service their debt obligations due to adverse movement in the exchange rates and corresponding increase / decrease in their book values of trade payables, loan payables, trade receivables, etc. thereby exposing the Bank to risk of default by the borrower. In this regard, the Bank had put in place requisite policies & processes for monitoring and mitigation of currency induced credit risk of borrowers, as required by RBI circular dated 11th October, 2022. These include the following:

- a) Currency risk of borrowers on account of un-hedged foreign currency exposures ("UFCE") is duly considered and analysed in credit appraisal notes.
- b) Quarterly monitoring of un-hedged foreign currency exposures of borrowers.
- c) Risk classification of borrowers having un-hedged foreign currency exposures, into Low / Medium / High, as per internal norms, based on potential loss / EBID ratio. Potential loss means the loss which may arise over a one year horizon by adverse movement of exchange rates; this is computed as UFCE amount multiplied by the annual volatility factor.
- d) Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counterparties having UFCE, depending on the potential loss / EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counterparties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

Potential Loss / EBID ratio	Incremental Provisioning Requirement (computed on the total credit exposures reckoned for standard asset provisioning)	Incremental Capital Requirement
Up to 15%	Nil	Nil
More than 15% to 30%	20 bps	Nil
More than 30% to 50%	40 bps	Nil
More than 50% to 75%	60 bps	Nil
More than 75% (Most risky)	80 bps	25 per cent increase in the risk weight

- e) In case of borrowers exposed to currency risk where declarations for foreign currency payables / receivables (UFCE declarations) are not submitted, provision for currency induced credit risk is made as per RBI stipulated rates mentioned below:
 - 10 bps in cases where limits with banking system are ₹ 50 crore or less;
 - 80 bps in cases where limits with banking system are more than ₹ 50 crore.
- f) Further, where annual certification from statutory auditors of UFCE data is not submitted, such borrowers are treated as UFCE declaration not submitted cases and provision is computed as per point (e) above.
- g) Exemption allowed by RBI are excluded from UFCE provision computation, including specified all India financial institutions, multilateral agencies, domestic & foreign sovereigns, and other exemptions. Further, 100% FD backed exposure is not reckoned as exposure as per RBI definition and thus not reckoned by the Bank for UFCE provision computation. Similarly, LCBD and BG/LC backed exposures are considered as exposure to LC/ SBLC issuing banks and not to borrower entity.
- h) Management of foreign exchange risk is considered as a parameter for internal risk rating of borrowers.

Provision held for currency induced credit risk as at 31st March, 2025 is ₹ 96.98 crores. (previous year ₹ 73.55 crores). Incremental Risk weighted Assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk as at 31st March, 2025 is ₹ 3,585.81 crores (previous year ₹ 3,154.68 crores).

42. a) Liquidity Coverage Ratio

(₹ in crore)

Particulars	Average Q4 2024-2025		Average Q3 2024-2025		Average Q2 2024-2025		Average Q1 2024-2025	
	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		131,341		141,440		135,585		133,562
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	46,685	2,334	41,820	2,091	41,210	2,060	41,231	2,062
(ii) Less stable deposits	225,807	22,581	225,797	22,580	216,505	21,651	208,618	20,862
3 Unsecured wholesale funding, of which								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	142,165	86,758	138,545	86,682	132,816	85,571	130,502	81,636
(iii) Unsecured debt	7,253	7,254	7,909	7,909	5,416	5,416	5,252	5,252
4 Secured wholesale funding	8,386	1	4,628	1	4,590	1	703	1
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	26,442	26,442	37,007	37,007	34,255	34,255	33,477	33,477
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities	3,813	399	4,080	433	3,467	356	3,180	324
6 Other contractual funding obligations	8,854	8,854	8,417	8,417	8,236	8,236	7,807	7,807
7 Other contingent funding obligations	231,046	10,399	222,048	9,993	221,139	9,964	216,023	9,710
8 Total Cash Outflows		165,022		175,113		167,510		161,131
Cash Inflows								
9 Secured lending (e.g. reverse repos)	955	5	3,630	1	5,292	10	7,456	3
10 Inflows from fully performing exposures	74,723	61,813	72,634	61,742	71,472	61,238	68,796	58,919
11 Other cash inflows	1,269	635	1,392	696	1,195	598	1,302	651
12 Total Cash Inflows		62,453		62,439		61,846		59,573
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		131,341		141,440		135,585		133,562
14 Total Net Cash Outflows		102,569		112,674		105,664		101,558
15 Liquidity Coverage Ratio (%)		128.05%		125.53%		128.32%		131.51%



(₹ in crore)

Number of working days in the quarter	Average Q4 2023-2024		Average Q3 2023-2024		Average Q2 2023-2024		Average Q1 2023-2024	
	67	Total Unweighted Value (average)	68	Total Unweighted Value (average)	69	Total Unweighted Value (average)	66	Total Unweighted Value (average)
Particulars		Total Weighted Value (average)		Total Weighted Value (average)		Total Weighted Value (average)		Total Weighted Value (average)
High Quality Liquid Assets								
1 Total High Quality Liquid Assets (HQLA)		119,711		118,818		117,322		102,187
Cash Outflows								
2 Retail deposits and deposits from small business customers, of which:								
(i) Stable deposits	40,923	2,046	40,053	2,003	38,014	1,901	36,398	1,820
(ii) Less stable deposits	201,581	20,158	195,223	19,522	187,351	18,735	178,229	17,823
3 Unsecured wholesale funding, of which								
(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
(ii) Non-operational deposits (all counterparties)	120,099	74,115	120,801	74,669	117,751	72,107	106,623	64,521
(iii) Unsecured debt	4,016	4,016	3,933	3,933	4,420	4,420	3,194	3,194
4 Secured wholesale funding	968	2	180	2	422	2	2,485	2
5 Additional requirements, of which								
(i) Outflows related to derivative exposures and other collateral requirements	28,659	28,659	28,883	28,883	24,699	24,699	22,563	22,563
(ii) Outflows related to loss of funding on debt products								
(iii) Credit and liquidity facilities	3,102	336	2,773	289	3,627	446	3,078	280
6 Other contractual funding obligations	9,024	9,024	8,590	8,590	6,782	6,782	5,574	5,574
7 Other contingent funding obligations	208,184	9,330	203,218	9,055	195,440	8,702	188,564	8,432
8 Total Cash Outflows		147,686		146,946		137,794		124,209
Cash Inflows								
9 Secured lending (e.g. reverse repos)	5,566	10	10,405	5	8,307	10	1,914	7
10 Inflows from fully performing exposures	61,638	51,305	55,600	46,809	47,064	39,625	41,700	34,880
11 Other cash inflows	1,081	541	1,388	694	1,024	512	1,316	658
12 Total Cash Inflows		51,856		47,508		40,147		35,545
		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13 TOTAL HQLA		119,711		118,818		117,322		102,187
14 Total Net Cash Outflows		95,830		99,438		97,647		88,664
15 Liquidity Coverage Ratio (%)		124.92%		119.49%		120.15%		115.25%

b) Qualitative disclosure around LCR

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, SLR securities in excess of minimum SLR requirement and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

The Bank has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31st March, 2025 was 128.05% which is above the regulatory requirement of 100%. For the quarter ended 31st March, 2025 average Level 1 HQLA stood at 93.06% (122,222 crore.) of the total HQLA.

Apart from LCR, Bank uses various stock liquidity indicators to measure and monitor the liquidity risk in terms of funding stability, concentration risk, dependence on market borrowings, liquidity transformation, etc. The Bank maintains a diversified source of funding in terms of depositors, lenders and various funding instruments. This is evident through low depositor and lender concentration with top 20 depositors contributing 8.65% of Bank's total deposits and top 10 lenders contributing 1.67% of Bank's total liabilities.

Asset Liability Committee (ALCO) of the Bank is the primary governing body for Liquidity Risk Management supported by Balance Sheet Management Unit (BMU), Risk Management Department (RMD), Finance and ALCO Support Group. BMU is the central repository of funds within the Bank and is vested with the responsibility of managing liquidity risk within the risk appetite of the Bank. Bank has incorporated Basel III Liquidity Standards - LCR and NSFR as part of its risk appetite statement for liquidity risk.

43. FRAUDS

The Bank has reported 306 (previous year 896 cases) fraud cases involving fraud amount of ₹ one lakh and above during the financial year ended 31st March, 2025 amounting to ₹ 69.96 crore (previous year ₹ 97.91 crore). The Bank has recovered / expensed off / provided the entire amount where necessary.

Details of fraud provisioning made in more than one financial year:

(₹ in crore)

Number of fraud reported	Amount involve in Fraud	Provision made during the year	Quantum of unamortised provision debited from 'other reserve'
Nil	Nil	Nil	Nil

44. DIVIDEND

The Board of Directors of the Bank have a proposed a dividend of ₹ 2.50 per share having a face value ₹ 5 for the year ended 31st March, 2025 (previous Year ₹ 2.00 per share). Dividend will be paid after the approval of the shareholders at the Annual General Meeting.

45. PAYMENT OF DICGC INSURANCE PREMIUM

(₹ in crore)

Sr. No.	Particulars	31 st March, 2025	31 st March, 2024
i)	Payment of DICGC Insurance Premium	539.16	454.48
ii)	Arrears in payment of DICGC Premium	-	-

46. IMPLEMENTATION OF IFRS CONVERGED INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Finance, Government of India, had vide its press release dated 18th January, 2016 outlined the roadmap for implementation of International Financial Reporting Standards (“IFRS”) converged Indian Accounting Standards (“Ind AS”) for Scheduled Commercial Bank (excluding RRBs), Non-Banking Financial Companies and Insurance companies. The Reserve Bank of India (“RBI”) vide its circular dated 22nd March, 2019, deferred the implementation of Ind AS for Scheduled Commercial Banks (“SCB”) till further notice pending the consideration of some recommended legislative amendments by the Government of India. The RBI has not issued any further notification on implementation of Ind AS for SCBs.

The Bank has formed Steering Committee for Ind AS implementation. The Steering Committee headed by the Deputy Managing Director (‘DMD’) comprises representatives from Finance, Risk, Information Technology, and Treasury. The Committee closely reviews progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation. Further, there may be new regulatory guidelines and clarifications for Ind AS application, which the Bank will need to suitably incorporate in its implementation. The Bank prepares Proforma Ind AS Financial statements on a half yearly basis and submits to RBI.

47. DISCLOSURE ON AMORTISATION OF EXPENDITURE ON ACCOUNT OF ENHANCEMENT IN FAMILY PENSION OF EMPLOYEES OF BANKS

Pursuant to the revision in family pension payable to employees of the Bank covered under 11th Bi-Partite settlement and Joint Note dated 11th November, 2020, the Bank has recognised the entire additional liability of ₹ Nil in the Profit and Loss Account during the year ended 31st March, 2025 (previous year Nil). There is no unamortised expenditure in the Balance Sheet on account of Family Pension.

48. DISCLOSURE OF LETTERS OF COMFORT (LOCs) ISSUED BY BANKS

The Bank has not issued any letters of comfort for its subsidiaries and associates (previous year Nil).

49. PORTFOLIO-LEVEL INFORMATION ON THE USE OF FUNDS RAISED FROM GREEN DEPOSITS

The Bank has not yet offered green deposits to its customers.

50. ITEMS EXCEEDING 1% OF TOTAL ASSETS/TOTAL INCOME

- a) Details of items under Others (including provisions) (Schedule 5 – Other Liabilities and Provisions) exceeding 1% of total assets of the Bank is Nil. (previous year Nil).
- b) Details of items under Others (Schedule 11 – Other Assets) exceeding 1% of total assets of the Bank is Nil (previous year Nil)
- c) Details of items under Miscellaneous Income (Schedule 14 – Other Income) exceeding 1% of total income of the Bank is Nil. (previous year Nil)
- d) Details of items under Other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

(₹ in crore)

Sr. No.	Nature of expense	Year ended 31 st March, 2025	Year ended 31 st March, 2024
1	Professional Fees	1,857.07	1,955.94
2	Brokerage Fees	802.06	770.58

B. OTHER DISCLOSURES :

1. EARNINGS PER EQUITY SHARE:

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Reconciliation between weighted shares used in the computation of basic and diluted earnings per share		
Weighted average number of equity shares used in computation of basic earnings per share	1,988,096,870	1,987,326,015
Effect of potential equity shares for stock options outstanding	41,645	150,565
Weighted average number of equity shares used in computation of diluted earnings per share	1,988,138,515	1,987,476,580
Following is the reconciliation between basic and diluted earnings per share		
Nominal value per share	5.00	5.00
Basic earnings per share	82.74	69.15
Effect of potential equity shares for stock options	0.00	0.00
Diluted earnings per share	82.74	69.15
Profit for the year after tax (₹ in crore)	16,450.08	13,781.58
Less : Preference dividend including tax (₹ in crore)	-	38.51
Earnings used in the computation of basic and diluted earnings per share (₹ in crore)	16,450.08	13,743.07

2. SEGMENT REPORTING:

The Summary of the operating segments of the Bank are as given below:

(₹ in crore)

Sr. No.	Particulars	31 st March, 2025	31 st March, 2024
1.	Segment Revenue		
a.	Treasury, BMU and Corporate Centre [#]	15,246.03	10,122.25
b.	Corporate / Wholesale Banking	24,786.28	22,788.95
c.	Retail Banking*	33,829.72	27,831.08
(i)	Digital Banking	2,171.33	1,536.19
(ii)	Other Retail Banking	31,658.39	26,294.89
d.	Other Banking business	-	-
	Sub-total	73,862.03	60,742.28
	Less : Inter-segmental revenue	5,981.17	4,670.27
	Total	67,880.86	56,072.01
2.	Segment Results		
a.	Treasury, BMU and Corporate Centre [#]	7,835.77	4,807.18
b.	Corporate / Wholesale Banking	7,890.16	7,473.79
c.	Retail Banking*	5,858.18	5,732.75
(i)	Digital Banking	284.45	118.36
(ii)	Other Retail Banking	5,573.73	5,614.39
d.	Other Banking business	-	-
	Sub-total	21,584.11	18,013.72
	Total Profit Before Tax	21,584.11	18,013.72
	Provision for Tax	5,134.03	4,232.14
	Total Profit After Tax	16,450.08	13,781.58



(₹ in crore)

Sr. No.	Particulars	31 st March, 2025	31 st March, 2024
3.	Segment Assets		
a.	Treasury, BMU and Corporate Centre	217,430.77	179,075.58
b.	Corporate / Wholesale Banking	274,494.22	239,539.02
c.	Retail Banking*	443,829.55	384,257.91
(i)	Digital Banking	52.99	60.60
(ii)	Other Retail Banking	443,776.56	384,197.31
d.	Other Banking business	-	-
	Sub-total	935,754.54	802,872.51
	Less : Inter-segmental Assets	242,130.36	203,032.03
	Total	693,624.18	599,840.48
	Add : Unallocated Assets	-	516.57
	Total Assets as per Balance Sheet	693,624.18	600,357.05
4.	Segment Liabilities		
a.	Treasury, BMU and Corporate Centre	177,867.83	134,765.70
b.	Corporate / Wholesale Banking	244,021.51	218,547.17
c.	Retail Banking*	395,970.73	353,357.46
(i)	Digital Banking	19,063.17	15,585.65
(ii)	Other Retail Banking	376,907.56	337,771.81
d.	Other Banking business	-	-
	Sub-total	817,860.07	706,670.33
	Less : Inter-segmental Liabilities	242,130.36	203,032.03
	Total	575,729.71	503,638.30
	Add : Unallocated liabilities	748.85	79.29
	Add : Share Capital & Reserves & surplus	117,145.62	96,639.46
	Total Capital & Liabilities as per Balance Sheet	693,624.18	600,357.05
5.	Capital Expenditure		
a.	Treasury, BMU and Corporate Centre	228.27	186.35
b.	Corporate / Wholesale Banking	78.06	57.75
c.	Retail Banking	641.50	630.10
d.	Other Banking business	-	-
	Total	947.83	874.20
6.	Depreciation / Amortisation		
a.	Treasury, BMU and Corporate Centre	151.11	118.25
b.	Corporate / Wholesale Banking	59.19	47.55
c.	Retail Banking	518.39	448.99
d.	Other Banking business	-	-
	Total	728.69	614.79

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions.

Segment results are net of segment revenue and segment expenses including interdivisional items.

*RBI's Master Direction on Financial Statements - Presentation and Disclosures, requires to divide the 'Retail banking' into (a) Digital Banking (as defined in RBI circular on Establishment of Digital Banking Units dated 7th April, 2022) and (b) Other Retail Banking segment.

[#]Including exceptional item [Refer note 17 – Schedule 18(B)]

3. LEASE DISCLOSURES:

- The Bank has taken various premises and equipment under operating lease. The lease payments recognised in the Profit and Loss Account are ₹ 836.81 crore (previous year ₹ 661.70 crore). The sub-lease income recognised in the Profit and Loss Account is ₹ 14.17 crore (previous year ₹ 12.90 crore).
- The future minimum lease payments under non-cancellable operating lease – not later than one year is ₹ 732.88 crore (previous year ₹ 680.40 crore), later than one year but not later than five years is ₹ 2,194.07 crore (previous year ₹ 2,009.28 crore) and later than five years ₹ 928.92 crore (previous year ₹ 911.40 crore).

The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by lease arrangements. There are escalation clauses in the lease agreements.

4. DEFERRED TAXES:

“Others” in Other Liabilities (Schedule 5 (VI)) includes deferred tax liability (net) of ₹ 110.52 crore (previous year DTA ₹ 322.70 crore).

The components of the same are as follows:

(₹ in crore)

Particulars of Asset/ (Liability)	Year Ended	
	31 st March, 2025	31 st March, 2024
Provision for NPA and General provisions	652.95	434.71
Expenditure allowed on payment basis	157.66	99.37
Depreciation	41.74	32.64
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	(281.77)	(244.02)
Investments	(681.10)	-
Net Deferred Tax (Liability) / Asset	(110.52)	322.70

5. PROVISIONS:

Given below is the movement in provisions recognised by the Bank:

a) Credit card & debit card reward points:

The following table sets forth, for the periods indicated, movement in actuarially determined provision for credit card and debit card account reward points:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Opening provision for reward points	124.12	68.26
Add :Provision for reward points made during the year	267.42	267.06
Less :Utilisation/write-back of provision for reward points	(255.55)	(211.20)
Closing provision for reward points*	135.99	124.12

* This amount will be utilised towards redemption of the credit card & debit card accounts reward points.

b) Legal:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Opening Provision	35.08	41.44
Add: Addition during the year	0.61	0.51
Less: Reduction during the year	(1.32)	(6.87)
Closing Provision	34.37	35.08

c) **Fraud and Other Provisions:**

(₹ in crore)

Particulars	31 st March, 2025	31 st March, 2024
Opening Provision	45.99	39.02
Add: Addition during the year	16.26	26.80
Less: Reduction during the year	(27.05)	(19.83)
Closing Provision	35.20	45.99

6. **FIXED ASSETS AS PER SCHEDULE 10 B INCLUDE INTANGIBLE ASSETS RELATING TO PURCHASED SOFTWARE AND SYSTEM DEVELOPMENT EXPENDITURE WHICH ARE AS FOLLOWS:**

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Gross Block		
At cost on 31 st March of the preceding year	1,020.73	887.69
Add: Additions during the year	144.50	141.46
Less: Deductions during the year	-	(8.42)
Total	1,165.23	1,020.73
Depreciation / Amortization		
As at 31 st March of the preceding year	780.06	625.90
Add: Charge for the year	162.51	159.06
Less: Deductions during the year	-	(4.90)
Depreciation to date	942.57	780.06
Net Block	222.66	240.67

Capital commitments for purchase of software and system development expenditure are ₹166.51 crore (previous year ₹ 80.13 crore).

7. **RELATED PARTY DISCLOSURES:**

As per Accounting Standard -18, Related Party Disclosure, the Bank's related parties are disclosed below:

A. **Parties where control exists:**

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Life Insurance Company Limited Kotak Mahindra Investments Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Trustee Company Limited Kotak Mahindra (International) Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc. Kotak Alternate Assets Managers Limited Kotak Mahindra Trusteeship Services Limited Kotak Infrastructure Debt Fund Limited Kotak Mahindra Pension Fund Limited Kotak Mahindra Financial Services Limited Kotak Mahindra Asset Management (Singapore) Pte. Limited IVY Product Intermediaries Limited BSS Microfinance Limited Kotak Karma Foundation (wef 26 th Jun 2023) Sonata Finance Private Limited (wef 28 th Mar 2024)

Nature of relationship	Related Party
Associates / Others	Infina Finance Private Limited Phoenix ARC Private Limited Zurich Kotak General Insurance Company (India) Limited (formerly Kotak Mahindra General Insurance Company Limited) - (Subsidiary upto 17 th Jun 2024, Associate wef 18 th Jun 2024) ING Vysya Foundation
Individual having significant influence over the enterprise	Mr. Uday S. Kotak, Promoter along with the persons / entities forming part of the Promoter Group, holds 25.88% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2025 Mr. Uday S. Kotak, was appointed as a Non Executive Director w.e.f. 2 nd Sep 2023
Key Management Personnel (KMP)	Mr. Uday S. Kotak - Managing Director & CEO (upto 1 st Sep 2023) Mr. Dipak Gupta - Joint Managing Director (upto 31 st Dec 2023) Mr. Ashok Vaswani - Managing Director & CEO (wef 1 st Jan 2024) Mr. KVS Manian - Joint Managing Director (upto 30 th Apr 2024) Ms. Shanti Ekambaram - Deputy Managing Director Mr. Jaideep Hansraj - Whole-Time Director (wef 11 th Feb 2025)
Enterprises over which KMP/ Individual having Significant influence over Bank relatives of such personnel; have control / significant influence	Aero Agencies Private Limited Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodity Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF KF Trust Kotak Family Foundation Helena Realty Private Limited Doreen Realty Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd Aug 2024) Renato Realty Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd Aug 2024) Pine Tree Estates Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd Aug 2024) Meluha Developers Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd Aug 2024) Quantyco Realty Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd Aug 2024) Xanadu Properties Private Limited (step-down subsidiaries got amalgamated into Helena Realty Private Limited dated 22 nd Aug 2024) Laburnum Adarsh Trust Manian Family Trust (upto 30 th Apr 2024) Brij Disa Arnav Trust (upto 31 st Dec 2023) Brij Disa Parthav Trust (upto 31 st Dec 2023) Kotak Mahindra Group Employee Welfare Trust TML Benefit Trust Brij Disa Foundation (upto 31 st Dec 2023)



Nature of relationship	Related Party
	Amrit Lila Enterprises Private Limited Manians Family Trust II (upto 30 th Apr 2024) USK Benefit Trust III Kudin Trusteeship Services Private Limited Shanti Family Trust Shivkaran Trust Niraant Aviation Private Limited (wef 29 th Jun 2024) Anukriya Foundation (wef 11 th Feb 2025) USK Capital Partners (wef 1 st Jan 2024)
Relatives of KMP/Individual having Significant influence over the Bank	Ms. Pallavi Kotak Mr. Suresh Kotak Ms. Indira Kotak Mr. Jay Kotak Mr. Dhawal Kotak Ms. Aarti Chandaria Ms. Aditi Arya (wef 7 th Nov 2023) Ms. Anita Gupta (upto 31 st Dec 2023) Ms. Urmila Gupta (upto 31 st Dec 2023) Mr. Arnav Gupta (upto 31 st Dec 2023) Mr. Parthav Gupta (upto 31 st Dec 2023) Mr. Prabhat Gupta (upto 31 st Dec 2023) Ms. Jyoti Banga (upto 31 st Dec 2023) Ms. Seetha Krishnan (upto 30 th Apr 2024) Ms. Lalitha Mohan (upto 30 th Apr 2024) Ms. Shruti Manian (upto 30 th Apr 2024) Mr. Shashank Manian (upto 30 th Apr 2024) Mr. Ramesh Krishnan (upto 30 th Apr 2024) Ms. Vanathi Gopalakrishnan (upto 30 th Apr 2024) Ms. G. Saraswathi Ms. Shobha Srivastava Ms. Archana Jaideep Hansraj (wef 11 th Feb 2025) Mr. Rahul Jaideep Hansraj (wef 11 th Feb 2025) Ms. Sanjana Hansraj (wef 11 th Feb 2025) Mr. Sanjeev Hansraj (wef 11 th Feb 2025) Mr. Varun Dinkar Gogri (wef 11 th Feb 2025) Ms. Veena Vaswani (wef 1 st Jan 2024)

Details of related party transactions as at / for the year ended 31st March, 2025:

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
Liabilities						
Deposits	4,348.42 (3,666.56)	176.58 (68.01)	7.68 (61.02)	221.58 (107.84)	161.07 (174.02)	4,915.33 (4,077.45)
Borrowings	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Payable	21.47 (15.00)	0.04 (0.23)	# (-)	1.68 (1.13)	0.74 (0.61)	23.93 (16.97)
Other Payables	226.86 (85.89)	1.64 (1.42)	- (-)	# (0.01)	- (-)	228.50 (87.32)
Assets						
Advances	716.21 (400.00)	10.31 (25.31)	5.77 (0.01)	1.35 (1.31)	1.37 (0.04)	735.01 (426.67)
Investments-Gross	3,065.34 (3,359.92)	321.82 (875.00)	- (-)	# (#)	- (-)	3,387.16 (4,234.92)
Diminution on Investments	- (-)	- (-)	- (-)	- (#)	- (-)	- (#)
Commission Receivable	200.01 (176.85)	16.71 (13.04)	- (-)	- (-)	- (-)	216.72 (189.89)
Others Receivables	169.41 (123.14)	97.70 (9.74)	0.03 (-)	0.01 (0.02)	0.01 (-)	267.16 (132.90)
Non Funded Commitments						
Bank Guarantees	10.72 (1.07)	- (-)	- (-)	1.13 (1.13)	- (-)	11.85 (2.20)
Swaps/Forward contracts	100.00 (200.00)	- (-)	- (-)	- (-)	- (-)	100.00 (200.00)
Expenses						
Salaries/fees (Include ESOP/SARs)	- (-)	- (-)	22.07 (24.05)	- (-)	0.61 (0.57)	22.68 (24.62)
Interest Expense	181.69 (98.22)	1.14 (7.32)	3.73 (14.50)	6.01 (4.78)	12.28 (12.71)	204.85 (137.53)
Expenses for services received	995.73 (916.55)	7.68 (3.18)	- (-)	2.38 (2.69)	- (-)	1,005.79 (922.42)
Income						
Dividend	380.00 (308.90)	- (-)	- (-)	- (-)	- (-)	380.00 (308.90)
Interest Income	65.03 (66.52)	1.89 (3.23)	0.08 (-)	0.06 (0.06)	0.03 (0.30)	67.09 (70.11)
Income from services rendered	2,016.85 (1,125.90)	112.19 (82.19)	0.01 (#)	0.14 (0.04)	0.02 (#)	2,129.21 (1,208.13)
Other Transactions						
Sale of Investments	995.00 (1,260.31)	- (-)	- (-)	- (-)	- (-)	995.00 (1,260.31)
Purchase of Investments	705.30 (1,536.57)	- (195.00)	- (-)	- (-)	- (-)	705.30 (1,731.57)
Loan Disbursed During the Year	7,261.42 (1,556.58)	- (-)	- (-)	- (-)	- (-)	7,261.42 (1,556.58)
Loan Repaid During the Year	6,946.42 (1,926.58)	15.00 (15.00)	- (-)	- (-)	- (-)	6,961.42 (1,941.58)
Assignment Portfolio Buyout During the year	348.88 (1,736.16)	- (-)	- (-)	- (-)	- (-)	348.88 (1,736.16)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
Dividend paid	-	-	102.47	0.10	0.67	103.24
	(-)	(-)	(76.95)	(0.23)	(0.53)	(77.71)
Reimbursement to companies	42.91	0.28	-	-	-	43.19
	(28.00)	(0.07)	(-)	(-)	(-)	(28.07)
Reimbursement from companies	150.02	1.74	-	-	-	151.76
	(136.31)	(5.31)	(-)	(-)	(-)	(141.62)
Purchase of Fixed assets	0.61	-	-	-	-	0.61
	(0.55)	(-)	(-)	(-)	(-)	(0.55)
Sale of Fixed assets	1.19	-	-	-	-	1.19
	(0.17)	(#)	(-)	(-)	(-)	(0.17)
Swaps/Forward contracts	339.24	0.76	3.50	26.34	23.97	393.81
	(724.60)	(3.04)	(4.50)	(4.32)	(24.61)	(761.07)
Guarantees/Lines of credit	10.22	-	-	-	-	10.22
	(10.55)	(-)	(-)	(-)	(-)	(10.55)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	0.66	-	-	-	-	0.66
	(0.16)	(-)	(-)	(-)	(-)	(0.16)
BSS Microfinance Limited	93.23	-	-	-	-	93.23
	(77.86)	(-)	(-)	(-)	(-)	(77.86)
Kotak Securities Limited	26.66	-	-	-	-	26.66
	(1.95)	(-)	(-)	(-)	(-)	(1.95)
Kotak Alternate Asset Managers Limited	3.35	-	-	-	-	3.35
	(0.40)	(-)	(-)	(-)	(-)	(0.40)
Kotak Mahindra (UK) Limited	3.86	-	-	-	-	3.86
	(0.89)	(-)	(-)	(-)	(-)	(0.89)
Sonata Finance Private Limited	98.35	-	-	-	-	98.35
	(3.55)	(-)	(-)	(-)	(-)	(3.55)
Zurich Kotak General Insurance Company (India) Limited	-	1.64	-	-	-	1.64
	(-)	(1.42)	(-)	(-)	(-)	(1.42)
Others	0.75	-	-	#	-	0.75
	(1.08)	(-)	(-)	(0.01)	(-)	(1.09)
II. Assets:						
Investments						
Kotak Mahindra Life Insurance Company Limited	1,557.20	-	-	-	-	1,557.20
	(1,557.20)	(-)	(-)	(-)	(-)	(1,557.20)
Kotak Mahindra Prime Limited	1.78	-	-	-	-	1.78
	(146.37)	(-)	(-)	(-)	(-)	(146.37)
BSS Microfinance Limited	138.56	-	-	-	-	138.56
	(138.56)	(-)	(-)	(-)	(-)	(138.56)
Kotak Mahindra Investments Limited	338.03	-	-	-	-	338.03
	(488.03)	(-)	(-)	(-)	(-)	(488.03)
Zurich Kotak General Insurance Company (India) Limited	-	321.82	-	-	-	321.82
	(-)	(875.00)	(-)	(-)	(-)	(875.00)
Kotak Infrastructure Debt Fund Limited	91.49	-	-	-	-	91.49
	(91.49)	(-)	(-)	(-)	(-)	(91.49)
Sonata Finance Private Limited	537.12	-	-	-	-	537.12

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
	(537.12)	(-)	(-)	(-)	(-)	(537.12)
Kotak Alternate Asset Managers Limited	228.24	-	-	-	-	228.24
	(228.24)	(-)	(-)	(-)	(-)	(228.24)
Others	172.92	-	-	#	-	172.92
	(172.90)	(-)	(-)	(#)	(-)	(172.90)
Diminution on investments						
Business Standard Private Limited	-	-	-	-	-	-
	(-)	(-)	(-)	(#)	(-)	(#)
Commission Receivable						
Kotak Mahindra Life Insurance Company Limited	200.01	-	-	-	-	200.01
	(176.85)	(-)	(-)	(-)	(-)	(176.85)
Zurich Kotak General Insurance Company (India) Limited	-	16.71	-	-	-	16.71
	(-)	(13.04)	(-)	(-)	(-)	(13.04)
Others Receivable						
Kotak Mahindra Prime Limited	15.86	-	-	-	-	15.86
	(16.32)	(-)	(-)	(-)	(-)	(16.32)
Kotak Securities Limited	20.78	-	-	-	-	20.78
	(13.74)	(-)	(-)	(-)	(-)	(13.74)
Kotak Investment Advisors Limited	66.63	-	-	-	-	66.63
	(34.86)	(-)	(-)	(-)	(-)	(34.86)
Kotak Mahindra Investments Limited	0.92	-	-	-	-	0.92
	(6.71)	(-)	(-)	(-)	(-)	(6.71)
Kotak Mahindra Life Insurance Company Limited	28.74	-	-	-	-	28.74
	(23.87)	(-)	(-)	(-)	(-)	(23.87)
Kotak Infrastructure Debt Fund Limited	0.26	-	-	-	-	0.26
	(0.41)	(-)	(-)	(-)	(-)	(0.41)
BSS Microfinance Limited	8.03	-	-	-	-	8.03
	(9.63)	(-)	(-)	(-)	(-)	(9.63)
Sonata Finance Private Limited	13.64	-	-	-	-	13.64
	(2.62)	(-)	(-)	(-)	(-)	(2.62)
Kotak Mahindra Asset Management Company Limited	8.35	-	-	-	-	8.35
	(5.83)	(-)	(-)	(-)	(-)	(5.83)
Zurich Kotak General Insurance Company (India) Limited	-	97.57	-	-	-	97.57
	(-)	(9.50)	(-)	(-)	(-)	(9.50)
Phoenix ARC Private Limited	-	0.12	-	-	-	0.12
	(-)	(0.23)	(-)	(-)	(-)	(0.23)
Kotak Mahindra (International) Limited	4.19	-	-	-	-	4.19
	(1.46)	(-)	(-)	(-)	(-)	(1.46)
Kotak Mahindra Capital Company Limited	1.31	-	-	-	-	1.31
	(6.59)	(-)	(-)	(-)	(-)	(6.59)
Others	0.70	0.01	0.03	0.01	0.01	0.76
	(1.12)	(#)	(-)	(0.02)	-	(1.14)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
Non Funded Commitments						
Bank Guarantees						
Kotak Mahindra Life Insurance Company Limited	0.27	-	-	-	-	0.27
	(0.30)	(-)	(-)	(-)	(-)	(0.30)
Kotak Securities Limited	0.10	-	-	-	-	0.10
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Aero Agencies Private Limited	-	-	-	1.00	-	1.00
	(-)	(-)	(-)	(1.00)	(-)	(1.00)
Kotak Mahindra Prime Limited	0.35	-	-	-	-	0.35
	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Kotak Alternate Asset Managers Limited	10.00	-	-	-	-	10.00
	(0.50)	(-)	(-)	(-)	(-)	(0.50)
Others	-	-	-	0.13	-	0.13
	(-)	(-)	(-)	(0.13)	(-)	(0.13)
Swaps/Forward contracts						
Kotak Mahindra Prime Limited	100.00	-	-	-	-	100.00
	(100.00)	(-)	(-)	(-)	(-)	(100.00)
Kotak Mahindra Investments Limited	-	-	-	-	-	-
	(100.00)	(-)	(-)	(-)	(-)	(100.00)
III. Expenses:						
Salaries/fees (Include ESOP)						
Mr.Uday Kotak	-	-	0.69	-	-	0.69
	(-)	(-)	(0.40)	(-)	(-)	(0.40)
Mr. Jaideep Hansraj	-	-	0.76	-	-	0.76
	(-)	(-)	(-)	(-)	(-)	-
Mr. KVS Manian	-	-	(0.53)	-	-	(0.53)
	(-)	(-)	(6.72)	(-)	(-)	(6.72)
Mr.Dipak Gupta	-	-	-	-	-	-
	(-)	(-)	(8.37)	(-)	(-)	(8.37)
Ms. Shanti Ekambaram	-	-	7.01	-	-	7.01
	(-)	(-)	(6.73)	(-)	(-)	(6.73)
Mr.Ashok Vaswani	-	-	14.14	-	-	14.14
	(-)	(-)	(1.83)	(-)	(-)	(1.83)
Mr.Jay Kotak	-	-	-	-	0.61	0.61
	(-)	(-)	(-)	(-)	(0.57)	(0.57)
Expenses for services received						
Kotak Securities Limited	1.08	-	-	-	-	1.08
	(0.82)	(-)	(-)	(-)	(-)	(0.82)
Kotak Mahindra Life Insurance Company Limited	16.31	-	-	-	-	16.31
	(15.72)	(-)	(-)	(-)	(-)	(15.72)
Zurich Kotak General Insurance Company (India) Limited	-	7.68	-	-	-	7.68
	(-)	(3.18)	(-)	(-)	(-)	(3.18)
Kotak Mahindra Prime Limited	0.16	-	-	-	-	0.16
	(1.35)	(-)	(-)	(-)	(-)	(1.35)
Aero Agencies Private Limited	-	-	-	2.38	-	2.38
	(-)	(-)	(-)	(2.64)	(-)	(2.64)
Business Standard Private Limited	-	-	-	#	-	#
	(-)	(-)	(-)	(0.05)	(-)	(0.05)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
BSS Microfinance Limited	746.10	-	-	-	-	746.10
	(895.03)	(-)	(-)	(-)	(-)	(895.03)
Sonata Finance Private Limited	228.16	-	-	-	-	228.16
	(2.42)	(-)	(-)	(-)	(-)	(2.42)
Kotak Alternate Asset Managers Limited	3.82	-	-	-	-	3.82
	(0.37)	(-)	(-)	(-)	(-)	(0.37)
Kotak Mahindra (UK) Limited	0.10	-	-	-	-	0.10
	(0.09)	(-)	(-)	(-)	(-)	(0.09)
Others	-	-	-	-	-	-
	(0.74)	(-)	(-)	(-)	(-)	(0.74)
IV. Income:						
Dividend						
Kotak Mahindra Capital Company Limited	42.95	-	-	-	-	42.95
	(34.36)	(-)	(-)	(-)	(-)	(34.36)
Kotak Mahindra Life Insurance Company Limited	176.82	-	-	-	-	176.82
	(117.88)	(-)	(-)	(-)	(-)	(117.88)
Kotak Mahindra Asset Management Company Limited	111.75	-	-	-	-	111.75
	(111.75)	(-)	(-)	(-)	(-)	(111.75)
Kotak Mahindra Prime Limited	12.48	-	-	-	-	12.48
	(8.91)	(-)	(-)	(-)	(-)	(8.91)
Kotak Securities Limited	36.00	-	-	-	-	36.00
	(36.00)	(-)	(-)	(-)	(-)	(36.00)
Income from services rendered						
Kotak Mahindra Life Insurance Company Limited	910.85	-	-	-	-	910.85
	(728.63)	(-)	(-)	(-)	(-)	(728.63)
Zurich Kotak General Insurance Company (India) Limited	-	112.12	-	-	-	112.12
	(-)	(82.13)	(-)	(-)	(-)	(82.13)
Kotak Securities Limited	258.64	-	-	-	-	258.64
	(217.85)	(-)	(-)	(-)	(-)	(217.85)
Kotak Mahindra Capital Company Limited	15.21	-	-	-	-	15.21
	(15.05)	(-)	(-)	(-)	(-)	(15.05)
Kotak Mahindra Asset Management Company Limited	27.16	-	-	-	-	27.16
	(19.68)	(-)	(-)	(-)	(-)	(19.68)
Kotak Mahindra Prime Limited	41.45	-	-	-	-	41.45
	(37.46)	(-)	(-)	(-)	(-)	(37.46)
Kotak Alternate Asset Managers Limited	103.64	-	-	-	-	103.64
	(65.28)	(-)	(-)	(-)	(-)	(65.28)
Sonata Finance Private Limited	14.01	-	-	-	-	14.01
	(-)	(-)	(-)	(-)	(-)	(-)
BSS Microfinance Limited	628.67	-	-	-	-	628.67
	(26.73)	(-)	(-)	(-)	(-)	(26.73)
Others	17.22	0.07	0.01	0.14	0.02	17.46
	(15.22)	(0.06)	(#)	(0.04)	(#)	(15.32)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP/ Individual having Significant influence over Bank	Total
V. Other Transactions:						
Sale of Investment						
Kotak Infrastructure Debt Fund Limited	-	-	-	-	(-)	-
	(150.00)	(-)	(-)	(-)	-	(150.00)
Kotak Mahindra Prime Limited	150.00	-	-	-	(-)	150.00
	(205.00)	(-)	(-)	(-)	-	(205.00)
Kotak Mahindra Investments Limited	150.00	-	-	-	(-)	150.00
	(100.00)	(-)	(-)	(-)	-	(100.00)
Kotak Mahindra (UK) Limited	695.00	-	-	-	-	695.00
	(675.44)	(-)	(-)	(-)	(-)	(675.44)
Kotak Securities Limited	-	-	-	-	-	-
	(54.31)	(-)	(-)	(-)	(-)	(54.31)
Kotak Mahindra Life Insurance Company Limited	-	-	-	-	-	-
	(75.56)	(-)	(-)	(-)	(-)	(75.56)
Purchase of Investments						
Kotak Mahindra (UK) Limited	705.30	-	-	-	(-)	705.30
	(895.25)	(-)	(-)	(-)	-	(895.25)
Kotak Infrastructure Debt Fund Limited	-	-	-	-	(-)	-
	(60.00)	(-)	(-)	(-)	-	(60.00)
Kotak Mahindra Prime Limited	-	-	-	-	-	-
	(555.32)	(-)	(-)	(-)	(-)	(555.32)
Kotak Mahindra Investments Limited	-	-	-	-	-	-
	(25.00)	(-)	(-)	(-)	(-)	(25.00)
Zurich Kotak General Insurance Company (India) Limited	-	-	-	-	-	-
	(-)	(195.00)	(-)	(-)	(-)	(195.00)
Kotak Karma Foundation	-	-	-	-	-	-
	(1.00)	(-)	(-)	(-)	(-)	(1.00)
Loan Disbursed During the Year						
Kotak Mahindra Prime Limited	261.42	-	-	-	-	261.42
	(450.02)	(-)	(-)	(-)	(-)	(450.02)
Kotak Securities Limited	7,000.00	-	-	-	-	7,000.00
	(956.56)	(-)	(-)	(-)	(-)	(956.56)
Kotak Mahindra Investments Limited	-	-	-	-	-	-
	(150.00)	(-)	(-)	(-)	(-)	(150.00)
Loan Repaid During the Year						
Kotak Mahindra Investments Limited	60.00	-	-	-	-	60.00
	(245.00)	(-)	(-)	(-)	(-)	(245.00)
Kotak Securities Limited	6,875.00	-	-	-	-	6,875.00
	(956.56)	(-)	(-)	(-)	(-)	(956.56)
Phoenix ARC Private Limited	-	15.00	-	-	-	15.00
	(-)	(15.00)	(-)	(-)	(-)	(15.00)
Kotak Mahindra Prime Limited	11.42	-	-	-	-	11.42
	(725.02)	(-)	(-)	(-)	(-)	(725.02)
Assignment Portfolio Buyout During the year						
Sonata Finance Private Limited	348.88	-	-	-	-	348.88
	(1,736.16)	(-)	(-)	(-)	(-)	(1,736.16)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
Dividend Paid						
Mr. Uday Kotak	-	-	102.20	-	-	102.20
	(-)	(-)	(76.65)	(-)	(-)	(76.65)
Mr. Dipak Gupta	-	-	-	-	-	-
	(-)	(-)	(0.07)	(-)	(-)	(0.07)
Shanti Ekambaram	-	-	0.27	-	-	0.27
	(-)	(-)	(0.20)	(-)	(-)	(0.20)
KVS Manian	-	-	-	-	-	-
	(-)	(-)	(0.02)	(-)	(-)	(0.02)
Ms. Pallavi Kotak	-	-	-	-	0.22	0.22
	(-)	(-)	(-)	(-)	(0.17)	(0.17)
Ms. Indira Kotak	-	-	-	-	0.40	0.40
	(-)	(-)	(-)	(-)	(0.30)	(0.30)
Others	-	-	-	0.10	0.05	0.15
	(-)	(-)	(-)	(0.23)	(0.06)	(0.29)
Reimbursements to companies						
Kotak Mahindra Capital Company Limited	7.58	-	-	-	-	7.58
	(0.96)	(-)	(-)	(-)	(-)	(0.96)
Kotak Mahindra Prime Limited	6.58	-	-	-	-	6.58
	(6.84)	(-)	(-)	(-)	(-)	(6.84)
Kotak Securities Limited	14.95	-	-	-	-	14.95
	(12.30)	(-)	(-)	(-)	(-)	(12.30)
Kotak Mahindra Life Insurance Company Limited	0.22	-	-	-	-	0.22
	(0.23)	(-)	(-)	(-)	(-)	(0.23)
Kotak Alternate Asset Managers Limited	1.70	-	-	-	-	1.70
	(1.36)	(-)	(-)	(-)	(-)	(1.36)
Kotak Mahindra Investments Limited	2.93	-	-	-	-	2.93
	(1.88)	(-)	(-)	(-)	(-)	(1.88)
Kotak Mahindra (UK) Limited	8.69	-	-	-	-	8.69
	(4.40)	(-)	(-)	(-)	(-)	(4.40)
Others	0.26	0.28	-	-	-	0.54
	(0.03)	(0.07)	(-)	(-)	(-)	(0.10)
Reimbursements from companies						
Kotak Mahindra Capital Company Limited	11.89	-	-	-	-	11.89
	(10.53)	(-)	(-)	(-)	(-)	(10.53)
Kotak Mahindra Prime Limited	38.12	-	-	-	-	38.12
	(39.32)	(-)	(-)	(-)	(-)	(39.32)
Kotak Mahindra Life Insurance Company Limited	11.72	-	-	-	-	11.72
	(15.57)	(-)	(-)	(-)	(-)	(15.57)
Kotak Securities Limited	40.32	-	-	-	-	40.32
	(31.76)	(-)	(-)	(-)	(-)	(31.76)
Kotak Mahindra Investments Limited	8.26	-	-	-	-	8.26
	(7.76)	(-)	(-)	(-)	(-)	(7.76)
Kotak Mahindra Asset Management Company Limited	13.41	-	-	-	-	13.41
	(9.90)	(-)	(-)	(-)	(-)	(9.90)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
Kotak Alternate Asset Managers Limited	10.33	-	-	-	-	10.33
	(10.27)	(-)	(-)	(-)	(-)	(10.27)
Kotak Mahindra Asset Management (Singapore) Pte Limited	5.24	-	-	-	-	5.24
	(4.06)	(-)	(-)	(-)	(-)	(4.06)
Zurich Kotak General Insurance Company (India) Limited	-	1.73	-	-	-	1.73
	(-)	(5.04)	(-)	(-)	(-)	(5.04)
Others	10.73	0.01	-	-	-	10.74
	(7.12)	(0.27)	(-)	(-)	(-)	(7.39)
Purchase of Fixed Assets						
Kotak Mahindra Prime Limited	#	-	-	-	-	#
	(0.07)	(-)	(-)	(-)	(-)	(0.07)
Kotak Mahindra Investments Limited	0.41	-	-	-	-	0.41
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Life Insurance Company Limited	-	-	-	-	-	-
	(0.17)	(-)	(-)	(-)	(-)	(0.17)
Kotak Alternate Asset Managers Limited	0.18	-	-	-	-	0.18
	(0.30)	(-)	(-)	(-)	(-)	(0.30)
Kotak Mahindra Trusteeship Services Limited	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra Asset Management Company Limited	0.02	-	-	-	-	0.02
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Sale of Fixed Assets						
Zurich Kotak General Insurance Company (India) Limited	-	-	-	-	-	-
	(-)	(#)	(-)	(-)	(-)	(#)
Kotak Investment Advisors Limited	0.34	-	-	-	-	0.34
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra Asset Management Company Limited	#	-	-	-	-	#
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Trusteeship Services Limited	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra Investments Limited	0.48	-	-	-	-	0.48
	(0.15)	(-)	(-)	(-)	(-)	(0.15)
Kotak Mahindra Prime Limited	0.37	-	-	-	-	0.37
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Securities Limited	-	-	-	-	-	-
	(#)	(-)	(-)	(-)	(-)	(#)
Swaps/Forwards/Options Contracts						
Kotak Mahindra International Limited	-	-	-	-	-	-
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Mahindra Prime Limited	0.75	-	-	-	-	0.75
	(136.21)	(-)	(-)	(-)	(-)	(136.21)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank /Relative of KMP have control / significant influence	Relatives of KMP// Individual having Significant influence over Bank	Total
Kotak Mahindra Investments Limited	100.02	-	-	-	-	100.02
	(0.03)	(-)	(-)	(-)	(-)	(0.03)
Kotak Mahindra Life Insurance Company Limited	52.70	-	-	-	-	52.70
	(117.45)	(-)	(-)	(-)	(-)	(117.45)
Kotak Alternate Asset Managers Limited	27.54	-	-	-	-	27.54
	(18.43)	(-)	(-)	(-)	(-)	(18.43)
Kotak Mahindra Asset Management Company Limited	7.99	-	-	-	-	7.99
	(8.54)	(-)	(-)	(-)	(-)	(8.54)
Kotak Mahindra Capital Company Limited	35.33	-	-	-	-	35.33
	(76.61)	(-)	(-)	(-)	(-)	(76.61)
Kotak Securities Limited	114.90	-	-	-	-	114.90
	(367.13)	(-)	(-)	(-)	(-)	(367.13)
BSS Microfinance Limited	-	-	-	-	-	-
	(0.14)	(-)	(-)	(-)	(-)	(0.14)
Others	0.01	0.76	3.50	26.34	23.97	54.58
	(0.05)	(3.04)	(4.50)	(4.32)	(24.61)	(36.52)
Guarantees/Lines of Credits						
Kotak Alternate Asset Managers Limited	10.10	-	-	-	-	10.10
	(10.50)	(-)	(-)	(-)	(-)	(10.50)
Kotak Mahindra Life Insurance Company Limited	0.02	-	-	-	-	0.02
	(0.05)	(-)	(-)	(-)	(-)	(0.05)
Kotak Mahindra Prime Limited	0.10	-	-	-	-	0.10
	(-)	(-)	(-)	(-)	(-)	(-)

Note:

- Figures in brackets represent previous year's figures.
- The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.
- #In the above table denotes amounts less than ₹50,000
- Remuneration paid to KMPs is pursuant to approval from RBI (excluding value of employee stock options exercised during the year).
- Previous year figures are re-grouped, re-arranged wherever required.

**Maximum Balance outstanding during the year**

(₹ in crore)

Particulars	Subsidiary Companies	Associates/ Others	KMP / Individual having Significant influence over Bank	Enterprise over which KMP/ Individual having Significant influence over the Bank / Relative of KMP have control / significant influence	Relatives of KMP/ Individual having Significant influence over Bank
Liabilities					
Deposits ¹	14,998.96 (8,425.27)	470.27 (436.89)	132.36 (311.72)	435.00 (269.00)	239.28 (207.33)
Borrowings ¹	- (-)	- (-)	- (-)	- (-)	- (-)
Other Liabilities ²	260.73 (115.77)	5.89 (3.35)	# (2.28)	1.72 (1.32)	1.50 (1.25)
Assets					
Advances ¹	2,087.95 (1,351.92)	25.31 (42.82)	5.83 (0.04)	1.41 (1.44)	1.68 (5.58)
Investments-Gross ¹	3,359.92 (4,526.88)	875.00 (875.00)	- (-)	# (#)	- (-)
Commission Receivable ²	200.01 (176.85)	16.71 (13.04)	- (-)	- (-)	- (-)
Others Assets ²	321.57 (209.76)	101.95 (10.36)	0.03 (-)	2.28 (0.01)	0.01 (-)
Non Funded Commitments					
Bank Guarantees ¹	10.75 (11.07)	- (-)	- (-)	1.13 (1.13)	- (-)
Swaps/Forward contracts ¹	238.75 (696.89)	0.37 (2.74)	3.47 (3.64)	15.45 (1.06)	15.63 (18.21)

Notes

1. Maximum balance is determined based on comparison of total daily outstanding balances at party level during the financial year.
2. Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year
3. Figures in brackets represent figures for corresponding period in previous year.
4. # In the above table denotes amounts less than ₹50,000.
5. Previous year figures are re-grouped, re-arranged wherever required.

8. EMPLOYEE SHARE BASED PAYMENTS:

The shareholders of the Bank had passed Special Resolutions on 29th June, 2015 and 22nd December, 2023, respectively, to grant options to the eligible employees of the Bank and its subsidiaries. Pursuant to these resolutions, the Kotak Mahindra Equity Option Scheme 2015 and Kotak Mahindra Equity Option Scheme 2023 have been formulated and adopted, respectively. The Kotak Mahindra Equity Option Scheme 2015 is operational only to the extent of treatment of options granted till 22nd December, 2023 and Kotak Mahindra Equity Option Scheme 2023 is currently in force.

Performance Linked Restricted Stock Units

The shareholders of the Bank have passed Special Resolutions on 20th February, 2025, to grant performance linked restricted stock units to the eligible employees of the Bank and its concerned subsidiaries. Pursuant to these resolutions, the Kotak Mahindra Performance Linked Restricted Stock Unit Scheme 2025 has been formulated and adopted. No options have been granted under this scheme during the year ended 31st March, 2025.

Equity-settled options

The Bank has granted options to employees of the Group vide various employee stock option schemes. During the year ended 31st March, 2025, the following schemes were in operation:

	Plan 2015	Plan 2023
Date of grant	Various Dates	Various Dates
Date of Board Approval	Various Dates	Various Dates
Date of Shareholder's approval	29 th June, 2015	22 nd December, 2023
Number of options granted (since inception)	21,080,963	1,977,977*
Method of Settlement (Cash / Equity)	Equity	Equity
Vesting Period	0.01 – 4.16 years	1.01-4.05 years
Exercise Period	0.03 – 1.00 year	0.50-1.00 year
Vesting Conditions	Graded / Cliff vesting	Graded / Cliff vesting

* Net-off 33,990 options which were unallocated and stood cancelled ab initio.

The details of activity under Plan 2015 have been summarised below:

	Year ended 31 st March, 2025		Year ended 31 st March, 2024	
	Number of Shares	Weighted Average Exercise Price(₹)	Number of Shares	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	2,699,729	1,825.57	3,573,225	1,642.98
Granted during the year	-	-	1,112,490	1,939.00
Forfeited during the year	116,681	1,871.63	206,273	1,804.14
Exercised during the year	286,551	1,520.39	1,364,316	1,460.33
Expired during the year	774,834	1,852.04	415,397	1,768.94
Outstanding at the end of the year	1,521,663	1,866.90	2,699,729	1,825.57
Out of the above exercisable at the end of the year	88,207	1,883.86	334,878	1,579.64
Weighted average remaining contractual life (in years)		1.33		1.65
Weighted average fair value of options granted		-		509.70

The details of activity under Plan 2023 have been summarised below:

	Year ended 31 st March, 2025		Year ended 31 st March, 2024	
	Number of Shares	Weighted Average Exercise Price(₹)	Number of Shares	Weighted Average Exercise Price(₹)
Outstanding at the beginning of the year	108,417	1,823.00	-	-
Granted during the year	1,869,560*	1,714.17	108,417	1,823.00
Forfeited during the year	104,687	1,734.63	-	-
Exercised during the year	15,544	1,823.00	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	1,857,746	1,718.46	108,417	1,823.00
Out of the above exercisable at the end of the year	6,334	1,823.00	-	-
Weighted average remaining contractual life (in years)		2.31		2.44
Weighted average fair value of options granted		425.92		377.70

* Net-off 33,990 options which were unallocated and stood cancelled ab initio.

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,821.57 (Previous year ₹ 1,842.83).



The details of exercise price for stock options outstanding at the end of the year are:

31st March, 2025

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
1,601-1,700	1,529,810	2.17	1,697.00
1,701-1,800	703,760	1.86	1,780.49
1,801-1,900	374,200	1.00	1,813.96
1,901-2,000	725,299	1.66	1,938.43
2,101-2,200	46,340	2.38	2,144.90

31st March, 2024

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
1,201-1,300	10,020	0.28	1,240.89
1,301-1,400	174,514	0.25	1,341.00
1,701-1,800	786,518	1.65	1,798.00
1,801-1,900	774,484	1.48	1,814.32
1,901-2,000	1,062,610	2.08	1,939.00

Stock appreciation rights

On 29th June, 2015, the shareholders of the Bank had passed Special Resolutions to grant SARs to the eligible employees of the Bank and its subsidiaries. Pursuant to these resolutions, Kotak Mahindra Stock Appreciation Rights Scheme 2015 had been formulated and adopted. The Board of Directors of the Bank have formulated and adopted the Kotak Mahindra Stock Appreciation Rights Scheme 2023 effective from 1st December, 2023 in place of Kotak Mahindra Stock Appreciation Rights Scheme 2015. Kotak Mahindra Stock Appreciation Rights Scheme 2015 is operational only to the extent of treatment of SARs granted till 30th November, 2023.

The SARs granted under the Kotak Mahindra Stock Appreciation Rights Scheme 2015 and Kotak Mahindra Stock Appreciation Rights Scheme 2023 are settled in cash and vest on the respective due dates in a graded manner as per the terms and conditions of grant. The contractual life of the SARs outstanding range from 1.01 to 4.24 years.

Detail of activity under SARs is summarised below:

	Year Ended 31 st March, 2025	Year Ended 31 st March, 2024
Outstanding at the beginning of the year	2,020,371	1,252,174
Granted during the year	1,538,970*	1,351,301
Additions/(Reduction) due to transfer of employees	7,696	9,571
Settled during the year	632,166	431,501
Forfeited during the year	269,453	161,174
Outstanding at the end of the year	2,665,418	2,020,371

* Net-off 13,390 SARs which were unallocated and stood cancelled ab initio.

Fair value of Employee stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted. The fair value of the cash-settled options is remeasured at each Balance Sheet date. The following table lists the inputs to the model used for equity-settled and cash-settled options:

Year ended 31 st March,	2025		2024	
	Equity-settled	Cash-settled	Equity-settled	Cash-settled
Exercise Price ₹	1,696.55-2,144.90	0-1,801	1,823-1,939	0-1,801
Weighted Average Share Price ₹	1,713.78	1,799.06	1,927.50	1,825.07
Expected Volatility	20.62%-30.50%	21.01%-34.86%	16.79%-32.42%	11.25%-25.27%
Historical Volatility	20.62%-30.50%	21.01%-34.86%	16.79%-32.42%	11.25%-25.27%
Life of the options granted (Vesting and exercise period)				
- At the grant date	1.26-4.55		1.25-4.42	
- As at 31 st March		0.02-4.17		0.02-3.84
Risk-free interest rate	6.54%-7.22%	6.28%-6.62%	7.01%-7.26%	6.89%-7.19%
Expected dividend rate	0.09%-0.12%	0.09%-0.1%	0.08%-0.08%	0.08%-0.09%

The expected volatility was determined based on historical volatility data and the Bank expects the volatility of its share price may not differ from historical volatility. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant for equity settled options and remeasurement date for the cash settled options, corresponding with the expected / residual life of the share-linked instruments has been considered.

Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

(₹ in crore)

Year ended 31 st March,	2025	2024
Total Employee compensation cost pertaining to share-based payment plans	242.02	168.02
Compensation cost pertaining to equity-settled employee share-based payment plan included above	20.88	25.44
Liability for employee stock options outstanding as at year end	170.56	140.44
Deferred Compensation Cost	76.29	61.15
Closing balance of liability for cash-settled options	272.79	163.11

9. EMPLOYEE BENEFITS

- i. The Bank has recognized the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Provident Fund	323.63	282.02
Superannuation Fund	1.33	1.20
New Pension Fund	15.97	12.84
DIFC Employee Workplace Savings Scheme (DEWS)	0.79	0.70

ii. Gratuity

The gratuity plan provides a lumpsum payment to vested domestic employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Bank subject to a maximum of ₹ 0.20 crore. There is no ceiling on gratuity payable to directors and certain categories of employees subject to service regulations and service awards.



Reconciliation of opening and closing balance of present value of defined benefit obligation for gratuity benefits is given below.
(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Change in benefit obligations		
Liability at the beginning of the year	580.43	522.55
Current Service cost	106.15	90.54
Interest cost	44.25	40.35
Actuarial Losses / (Gain)	32.67	17.39
Past Service Cost	-	4.32
Liability assumed on acquisition / (Settled on divestiture)	(0.59)	0.31
Benefits paid	(93.92)	(95.03)
Liability at the end of the year	668.99	580.43
Change in plan assets		
Fair value of plan assets at the beginning of the year	632.92	502.57
Expected return on plan assets	44.79	32.83
Actuarial Gain / (Losses)	16.59	64.85
Benefits paid	(93.92)	(95.03)
Employer contributions	55.43	127.70
Fair value of plan assets at the end of the year	655.81	632.92

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan assets	As at	
	31 st March, 2025	31 st March, 2024
Fair value of plan assets at the end of the year	655.81	632.92
Liability at the end of the year	668.99	580.43
(Net Liabilities)/Net Asset included in "Others" under "Other Liabilities / Other Asset"	(13.18)	52.49
Expense recognised for the year		
Current Service cost	106.15	90.54
Interest cost	44.25	40.35
Expected return on plan assets	(44.79)	(32.83)
Actuarial (Gain) / Loss	16.08	(47.46)
Past Service Cost	-	4.32
Net gratuity expense recognised in Schedule 16.I	121.69	54.92
Actual return on plan assets	61.37	97.69

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet	As at	
	31 st March, 2025	31 st March, 2024
Net (Asset) / Liability at the beginning of the year	(52.49)	19.98
Expense recognized	121.69	54.92
Liability assumed on acquisition / (Settled on divestiture)	(0.59)	0.31
Employer contributions	(55.43)	(127.70)
Net (Asset) / Liability	13.18	(52.49)

Investment details of plan assets

The plan assets are invested in insurer managed funds. Major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	31 st March, 2025 %	31 st March, 2024 %
LIC managed funds #	0.35%	0.34%
Government securities	21.74%	24.88%
Bonds, debentures and other fixed income instruments	16.89%	14.70%
Money market instruments	4.56%	4.62%
Equity shares	56.46%	55.46%
Total	100.00%	100.00%

**In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.*

Actuarial assumptions used

Discount rate	6.55% - 6.62% p.a. (Previous Year 7.15% - 7.18% p.a.)
Salary escalation rate	5.50% - IBA, 7% - others p.a. (Previous Year 5.50% - IBA, 7% - others p.a.)
Expected return on plan assets	7.50% p.a. (Previous Year 7.50% p.a.)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments

Amounts for the current and previous four years are as follows:

(₹ in crore)

Gratuity	Year ended 31 st March				
	2025	2024	2023	2022	2021
Defined benefit obligation	668.99	580.43	522.55	515.20	497.48
Plan assets	655.81	632.92	502.57	572.43	546.65
Surplus / (Deficit)	(13.18)	52.49	(19.98)	57.23	49.17
Experience adjustments on plan liabilities	14.60	12.97	7.66	22.61	12.62
Experience adjustments on plan assets	16.59	64.85	(40.51)	34.10	60.28

The Bank expects to contribute ₹ 52.82 crore to gratuity fund in financial year 2025-2026.

The above information is as certified by the actuary and relied upon by the auditors



iii. Pension

Pension liability relates to employees of EIVBL

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension benefits is given below.

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
	Funded	Funded
Change in benefit obligations		
Liability at the beginning of the year	2,111.67	1,912.65
Transfer of liabilities funded during the year	-	-
Current Service cost	63.81	74.28
Interest cost	148.83	135.35
Actuarial (gain) / loss on obligations	137.74	171.29
Past Service cost	-	-
Benefits paid	(195.58)	(181.90)
Liability at the end of the year	2,266.47	2,111.67
Change in plan assets		
Fair value of plan assets at the beginning of the year	1,879.31	1,873.26
Expected return on plan assets	136.87	126.45
Actuarial Gain / (loss)	16.36	13.37
Benefits paid	(195.58)	(181.90)
Employer contributions	347.49	48.13
Fair value of plan assets as at the end of the year	2,184.45	1,879.31

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan Assets	As at	
	31 st March, 2025	31 st March, 2024
	Funded	Funded
Fair value of plan assets as at the end of the year	2,184.45	1,879.31
Liability at the end of the year	2,266.47	2,111.67
Net Asset / (Liability) included in "Others" under "Other Assets" / "Other Liabilities"	(82.02)	(232.36)
Expenses recognised for the year		
Current service cost	63.81	74.28
Interest cost	148.83	135.35
Expected return on plan assets	(136.87)	(126.45)
Actuarial (gain) / loss	121.38	157.92
Effect of the limit in Para 59(b)	-	-
Net pension expense recognized in Schedule 16.I	197.15	241.10
Actual return on plan assets	153.23	139.81

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
	Funded	Funded
Reconciliation of the Liability recognized in the Balance Sheet		
Net (Asset) / Liability at the beginning of the year	232.36	39.39
Expense recognized	197.15	241.10
Employer contributions	(347.49)	(48.13)
Effect of the limit in Para 59(b)	-	-
Net (Asset) / Liability is included in "Others" under "Other Assets" / "Other Liabilities"	82.02	232.36

Investment details of plan assets

The plan assets are invested in a fund managed by Life Insurance Corporation of India. In the absence of detailed information regarding plan assets of the fund, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Actuarial assumptions used

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Discount rate	6.65% p.a.	7.19% p.a.
Salary escalation rate	5.50% p.a.	5.50% p.a.
Expected rate of return on plan assets	7.50% p.a.	7.50% p.a.
Inflation	10.00% p.a.	10.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors like settlement with employee unions.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments

Amounts for the current year are as follows:

(₹ in crore)

Pension	Year ended 31 st March				
	2025	2024	2023	2022	2021
Defined benefit obligation	2,266.47	2,111.67	1,912.65	1,909.31	1,891.94
Plan assets	2,184.45	1,879.31	1,873.26	1,953.43	1,872.49
Surplus / (deficit)	(82.02)	(232.36)	(39.39)	44.12	(19.45)
Experience adjustments on plan liabilities	28.75	133.49	140.78	248.33	199.72
Experience adjustments on plan assets	16.36	13.37	11.27	34.13	(1.52)

The Bank expects to contribute ₹ 210.28 crore to pension fund in financial year 2025-2026.

iv. Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Bank is given below:
(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total actuarial liability	164.70	153.11
Assumptions:		
Discount rate	6.55% - 6.62% - 4.18% (DIFC) p.a.	7.15% - 7.18% - 4.27% (DIFC) p.a.
Salary escalation rate	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.

v. Long Service Award

The actuarially determined liability in respect of Long Service Award of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2025	31 st March, 2024
Total actuarial liability	12.28	10.41
Assumptions:		
Discount rate	6.55%-6.63% p.a.	7.15%-7.19% p.a.



10. PROVISIONS AND CONTINGENCIES

Breakup of “Provisions and Contingencies” (including write-offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Provisions for Investments (including NPI)*	93.65	79.22
Provision towards NPA	2,576.31	1,486.46
Provision towards Unhedged Foreign Currency Exposure	23.43	10.71
Provision towards Standard Assets	305.71	97.65
General Provision – Covid-19 Deferment Cases	(52.35)	(124.90)
Provision for country risk exposure	-	-
Provision for Current Tax	5,381.91	4,183.40
Provision for Deferred Tax	(247.88)	48.73
Other Provision and Contingencies	(4.39)	24.60
Total Provisions and Contingencies	8,076.39	5,805.87

*Includes provision of ₹ 46.90 crore (Previous year: ₹ 33.13 crore on applicable Alternate Investments Funds (AIF) Investments in accordance with RBI circular dated 19th December, 2023 and 27th March, 2024.

11. The Bank held an aggregate COVID-19 related provision of ₹ 262.55 crore as of 31st March, 2024. Based on the improved outlook and on actual collections, the Bank has reversed provisions amounting to ₹ 52.35 crore during the year ended 31st March, 2025 and continues to hold provision of ₹ 210.20 crore as at 31st March, 2025.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Kotak Mahindra Bank Limited (“Bank”) recognises its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility (“CSR”) initiatives.

Disclosures in relation to corporate social responsibility expenditure:

(₹ in crore)

Details of CSR Expenditure	31 st March, 2025	31 st March, 2024
Amount of expenditure incurred*		
Contribution to Kotak Education Foundation	63.74	32.12
Contribution to Other Initiatives*	177.46	87.61
Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	44.54	111.08**
Other than ongoing project	Nil	Nil
Total	285.74	230.81
Amount required to be spent as per Section 135 of the Act	285.53	230.24
Amount of cumulative unspent at the end of the year	122.48	184.55
Amount spent during the year on		
(i) Construction / acquisition of any asset [§]	69.63	28.31
(ii) On purposes other than (i) above	171.56	91.42

*Includes administrative overheads and impact assessment cost

**Includes ₹ 6.27 crore (unutilized funds) which was refunded by implementing agencies in April 2024.

§ For funding capital assets which are held in the books of the implementing partner organizations / beneficiaries / public authorities. Includes advances paid against construction / acquisition of Capital assets and doesn't include amount spent on creation/acquisition of Capital assets out of Unspent CSR accounts of previous financial years.

Details of ongoing CSR projects under Section 135(6) of the Act:

(₹ in crore)

Financial Year	Balance as at 1 st April		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 st March	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 24-25	-	-	276.12	231.58	-	44.54 [#]	-
FY 23-24	111.08 [*]	-	-	-	47.95	-	63.13
FY 22-23	-	36.96 ^{**}	-	-	22.15	-	14.82
FY 21-22	-	36.50	-	-	36.50	-	Nil

[#] The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY 2024-25 on 28th April, 2025

^{*} The amount was transferred to Kotak Mahindra Bank Limited Unspent Account FY 2023-24 on 29th April, 2024. Also includes refund of ₹.6.27 crore refunded by implementing organizations in April 2024

^{**} Includes refund of ₹ 0.007 crore received in April 2024.

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

(₹ in crore)

Balance unspent as at 1 st April, 2024	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year [*]	Amount spent during the year	Balance unspent as at 31 st March, 2025
Nil	-	4.86	4.86	Nil

Notes
^{*} The amount required to be spent is Board approved CSR Project budget for Other than Ongoing (Annual) CSR Projects undertaken and completed in FY 2024-25

Details of excess CSR expenditure under Section 135(5) of the Act:

(₹ in crore)

Balance excess spent as at 1 st April, 2024	Amount required to be spent during the year	Amount spent during the year	Unspent/ unutilised CSR amount transferred to Unspent CSR Account FY 2024-25	Total	Balance excess spent as at 31 st March, 2025
1.99	285.53	241.20 [*]	44.54	285.74	2.20

^{*} Include CSR Administrative Overheads Expenditure of ₹ 3.55 crore and impact assessment cost of ₹ 1.21 crore.

Amount spent in FY2024-25 towards CSR is ₹241.2 crore (PY: ₹119.73 crore).

This includes spends on the CSR project of ₹236.44 crore (PY: ₹116.18 crore).

Administrative overheads of ₹3.55 crore (PY: ₹2.99 crore) and Impact assessment cost of ₹1.21 crore (PY: ₹0.56 crore).

13. DETAILS OF PAYMENTS OF AUDIT FEES

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2025	31 st March, 2024
Statutory Audit fees	4.34	3.69
Other Matters	0.96	0.47
Total	5.30	4.16

**14. DESCRIPTION OF CONTINGENT LIABILITIES:**

Sr.	Contingent Liability*	Brief Description
1.	Claims not acknowledged as debts	This includes liability on account of Direct and Indirect tax demands and legal cases filed against the Bank. The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. In respect of appeals filed by the Income Tax department with higher authorities, where the matter was settled in favour of the Bank at the first appellate stage, and where in view of the Management, it gives rise to an item of timing difference, no contingent liability is envisaged by the Bank.
2.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts with inter Bank participants and with its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
3.	Guarantees on behalf of constituents	As a part of its Banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
4.	Acceptances, endorsements and other obligations	These includes: • Documentary credit such as letters of obligations, enhance the credit standing of the customers of the Bank. • Bills re-discounted by the Bank and cash collateral provided by the Bank on assets which have been securitised. • Underwriting commitments in respect of Debt Syndication.
5.	Other items for which the Bank is contingently liable	These include: • Liabilities in respect of interest rate swaps, currency swaps, forward rate agreements, futures and options contracts. The Bank enters into these transactions with inter Bank participants and its customers. Currency Swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of interest component of the contracts. • Liability in respect of Capital commitments relating to fixed assets and undrawn commitments in respect of investments. • Amount Transferred to RBI under the Depositor Education and Awareness Fund ('DEA Fund').

* Also refer Schedule 12 – Contingent Liability

15. SMALL AND MEDIUM ENTERPRISES:

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following is the disclosure as applicable:

(₹ in crore)

Sr. No	Particulars	As at	
		31 st March, 2025	31 st March, 2024
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.76	1.81
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid on principal amount due to suppliers as at year end	0.04	0.03
3	Principal amounts paid to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	43.51	28.58
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
6	Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made	0.52	0.31
7	Further interest remaining due and payable for earlier years	0.37	0.05
8	Total amount of interest remaining due and unpaid at the end of the current financial year (sum of items in Sr. no. 2, 6 & 7)	0.93	0.39

16. The Bank, as part of its normal banking business that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

17. On 18th June, 2024, the Bank has completed the divestment of 70% stake (through a combination of fresh growth capital and share sale) in its subsidiary Zurich Kotak General Insurance (India) Company Limited (formerly Kotak Mahindra General Insurance Company Limited) ("KGI") to Zurich Insurance Company Limited ("Zurich"). The Bank sold 553,181,595 equity shares of KGI for a consideration of ₹ 4,095.82 crore, resulting in net gain from such sale of ₹ 3,519.90 crore (pretax). Consequent to this sale, KGI ceased to be a subsidiary of the Bank and became an Associate with effect from 18th June, 2024. The Bank continues to hold the remaining 30% of the share capital of KGI as at 31st March, 2025.
18. As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Company has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software. Further, the audit trail has been preserved by the Company for all the accounting softwares used for maintaining its books of accounts as per the statutory requirements for record retention.



19. The Bank had received an order from the Reserve Bank of India dated 24th April, 2024, directing the Bank to cease and desist, with immediate effect from (i) onboarding new customers through the Bank's online and mobile banking channels and (ii) issuing fresh credit cards. The order was based, inter alia, on the deficiencies observed by the RBI in their IT Examination of the Bank.

The Bank had taken concrete steps to adopt new technologies to strengthen its IT systems. The RBI after having satisfied itself of the remedial measures undertaken by the Bank to address the supervisory concerns, the submission of compliances made to the RBI (including the report of the external Auditor), the RBI has vide its letter dated 12th February, 2025, communicated its decision to the Bank to lift the aforementioned restrictions placed on the Bank.

20. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current years' presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W100621

C S Rajan
Chairman
DIN: 00126063
Jaipur
3rd May, 2025

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550
Mumbai
3rd May, 2025

Gautam Shah
Partner
Membership No. 117348
Mumbai
3rd May, 2025

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889
Mumbai
3rd May, 2025

Ashu Suyash
Director
DIN: 00494515
Mumbai
3rd May, 2025

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration No. 117365W

Devang Gheewalla
Group President and
Group Chief Financial Officer
Membership No. 045993
Mumbai
3rd May, 2025

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430
Mumbai
3rd May, 2025

G. K. Subramaniam
Partner
Membership No. 109839
Mumbai
3rd May, 2025

Independent Auditor's Report

To the Members of Kotak Mahindra Bank Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of **Kotak Mahindra Bank Limited** ('the Bank'), which comprise the Standalone Balance Sheet as at **31 March 2024**, the Standalone Profit and Loss Account, and the Standalone Cash Flow Statement for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information ('the Standalone Financial Statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Banking Regulation Act, 1949 as well as the Companies Act, 2013 ('the Act') and circulars and guidelines issued by the Reserve Bank of India ('the RBI'), in the manner so required for banking companies and give a true and fair view, in conformity with the Accounting Standards prescribed under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Bank as at 31 March 2024 and its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Bank in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Identification of and Provisioning against Non-performing Assets ('NPAs'):

Total Loans and Advances (Net of Provision) as at 31 March 2024: ₹ 376,075.27 Crores

Provision for NPAs as at 31 March 2024: ₹ 4,004.21 Crores

Refer Schedule 9, Schedule 17(C)(2) and Schedule 18(A) - Note 9 and Note 11

Key Audit Matter	How our audit addressed the key audit matter
The Bank is required to comply with the Master Circular issued by the Reserve Bank of India ('RBI') on 'Prudential Norms for Income Recognition, Asset Classification and Provisioning pertaining to Advances' (the 'IRAC norms') and amendments thereto which prescribes the guidelines for identification and classification of Non-performing Assets ('NPAs') and the minimum provision required for such assets. The Bank is also required to apply its judgement to determine the identification and provision required against NPAs considering various quantitative as well as qualitative factors. The identification of NPAs is also affected by factors like stress and liquidity concerns in certain sectors. The provision for identified NPAs is estimated based on ageing and classification of NPAs, value of security, recovery estimates etc. and is also subject to the minimum provisioning norms specified by RBI.	Our audit procedures included the following: • Understood the process and controls, and tested the design and operating effectiveness of key controls, including Information Technology based controls, and focused on the following: ■ Approval of new lending facilities in accordance with the Bank's credit policies. ■ Performance of annual review/renewal of loan accounts. ■ Monitoring of credit quality which amongst other things includes the monitoring of overdue loan accounts, drawing power limit and pending security creation; and ■ Identification and classification of NPAs in accordance with IRAC norms, other regulatory guidelines issued by the RBI and consideration of qualitative aspects.



Key Audit Matter	How our audit addressed the key audit matter
As the identification of and provisioning against NPAs requires considerable level of management estimation, application of various regulatory requirements and its significance to the overall audit, we have identified this as a key audit matter.	- Tested the Bank's process for identification of loans with default events and/ or breach of other qualitative factors, and for a sample of performing loans, independently assessed as to whether there was a need to classify such loans as NPAs. - On a test check basis, verified the accounts classified by the Bank as Special Mention Accounts ('SMA') in RBI's Central Repository of Information on Large Credits ('CRILC'). - With respect to provisions recognised towards NPAs, we reperformed the provision calculations on a sample basis taking into consideration the value of security, where applicable, the IRAC norms and NPA policy of the Bank, and compared our outcome to that prepared by the management and tested relevant assumptions and judgements which were used by the management.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key Audit Matter	How our audit addressed the key audit matter
The IT environment of the Bank is complex and involves many independent and interdependent IT systems used in the operations of the Bank for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Bank. Appropriate IT general controls and IT application controls are required to ensure that such IT systems can process the data as required, completely, accurately, and consistently for reliable financial reporting. We identified certain key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process, and the related control testing as a key audit matter because of the high level of automation, significant number of systems being used by the Bank for processing financial transactions, and the complexity of the IT architecture. As described in Note 21 of Schedule 18B to the standalone financial statements, a supervisory action was undertaken against the Bank under Section 35A of the Banking Regulation Act, 1949 by the Reserve Bank of India ('RBI') subsequent to the year end on 24 April 2024 arising from an IT examination conducted by the RBI, and the related reports containing its observations was issued by the RBI.	Our audit procedures with respect to this matter included the following: In assessing the controls over the IT systems of the Bank, we involved our technology specialists to understand the IT environment, IT infrastructure and IT systems. We evaluated and tested relevant IT general controls and IT application controls of the 'in-scope' IT systems identified as relevant for our audit of the standalone financial statements and financial reporting process of the Bank. On such 'in-scope' IT systems, we have tested key IT general controls and evaluated the same with respect to the following domains: - Program change management, which includes that program changes are moved to the production environment as per defined approvals and relevant segregation of environment is ensured. - User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications and its related operating system and databases in the production environment were granted only to authorized personnel. - Other areas under the IT control environment which includes backup management, business continuity, disaster recovery drill in-line with the bank's disaster recovery plan, incident management, batch processing and monitoring. We also evaluated the design and tested the operating effectiveness of key IT application controls within key business processes, which included testing automated calculations, automated accounting processes, system interfaces, system reconciliation controls and key system generated reports, as applicable. Where control deficiencies were identified related to internal controls over financial reporting, we tested compensating controls or performed alternative audit procedures, where necessary.

Key Audit Matter	How our audit addressed the key audit matter
	We evaluated the management's assessment of the observations noted by the RBI arising in their IT examination report and the impact of those observations on the standalone financial statements and on internal controls with reference to financial statements and also communicated with those charged with governance and sought their assessment of the impact of the observations.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

6. The Bank's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The accompanying Standalone Financial Statements have been approved by the Bank's Board of Directors. The Bank's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the Accounting Standards specified under section 133 of the Act, read with the Companies (Accounting Standards) Rules, 2021, and other accounting principles generally accepted in India, and provisions of section 29 of the Banking Regulation Act, 1949 and circulars and guidelines issued by the RBI from time to time ('RBI Guidelines'). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act and the RBI guidelines for safeguarding of the assets of the Bank and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, the Board of Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Bank's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

10. Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Bank has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls;



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management;
 - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

15. In our opinion, The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of section 29 of the Banking Regulation Act, 1949 and section 133 of the Act and the relevant rules issued thereunder.
16. As required by sub-section (3) of section 30 of the Banking Regulation Act, 1949, we report that:
 - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit and have found them to be satisfactory;
 - b) The transactions of the Bank, which have come to our notice, have been within the powers of the Bank;
 - c) Since the key operations of the Bank are automated with the key applications integrated to the core banking system, the audit is carried out centrally as all the necessary records and data required for the purposes of our audit are available therein. We have visited 128 branches to examine the records maintained at the branches for the purpose of our audit.
17. In our opinion and to the best of our information and according to the explanations given to us, the provisions of Section 197 of the Act are not applicable to the Bank by virtue of Section 35B(2A) of the Banking Regulation Act, 1949. Accordingly, the reporting under Section 197(16) of the Act regarding payment/ provision for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable.
18. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books; except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - c) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder, to the extent they are not inconsistent with the accounting policies prescribed by the RBI;
 - e) On the basis of the written representations received from the directors as on 31 March 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act;

- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 18(b) above on reporting under Section 143(3)(b) and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- g) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Bank and the operating effectiveness of such controls, refer to our separate Report in Annexure A wherein we have expressed an unmodified opinion; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Bank has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Schedule 12 (I), Schedule 17C – Note 13 and Schedule 18B - Note 15 to the Standalone Financial Statements;
 - ii. The Bank has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Schedule 12 (II), 12 (Va) and 12 (Vb), Schedule 17C – Note 10, Note 11 and Note 13 and Schedule 18B – Note 10 and Note 15 to the Standalone Financial Statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Bank, during the year ended 31 March 2024;
 - iv.
 - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 17 to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Bank to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Bank ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Schedule 18B – Note 17 to the Standalone Financial Statements, no funds have been received by the Bank from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Bank shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. Based on such audit procedures performed, as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The dividend declared and paid during the year ended 31 March 2024 by the Bank is in compliance with Section 123 of the Act.
 - vi. Based on our examination, which included test checks, the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software, except for six accounting software having Oracle or MySQL or SQL database, where the audit trail has not been enabled at the database level to log any direct data changes. Further, the Bank has used an accounting software hosted by third-party service providers for maintaining its books of account and in the absence of service organization controls auditors' report for the financial year, we are unable to comment whether the audit trail feature of the aforesaid software at the database level was enabled and operated throughout the year. Based on our procedures performed, for the accounting software other than the aforesaid databases where the question of our commenting does not arise, we did not notice any instance of the audit trail feature being tampered with.

For **Price Waterhouse LLP**

Chartered Accountants

Firm Registration Number: 301112E/ E300264

Russell I Parera

Partner

Membership Number: 042190

UDIN: 24042190BKFFOQ2541

Place : Mumbai

Date : 04 May 2024

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration Number: 105146W/W100621

Gautam Shah

Partner

Membership Number: 117348

UDIN: 24117348BKBZWK9832

Place : Mumbai

Date : 04 May 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF KOTAK MAHINDRA BANK LIMITED FOR THE YEAR ENDED 31 MARCH 2024**REFERRED TO IN PARAGRAPH 18(g) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE****Independent Auditor's Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Kotak Mahindra Bank Limited ('the Bank') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Bank as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Bank's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Bank's business, including adherence to Bank's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to the Standalone Financial Statements

3. Our responsibility is to express an opinion on the Bank's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing ('SAs') issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Standalone Financial Statements includes obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Bank's internal financial controls with reference to the Standalone Financial Statements.

Meaning of Internal Financial Controls with Reference to the Standalone Financial Statements

6. A Bank's internal financial controls with reference to the Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Bank's internal financial controls with reference to the Standalone Financial Statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Bank; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Bank are being made only in accordance with authorisations of management and directors of the Bank; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Bank's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to the Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to the Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Bank has, in all material respects, adequate internal financial controls with reference to the Standalone Financial Statements and such internal financial controls with reference to the standalone financial statements were operating effectively as at 31 March 2024, based on the internal control over financial reporting criteria established by the Bank considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse LLP**
Chartered Accountants

Firm Registration Number: 301112E/ E300264

Russell I Parera
Partner
Membership Number: 042190
UDIN: 24042190BKFFOQ2541

Place : Mumbai
Date : 04 May 2024

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number: 105146W/W100621

Gautam Shah
Partner
Membership Number: 117348
UDIN: 24117348BKBZWK9832

Place : Mumbai
Date : 04 May 2024

Balance Sheet

as at 31st March, 2024

(₹ in thousands)

	Schedule	As at 31 st March, 2024	As at 31 st March, 2023
CAPITAL AND LIABILITIES			
Capital	1	9,939,604	14,932,783
Employee's Stock Options (Grants) Outstanding		792,938	603,058
Reserves and Surplus	2	956,455,026	819,666,658
Deposits	3	4,489,537,451	3,630,960,526
Borrowings	4	283,680,956	234,162,684
Other Liabilities and Provisions	5	263,164,482	198,299,064
Total		6,003,570,457	4,898,624,773
ASSETS			
Cash and Balances with Reserve Bank of India	6	362,520,376	199,655,575
Balances with Banks and Money at Call and Short Notice	7	165,363,645	125,767,503
Investments	8	1,554,037,587	1,214,037,287
Advances	9	3,760,752,659	3,198,612,074
Fixed Assets	10	21,552,965	19,203,232
Other Assets	11	139,343,225	141,349,102
Total		6,003,570,457	4,898,624,773
Contingent Liabilities	12	7,172,811,816	4,556,937,357
Bills for Collection		474,677,060	446,552,442
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Balance Sheet.

The Balance Sheet has been prepared in conformity with Form 'A' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration No. 105146W/W100621

Gautam Shah

Partner

Membership No. 117348

C S Rajan

Chairman

DIN: 00126063

Shanti Ekambaram

Deputy Managing Director

DIN: 00004889

Ashok Vaswani

Managing Director and

Chief Executive Officer

DIN: 10227550

Uday Khanna

Director

DIN: 00079129

For **Price Waterhouse LLP**

Chartered Accountants

Firm Registration No. 301112E/E300264

Devang Gheewalla

President and

Group Chief Financial Officer

Membership No. 045993

Avan Doomasia

Senior Executive Vice President and

Company Secretary

FCS. No. 3430

Russell I Parera

Partner

Membership No. 042190

Mumbai

4th May, 2024



Profit and Loss Account

for the year ended 31st March, 2024

(₹ in thousands)

	Schedule	Year ended 31 st March, 2024	Year ended 31 st March, 2023
I. INCOME			
Interest Earned	13	457,989,110	342,508,509
Other Income	14	102,731,007	70,830,509
Total		560,720,117	413,339,018
II. EXPENDITURE			
Interest Expended	15	198,057,109	126,989,356
Operating Expenses	16	166,788,460	137,869,937
Provisions and Contingencies (Refer Note 10 -Schedule 18 B)		58,058,724	39,086,774
Total		422,904,293	303,946,067
III. PROFIT			
Net Profit for the year (I - II)		137,815,824	109,392,951
Add: Balance in Profit and Loss Account brought forward from previous year		377,600,930	304,558,535
Total		515,416,754	413,951,486
IV. APPROPRIATIONS			
Transfer to Statutory Reserve		34,454,000	27,348,300
Transfer to Capital Reserve		-	9,900
Transfer to Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		1,250,000	1,150,000
Transfer to Investment Reserve Account		8,316,321	-
Transfer to Investment Fluctuation Reserve Account		12,000,000	5,253,150
Transfer to Capital Redemption Reserve		5,000,000	-
Dividend		3,366,210	2,589,206
Balance carried over to Balance Sheet		451,030,223	377,600,930
Total		515,416,754	413,951,486
V. EARNINGS PER SHARE (Face Value of ₹ 5/-) (Refer Note 1 - Schedule 18 B)			
Basic		69.15	54.89
Diluted		69.15	54.87
Significant accounting policies and notes to accounts forming part of financial statements	17 & 18		

The schedules referred to above form an integral part of this Profit and Loss Account.

The Profit and Loss Account has been prepared in conformity with Form 'B' of the Third Schedule to the Banking Regulation Act, 1949.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**

Chartered Accountants

(formerly Khimji Kunverji & Co LLP)

Firm Registration No. 105146W/W100621

Gautam Shah

Partner

Membership No. 117348

C S Rajan

Chairman

DIN: 00126063

Shanti Ekambaram

Deputy Managing Director

DIN: 00004889

Ashok Vaswani

Managing Director and

Chief Executive Officer

DIN: 10227550

Uday Khanna

Director

DIN: 00079129

For **Price Waterhouse LLP**

Chartered Accountants

Firm Registration No. 301112E/E300264

Devang Gheewalla

President and

Group Chief Financial Officer

Membership No. 045993

Avan Doomasia

Senior Executive Vice President and

Company Secretary

FCS. No. 3430

Russell I Parera

Partner

Membership No. 042190

Mumbai

4th May, 2024

Cash Flow Statement

for the year ended 31st March, 2024

(₹ in thousands)

	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
CASH FLOW FROM OPERATING ACTIVITIES		
Profit after tax	137,815,824	109,392,951
Add: Provision for tax	42,321,343	34,516,910
Net Profit before taxes	180,137,167	143,909,861
Adjustments for :-		
Employee Stock Options Expense	254,406	241,886
Depreciation on Bank's Property	6,147,920	4,617,270
Diminution in the value of Investments	792,218	(210,499)
Dividend from Subsidiaries / Joint Ventures	(3,089,012)	(2,422,740)
Amortization of Premium on HTM Investments	3,613,242	5,258,387
(Profit)/Loss on revaluation of Investments (net)	(14,817,762)	2,210,847
Provision for Non Performing Assets, Standard Assets and Other Provisions	14,945,163	4,780,363
Profit on sale of Fixed Assets	(30,256)	(75,091)
	187,953,086	158,310,284
Adjustments for :-		
(Increase) in Investments (other than Subsidiaries, Joint Ventures, Associates and Other HTM Investments)	(354,952,676)	(225,477,641)
(Increase) in Advances	(577,005,271)	(491,152,921)
Decrease / (Increase) in Other Assets	3,559,820	(11,285,411)
Increase in Deposits	858,576,925	514,119,392
Increase in Other Liabilities and Provisions	67,027,511	6,572,093
Sub-total	(2,793,691)	(207,224,488)
Direct Taxes Paid	(46,151,531)	(34,777,571)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)	139,007,864	(83,691,775)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,847,258)	(7,698,023)
Sale of Fixed Assets	277,290	200,140
Investments in Subsidiaries / Joint Ventures	(7,331,239)	(2,242,200)
Decrease in Investments in HTM securities	33,027,233	12,225,987
Dividend from Subsidiaries / Joint Ventures	3,089,012	2,422,740
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)	20,215,038	4,908,644

Cash Flow Statement

for the year ended 31st March, 2024

(₹ in thousands)

	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
CASH FLOW FROM FINANCING ACTIVITIES		
(Decrease) in Subordinated Debt	-	(3,060,000)
Increase in Refinance	40,751,200	22,290,600
Increase/(Decrease) in Borrowings [other than Refinance and Sub-ordinated debt]	8,767,072	(44,739,085)
Money received on exercise of Stock Options	1,992,348	2,678,633
Redemption of Perpetual Non Cumulative Preference Shares	(5,000,000)	-
Dividend paid	(3,366,210)	(2,589,206)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	43,144,410	(25,419,058)
Increase in Foreign Currency Translation Reserve (D)	93,631	385,916
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	202,460,943	(103,816,273)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (REFER NOTE BELOW)	325,423,078	429,239,351
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (REFER NOTE BELOW)	527,884,021	325,423,078
Note:		
Balance with Banks in India in Fixed Deposit (As per Sch 7 I (i) (b))	11,733	11,733
Balance with Banks in India in Current Account (As per Sch 7 I (i) (a))	3,266,665	3,758,533
Money at Call and Short Notice in India (as per Sch 7 I (ii))	114,806,705	78,969,813
Cash in hand (including foreign currency notes) (As per Sch 6 I.)	19,910,301	18,823,722
Balance with RBI in Current Account (As per Sch 6 II (a))	192,100,075	180,831,853
Balance with RBI in other account (As per Sch 6 II (b))	150,510,000	-
Balance with Banks Outside India:		
(i) In Current Account (As per Sch 7 II (i))	27,895,220	23,528,483
(ii) In other Deposit Accounts (As per Sch 7 II (ii))	19,383,322	19,498,941
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	527,884,021	325,423,078

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W100621

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Gautam Shah
Partner
Membership No. 117348

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration No. 301112E/E300264

Devang Gheewalla
President and
Group Chief Financial Officer
Membership No. 045993

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

Schedules

forming part of Standalone Balance Sheet as at 31st March, 2024

SCHEDULE 1 - CAPITAL

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
Authorised Capital		
2,800,000,000 Equity Shares of ₹ 5/- each		
2,800,000,000 (31 st March, 2023: 2,800,000,000 Equity Shares of ₹ 5/- each)	14,000,000	14,000,000
1,000,000,000 (31 st March, 2023: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹ 5/- each	5,000,000	5,000,000
	19,000,000	19,000,000
Issued, Subscribed and Paid-up Capital		
1,987,920,898 (31 st March, 2023: 1,986,556,582) Equity Shares of ₹ 5/- each fully paid-up	9,939,604	9,932,783
Nil (31 st March, 2023: 1,000,000,000) Perpetual Non Cumulative Preference Shares of ₹ 5/- each fully paid-up	-	5,000,000
Total	9,939,604	14,932,783

SCHEDULE 2 - RESERVES AND SURPLUS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. Statutory Reserve		
Opening Balance	148,317,983	120,969,683
Add: Transfer from Profit and Loss Account	34,454,000	27,348,300
Total	182,771,983	148,317,983
II. Capital Reserve		
Opening Balance	3,531,886	3,521,986
Add: Transfer from Profit and Loss Account	-	9,900
Total	3,531,886	3,531,886
III. General Reserve		
Opening Balance	6,425,304	6,404,249
Add: Amount transferred on Employee's Stock Options (Grants) Outstanding lapsed	69,716	21,055
Total	6,495,020	6,425,304
IV. Investment Reserve Account		
Opening Balance	-	-
Add: Transfer from/(to) Profit and Loss Account	8,316,321	-
Total	8,316,321	-
V. Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961		
Opening Balance	8,942,000	7,792,000
Add: Transfer from Profit and Loss Account	1,250,000	1,150,000
Total	10,192,000	8,942,000
VI. Securities Premium Account		
Opening Balance	249,839,331	247,024,798
Add: Received during the year	2,175,407	2,814,533
Less: Share Issue Expenses	-	-
Total	252,014,738	249,839,331
VII. Capital Redemption Reserve		
Opening Balance	-	-
Add: Transfer from Profit and Loss Account	5,000,000	-
Total	5,000,000	-



(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
VIII. Amalgamation Reserve		
Opening Balance	1,224,046	1,224,046
Add: Additions	-	-
Total	1,224,046	1,224,046
IX. Investment Allowance (Utilised) Reserve		
Opening Balance	500	500
Add: Transfer from Profit and Loss Account	-	-
Total	500	500
X. Investment Fluctuation Reserve		
Opening Balance	23,000,000	17,746,850
Add: Transfer from Profit and Loss Account	12,000,000	5,253,150
Total	35,000,000	23,000,000
XI. Foreign Currency Translation Reserve		
Opening Balance	784,678	398,762
Add: (Decrease) / Increase during the year	93,631	385,916
Total	878,309	784,678
XII. Balance in the Profit and Loss Account		
Balance in the Profit and Loss Account	451,030,223	377,600,930
Total	451,030,223	377,600,930
Total (I to XII)	956,455,026	819,666,658

SCHEDULE 3 - DEPOSITS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
A I. Demand Deposits		
i. From Banks	3,068,958	2,435,164
ii. From Others	749,013,968	697,867,219
Total	752,082,926	700,302,383
II. Savings Bank Deposits	1,290,951,628	1,217,850,232
III. Term Deposits		
i. From Banks	96,581,087	26,074,227
ii. From Others	2,349,921,810	1,686,733,684
Total	2,446,502,897	1,712,807,911
Total Deposits (I to III)	4,489,537,451	3,630,960,526
B. (i) Deposits of branches in India	4,461,142,550	3,612,850,670
(ii) Deposits of branches outside India	28,394,901	18,109,856
Total (i and ii)	4,489,537,451	3,630,960,526

SCHEDULE 4 - BORROWINGS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. Borrowings in India		
(i) Reserve Bank of India	-	47,000,000
(ii) Other Banks	-	2,259,792
(iii) Other Institutions and Agencies (Refer Note 13 - Schedule 18 B)	209,701,800	140,000,600
Total	209,701,800	189,260,392
II. Borrowings outside India		
Banks & Other Institutions (Refer Note 13 - Schedule 18 B)	73,979,156	44,902,292
Total	73,979,156	44,902,292
Total Borrowings (I and II)	283,680,956	234,162,684
Secured Borrowings other than CBLO and Repo Borrowings included in I above	-	-
Tier II Bonds included in I (iii) above	-	-
Tier II Bonds included in II above	-	-

SCHEDULE 5 - OTHER LIABILITIES AND PROVISIONS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. Bills Payable	36,051,339	30,880,206
II. Interest Accrued	22,336,906	11,966,131
III. Provision for tax (net of advance tax and tax deducted at source)	-	2,378,818
IV. Standard Asset provision	16,256,473	15,172,925
V. Others (including provisions) (Refer Note 45 - Schedule 18 A and Note 11 - Schedule 18 B)	188,519,764	137,900,984
Total	263,164,482	198,299,064

SCHEDULE 6 - CASH AND BALANCES WITH RESERVE BANK OF INDIA

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. Cash in hand (including foreign currency notes)	19,910,301	18,823,722
Total	19,910,301	18,823,722
II. Balances with RBI		
(a) In Current Account	192,100,075	180,831,853
(b) In Other Deposit Account	150,510,000	-
Total	342,610,075	180,831,853
Total (I+II)	362,520,376	199,655,575

SCHEDULE 7 - BALANCES WITH BANKS AND MONEY AT CALL AND SHORT NOTICE

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. In India		
(i) Balances with Banks		
(a) In Current Accounts	3,266,665	3,758,533
(b) In Other Deposit Accounts	11,733	11,733
Total	3,278,398	3,770,266
(ii) Money at Call and Short Notice		
(a) With Banks	-	77,469,813
(b) With Other Institutions	114,806,705	1,500,000
Total	114,806,705	78,969,813
Total (i and ii)	118,085,103	82,740,079
II. Outside India		
(i) In Current Accounts	27,895,220	23,528,483
(ii) In other Deposit Accounts	19,383,322	19,498,941
(iii) Money at call and short notice	-	-
Total (i, ii and iii)	47,278,542	43,027,424
Total (I and II)	165,363,645	125,767,503

SCHEDULE 8 - INVESTMENTS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. In India		
(i) Government Securities	1,133,950,690	897,060,582
(ii) Other Approved Securities	-	-
(iii) Shares	12,245,800	12,302,210
(iv) Debentures and Bonds	168,493,691	189,697,809
(v) Subsidiaries and Joint Ventures	39,020,133	31,688,894
(vi) Others [Units, Certificate of Deposits (CD), Commercial Paper (CP), Security Receipts, Pass Through Certificates(PTC)]	183,138,405	71,092,790
Total	1,536,848,719	1,201,842,285
II. Outside India		
(i) Government Securities	2,777,753	1,464,844
(ii) Subsidiaries and Joint Ventures	383,242	383,242
(iii) Other Investments		
(a) Shares	18,040	12,460
(b) Debentures and Bonds	14,009,833	10,334,456
Total	17,188,868	12,195,002
Total Investments (I and II)	1,554,037,587	1,214,037,287

SCHEDULE 9 - ADVANCES

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
A. (i) Bills purchased and discounted #	75,847,475	55,508,802
(ii) Cash credits, overdrafts and loans repayable on demand [^]	1,204,741,113	987,126,164
(iii) Term loans [@]	2,480,164,071	2,155,977,108
Total	3,760,752,659	3,198,612,074
# Bills purchased and discounted is net of Bills Rediscounted ₹ 2,723.66 crore (Previous Year ₹ 1,475.84 crore)		
[^] net of borrowings under Inter Bank Participatory certificates of ₹ 2.54 crore (Previous Year ₹ 220.00 crore)		
[@] net of borrowings under Inter Bank Participatory certificates of ₹ 12,927.26 crore (Previous Year ₹ 3,986.26 crore)		
B. (i) Secured by tangible assets *	2,851,501,397	2,465,402,365
(ii) Covered by Bank / Government guarantees	33,513,741	69,720,473
(iii) Unsecured	875,737,521	663,489,236
Total	3,760,752,659	3,198,612,074
* including advances against book debts.		
C.I. Advances in India		
(i) Priority Sector	1,677,430,941	1,471,534,973
(ii) Public Sector	23,509,188	4,093,487
(iii) Banks	13,650,218	2,077
(iv) Others	1,985,655,735	1,674,439,675
Total	3,700,246,082	3,150,070,212
C.II. Advances outside India		
(i) Due from banks	-	-
(ii) Due from others		
a) Bills purchased and discounted	-	-
b) Syndicated and term loans	60,506,577	48,541,862
c) Others	-	-
Total	60,506,577	48,541,862
Grand Total (C.I. and C.II.)	3,760,752,659	3,198,612,074

SCHEDULE 10 - FIXED ASSETS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
A. Premises (Including Land)		
Gross Block		
At cost on 31 st March of the preceding year	10,577,170	10,570,977
Additions/Exchange Gain/(Loss) during the year	2,240	11,562
Less: Deductions during the year	13	5,369
Total	10,579,397	10,577,170
Depreciation		
As at 31 st March of the preceding year	2,364,590	2,191,672
Add: Charge/Exchange Gain/(Loss) for the year	174,346	174,113
Less: Deductions during the year	-	1,195
Depreciation to date	2,538,936	2,364,590
Net Block	8,040,461	8,212,580

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
B. Other Fixed Assets (including furniture and fixtures)		
Gross Block		
At cost on 31 st March of the preceding year	32,549,618	28,763,074
Additions/Exchange Gain/(Loss) during the year	8,742,449	7,496,819
Less: Deductions during the year	869,110	3,710,275
Total	40,422,957	32,549,618
Depreciation		
As at 31 st March of the preceding year	21,715,950	20,862,194
Add: Charge/Exchange Gain/(Loss) for the year	5,973,574	4,443,157
Less: Deductions during the year	779,071	3,589,401
Depreciation to date	26,910,453	21,715,950
Net Block (Refer Note 6 - Schedule 18 B)	13,512,504	10,833,668
C. Leased Fixed Assets		
Gross Block		
At cost on 31 st March of the preceding year	1,540,585	1,540,585
Additions/Exchange Gain/(Loss) during the year	-	-
Less: Deductions during the year	1,540,585	-
Total	-	1,540,585
Depreciation		
As at 31 st March of the preceding year	1,383,601	1,383,601
Add: Charge/Exchange Gain/(Loss) for the year	-	-
Less: Deductions during the year	1,383,601	-
Depreciation to date	-	1,383,601
Net Block	-	156,984
Total (A) +(B)+(C)	21,552,965	19,203,232

SCHEDULE 11 - OTHER ASSETS

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. Interest accrued	44,126,279	38,950,762
II. Advance tax (net of provision for tax)	1,938,700	-
III. Stationery and Stamps	14,768	27,038
IV. Others (Refer Note 45 - Schedule 18 A and Note 4 - Schedule 18 B)*	93,263,478	102,371,302
Total	139,343,225	141,349,102

*Includes deposits placed with NABARD/SIDBI ₹ 3,253.85 crore (Previous year ₹ 4,544.48 crore).

SCHEDULE 12 - CONTINGENT LIABILITIES

(₹ in thousands)

	As at 31 st March, 2024	As at 31 st March, 2023
I. Claims not acknowledged as debts	5,537,058	4,911,365
II. Liability on account of outstanding Forward Exchange Contracts	5,019,139,271	2,991,342,115
III. Guarantees on behalf of Constituents		
i) In India	319,446,355	268,102,384
ii) Outside India	-	-
IV. Acceptances, Endorsements and other obligations	266,940,082	244,570,188
V. Other Items for which the Bank is contingently liable :		
a. Liability in respect of interest rate and currency swaps and forward rate agreements	1,432,586,428	996,439,662
b. Liability in respect of Options Contracts	116,319,586	31,806,455
c. Capital commitments not provided	8,723,033	16,200,945
d. Unclaimed Customer balances transferred to RBI DEAF Scheme	4,120,003	3,564,243
Total	7,172,811,816	4,556,937,357

SCHEDULE 13 - INTEREST EARNED

(₹ in thousands)

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
I. Interest / discount on Advances / Bills	356,579,938	269,784,462
II. Income on Investments	88,980,830	64,586,509
III. Interest on balances with RBI and other inter-bank funds	7,793,843	5,502,956
IV. Others	4,634,499	2,634,582
Total	457,989,110	342,508,509

SCHEDULE 14 - OTHER INCOME

(₹ in thousands)

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
I. Commission, exchange and brokerage	70,485,388	54,400,095
II. Profit / (Loss) on sale of Investments (net)	(5,597,936)	(7,557,133)
III. Profit / (Loss) on revaluation of Investments (net)	14,817,762	(2,210,847)
IV. Profit / (Loss) on sale of building and other assets (net)	30,256	75,091
V. Profit on exchange transactions (net) (including derivatives)	14,032,659	16,366,587
VI. Income earned by way of dividend, etc. from Subsidiaries / Associates and / or Joint Venture in / outside India	4,560,996	3,646,060
VII. Profit on recoveries of non-performing assets acquired	3,031,033	3,109,786
VIII. Miscellaneous Income (Refer Note 45 - Schedule 18 A)	1,370,849	3,000,870
Total	102,731,007	70,830,509


SCHEDULE 15 - INTEREST EXPENDED

(₹ in thousands)

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
I. Interest on Deposits	183,267,206	117,982,582
II. Interest on RBI / Inter-Bank Borrowings	3,666,491	2,505,371
III. Others (Refer Note 13(c) - Schedule 18 B)	11,123,412	6,501,403
Total	198,057,109	126,989,356

SCHEDULE 16 - OPERATING EXPENSES

(₹ in thousands)

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
I. Payments to and provision for employees (Refer Note 9 - Schedule 18 B)	68,926,322	55,477,845
II. Rent, taxes and lighting (Refer Note 3 - Schedule 18 B)	8,336,698	8,254,684
III. Printing and Stationery	1,944,074	1,686,785
IV. Advertisement, Publicity and Promotion	9,709,109	6,326,413
V. Depreciation on Bank's property	6,147,920	4,617,270
VI. Directors' fees, allowances and expenses*	57,440	35,675
VII. Auditors' fees and expenses (Refer Note 14 - Schedule 18 B)	41,619	38,840
VIII. Law Charges	317,976	435,680
IX. Postage, telephone etc.	4,178,355	3,665,394
X. Repairs and maintenance	11,026,629	9,293,498
XI. Insurance	4,688,982	3,907,174
XII. Other Expenditure (Refer Note 45 - Schedule 18 A and Note 12 - Schedule 18 B)	51,946,459	44,570,879
	167,321,583	138,310,137
Less: Reimbursement of Costs from Group Companies	533,123	440,200
Total	166,788,460	137,869,937

* Pertains to non executive director's remuneration.

SCHEDULE 17 – SIGNIFICANT ACCOUNTING POLICIES¹

A BACKGROUND

In February 2003, Kotak Mahindra Finance Limited was given a license to carry out banking business by the Reserve Bank of India ("RBI"). It was the first Non Banking Finance Company (NBFC) in India to be converted into a Bank. Kotak Mahindra Bank Limited ("Kotak Mahindra Bank", "Kotak" or "the Bank") provides a full suite of banking services to its customers encompassing Consumer Banking, Commercial Banking, Treasury and Corporate Banking in India and also has a representative office in Dubai. The Bank set up and commenced operations in May 2016, at its International Financial Services Center Banking Unit ("IBU") in Gujarat International Finance Tec (GIFT) City, Gujarat. The Bank has commenced operations in October 2019 at its first overseas branch at the Dubai International Financial Centre ("DIFC"), Dubai, UAE.

B BASIS OF PREPARATION

The financial statements have been prepared in accordance with statutory requirements prescribed under the Banking Regulation Act, 1949. The accounting and reporting policies of Kotak Mahindra Bank used in the preparation of these financial statements is the accrual method of accounting and historical cost convention unless stated otherwise and it conforms with Generally Accepted Accounting Principles in India ("Indian GAAP"), the Accounting Standards specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021 in so far as they apply to banks and the guidelines issued by RBI.

Use of estimates

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The Bank's Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future periods.

C SIGNIFICANT ACCOUNTING POLICIES

1 Investments

Classification:

In accordance with the RBI guidelines on investment classification and valuation, investments are classified on the date of purchase into "Held for Trading" ("HFT"), "Available for Sale" ("AFS") and "Held to Maturity" ("HTM") categories (hereinafter called "categories"). Subsequent shifting amongst the categories is done in accordance with the RBI guidelines at the lower of the acquisition cost or carrying value and market value on the date of the transfer, and depreciation, if any, on such transfer is fully provided.

Under each of these categories, investments are further classified under six groups (hereinafter called "group/groups") - Government Securities, Other Approved Securities, Shares, Debentures and Bonds, Investments in Subsidiaries / Joint Ventures and Other Investments for the purposes of disclosure in the Balance Sheet.

The Bank follows 'Settlement Date' accounting for recording purchase and sale transactions in securities, except in the case of equity shares where 'Trade Date' accounting is followed.

Basis of classification:

Investments that are held principally for resale within 90 days from the date of purchase are classified under HFT category. As per the RBI guidelines, HFT securities, which remain unsold for a period of 90 days are reclassified as AFS securities as on that date. Investments which the Bank intends to hold till maturity are classified as HTM securities. The Bank has classified investments in subsidiaries, joint ventures and associates under HTM category. Investments which are not classified in either of the above two categories are classified under AFS category.

Acquisition Cost:

The cost of investments is determined on weighted average basis. Broken period interest on debt instruments and government securities are considered as a revenue item. The transaction costs including brokerage, commission, etc. paid at the time of acquisition of investments is recognised in Profit and Loss Account.

Disposal of investments:

- **Investments classified as HFT or AFS** - Profit or loss on sale or redemption is recognised in the Profit and Loss Account.
- **Investments classified as HTM** - Profit on sale or redemption of investments is recognised in the Profit and Loss Account and is appropriated to Capital Reserve after adjustments for tax and transfer to Statutory Reserve. Loss on sale or redemption is recognised in the Profit and Loss Account.

Short Sale:

The Bank undertakes short sale transactions in Central Government dated securities in accordance with RBI guidelines. The short position is categorised under HFT category and netted off from Investments in the Balance Sheet. The short position is marked to market and loss, if any, is



charged to the Profit and Loss Account while gain, if any, is ignored. Gain or loss on settlement of the short position is recognised in the Profit and Loss Account.

Valuation:

The valuation of investments is performed in accordance with the RBI guidelines as follows:

- a) **Investments classified as HTM** – These are carried at their acquisition cost. Any premium on acquisition of debt instruments / government securities is amortised over the balance maturity of the security on a straight line basis. Any diminution, other than temporary, in the value of such securities is provided.
- b) **Investments classified as HFT or AFS** – Investments in these categories are marked to market and the net depreciation, if any, within each group is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored. Further, provision other than temporary diminution is made at individual security level. Except in cases where provision other than temporary diminution is made, the book value of the individual securities is not changed as a result of periodic valuations.
- c) The market or fair value of quoted investments included in the 'AFS' and 'HFT' categories is measured with respect to the market price of the scrip as available from the trades or quotes on the stock exchanges, SGL account transactions, price list of RBI or prices declared on Fixed Income Money Market and Derivatives Association of India ('FIMMDA') website by Financial Benchmark India Private Limited (FBIL) as at the year end.
- d) Treasury Bills, Exchange Funded Bills, Commercial Paper and Certificate of Deposits being discounted instruments, are valued at carrying cost.
- e) Market value of units of mutual funds is based on the latest net asset value declared by the mutual fund.
- f) Investments in subsidiaries / joint ventures (as defined by RBI) are categorised as HTM and assessed for impairment to determine other than temporary diminution, if any, in accordance with RBI guidelines.
- g) Market value of investments where current quotations are not available are determined as per the norms prescribed by the RBI as under:
 - In case of unquoted bonds, debentures and preference shares where interest / dividend is received regularly (i.e. not overdue beyond 90 days), the market price is derived based on the Yield to Maturity for Government Securities as published by FIMMDA / FBIL and suitably marked up for credit risk applicable to the credit rating of the instrument. The matrix for credit risk mark-up for each category and credit rating along with residual maturity issued by FIMMDA / FBIL is adopted for this purpose;
 - In case of bonds and debentures (including Pass Through Certificates) where interest is not received regularly (i.e. overdue beyond 90 days), the valuation is in accordance with prudential norms for provisioning as prescribed by the RBI. Interest on such securities is not recognised in the Profit and Loss Account until received;
 - Equity shares, for which current quotations are not available or where the shares are not quoted on the stock exchanges, are valued at break-up value (without considering revaluation reserves, if any) which is ascertained from the company's latest Balance Sheet. In case the latest Balance Sheet is not available, the shares are valued at ₹ 1 per investee company;
 - Units of Venture Capital Funds (VCF) held under AFS category where current valuations are not available are marked to market based on the Net Asset Value (NAV) shown by VCF as per the latest audited financials of the fund. In case the audited financials are not available for a period beyond 18 months, the investments are valued at ₹ 1 per VCF. Investment in unquoted VCF after 23rd August, 2006 are categorised under HTM category for the initial period of three years and valued at cost as per RBI guidelines. Such investments are required to be transferred to AFS thereafter;
 - Security receipts are valued as per the Net Asset Value (NAV) obtained from the issuing Asset Reconstruction Company or Securitisation Company or estimated recovery whichever is lower. The Bank has classified Security Receipts whose tenure has exceeded 8 years, as "Non Performing investments".
 - The Bank provides for investments in Alternate Investments Funds (AIF) in accordance with RBI circular dated 19th December, 2023 and 27th March 2024.
- h) Non-performing investments are identified and depreciation / provision are made thereon based on RBI guidelines. The depreciation / provision on such non-performing investments are not set off against the appreciation in respect of other performing securities. Interest on non-performing investments is not recognized in the Profit & Loss Account until received.
- i) **Repurchase and reverse repurchase transactions** - Securities sold under agreements to repurchase (Repos) and securities purchased under agreements to resell (Reverse Repos) are accounted as collateralised borrowing and lending transactions respectively. The difference between the consideration amount of the first leg and the second leg of the repo is recognised as interest income or interest expense over the period of the transaction.

2 Advances

Classification:

Advances are classified as performing and non-performing advances ('NPAs') based on RBI guidelines and are stated net of bills rediscounted, inter-bank participation with risk, specific provisions, interest in suspense, claims received from Export Credit Guarantee Corporation and Emergency Credit Line Guarantee Scheme (ECLGS) with respect to non-performing advances, provisions for funded interest term loan and provisions in lieu of diminution in the fair value of restructured assets. Also, NPAs are classified into sub-standard, doubtful and loss assets as required by RBI guidelines. Interest on NPAs remaining uncollected is transferred to an interest suspense account and not recognised in the Profit and Loss Account until received.

Amounts paid for acquiring non-performing asset(s) from other banks and NBFCs are considered as advances. Actual collections received on such non-performing asset(s) are compared with the cash flow(s) estimated while purchasing the asset to ascertain overdue(s). If such overdue(s) is/are in excess of 90 days, then this/these asset(s) are classified into sub-standard, doubtful or loss as required by the RBI guidelines on purchase of non-performing asset(s).

The Bank transfers advances through inter-bank participation with and without risk. In accordance with the RBI guidelines, in the case of participation with risk, the aggregate amount of the participation issued by the Bank is reduced from advances and where the Bank is participating, the aggregate amount of the participation is classified under advances. In the case of participation without risk, the aggregate amount of participation issued by the Bank is classified under borrowings and where the Bank is participating, the aggregate amount of participation is shown as due from banks under advances.

Provisioning:

The Bank classifies its advances, investments and overdues from crystallised derivatives including those at overseas branches into performing and non performing in accordance with guidelines issued by the RBI. Provision for NPAs comprising sub-standard, doubtful and loss assets is made in accordance with RBI guidelines. In addition, the Bank considers accelerated specific provisioning that is based on past experience, evaluation of security and other related factors. Specific loan loss provision in respect of non-performing advances are charged to the Profit and Loss Account. Any recoveries made by the Bank in case of NPAs written off are recognised in the Profit and Loss Account.

The Bank considers a restructured account as one where the Bank, for economic or legal reasons relating to the borrower's financial difficulty, grants to the borrower concessions that the Bank would not otherwise consider. Restructuring would normally involve modification of terms of the advance / securities, which would generally include, among others, alteration of repayment period / repayable amount / the amount of installments / rate of interest (due to reasons other than competitive reasons).

Restructured accounts are classified as such by the Bank only upon approval and implementation of the restructuring package. Necessary provision for diminution in the fair value of a restructured account is made.

In respect of borrowers restructured under the Resolution Framework – 1.0 and Resolution Framework 2.0 for COVID-19 related stress the Bank holds provisions higher than the provisions as required by the RBI guidelines based on the estimates made by the Bank.

In accordance with RBI guidelines the Bank has provided general provision on standard assets including credit exposures computed as per the current marked to market values of interest rate and foreign exchange derivative contracts, and gold at levels stipulated by RBI from time to time. Additional standard asset provision is done for overseas stepdown subsidiaries of Indian corporates. Standard provision is also made at higher than the prescribed rates in respect of advances to stressed sectors as per the framework approved by the Board of Directors. In case of Frauds, the Bank makes provision for amounts it is liable for in accordance with the guidelines issued by RBI. A general provision on the entire amount outstanding from borrowers who had an overdue on February 29, 2020 and to whom moratorium was given is also made.

Further to provisions required as per the asset classification status, provisions are held for individual country exposure (except for home country) as per the RBI guidelines. Exposure is classified in the seven risk categories as mentioned in the Export Credit Guarantee Corporation of India Limited ('ECGC') guidelines and provisioning is done for that country if the net funded exposure is one percent or more of the Bank's total assets based on the rates laid down by the RBI.

Provision for Unhedged Foreign Currency Exposure of borrowers is made as per the RBI guidelines.

3 Loss on Sale of Advances to Asset Reconstruction Company

Loss on sale of Advances sold to Asset Reconstruction Company are recognised immediately in the Profit and Loss Account.

4 Securitisation

The Bank enters into purchase/sale of corporate and retail loans through direct assignment/Special Purpose Vehicle ('SPV'). In most cases, post securitisation, the Bank continues to service the loans transferred to the assignee/ SPV. The Bank also provides credit enhancement in the form of cash collaterals and/or by subordination of cash flows to Senior Pass-Through Certificate holders. In respect of credit enhancements provided or recourse obligations (projected delinquencies, future servicing etc.) accepted by the Bank, appropriate provision/disclosure is made at the time of sale in accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets as specified under section 133 and the relevant provision of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2021.



In accordance with the RBI guidelines on Securitisation of Standard Assets dated 24 September 2021, the profit, loss or premium on account of securitisation of assets at the time of sale is computed as the difference between the sale consideration and the book value of the securitised asset. Any resultant profit, loss or premium realised on account of securitisation is recognised to the Profit and Loss Account in the period in which the sale is completed.

The Bank invests in instruments of other SPVs which are accounted for at the deal value and are classified under Investments.

5 Fixed assets (Property, Plant & Equipment and Intangible) and depreciation / amortisation

Property, Plant & Equipment and Intangible Assets have been stated at cost less accumulated depreciation and amortisation and adjusted for impairment, if any. Cost includes cost of purchase inclusive of freight, duties, incidental expenses and all expenditure like site preparation, installation costs and professional fees incurred on the asset before it is ready to put to use. Subsequent expenditure incurred on assets put to use is capitalised only when it increases the future benefit / functioning capability from / of such assets. Gain or loss arising from the retirement or disposal of a Property Plant and Equipment / Intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of assets and recognised as income or expense in the Profit and Loss Account. Profit on sale of premises of the Bank, net of taxes and transfer to statutory reserve is appropriated to Capital Reserve as per RBI guidelines.

Depreciation / Amortisation - Depreciation is provided on a pro-rata basis on a Straight Line Method over the estimated useful life of the assets at rates which are equal to or higher than the rates prescribed under Schedule II of the Companies Act, 2013 in order to reflect the actual usage of the assets. The estimated useful lives of assets based on technical evaluation by management are as follows:

Asset Type	Estimated Useful life in years
Premises	58
Leasehold Land	Over the lease period
Improvement to leasehold premises	Over the period of lease subject to a maximum of 6 years.
Office equipments (High capacity chillers, Transformers, UPS, DG set, Fire Suppression, HVAC, PAC & Elevators)	10
Office equipments (other than above)	5
Computers	3
Furniture and Fixtures	6
Motor Vehicles	4
ATMs	5
Software (including development) expenditure	3

Used assets purchased are depreciated over the residual useful life from the date of original purchase.

Items costing less than ₹ 5,000 are fully depreciated in the year of purchase.

6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with Reserve Bank of India and Balances with Other Banks / institutions and money at Call and Short Notice (including the effect of changes in exchange rates on cash and cash equivalents in foreign currency).

7 Bullion

The Bank imports bullion including precious metal bars on a consignment basis for selling to its wholesale customers. The difference between the sale price to customers and actual price quoted by supplier is reflected under other income.

The Bank also borrows and lends gold, which is treated as borrowings or lending as the case may be in accordance with the RBI guidelines and the interest paid or received is classified as interest expense or income and is accounted on an accrual basis.

8 Revenue recognition

Interest income is recognised on accrual basis.

Interest income in respect of retail advances is accounted for by using the internal rate of return method to provide a constant periodic rate of return.

Interest income on investments in PTCs and loans bought out through the direct assignment route is recognised at their effective interest rate.

Interest income on discounted instruments is recognised over the tenure of the instruments so as to provide a constant periodic rate of return.

Service charges, fees and commission income are recognised when due except for guarantee commission and letter of credit which is recognised over the period of the guarantee / letter of credit. Syndication / arranger fee is recognised as income as per the terms of engagement.

Upon an asset becoming NPA the income accrued gets reversed, and is recognised only on realisation, as per RBI guidelines.

Penal interest is recognised as income on realisation other than on running accounts where it is recognised when due.

Other fees are recognised when due, where the Bank is reasonably certain of ultimate collection.

Dividend income is accounted on an accrual basis when the Bank's right to receive the dividend is established.

Gain on account of securitisation of assets is amortised over the life of the securities issued in accordance with the guidelines issued by the RBI. Loss on account of securitisation of assets is recognised immediately in Profit and Loss account.

In respect of non-performing assets acquired from other Banks / FIs and NBFCs, collections in excess of the consideration paid at each asset level or portfolio level is treated as income in accordance with RBI guidelines and clarifications.

Fees received on sale of Priority Sector Lending Certificates is considered as Miscellaneous Income, while fees paid for purchase is recognised as expense under other expenses in accordance with the guidelines issued by the RBI.

9 Employee benefits

Defined Contribution Plan

Provident Fund

Contribution as required by the statute made to the government provident fund or to a fund set up by the Bank and administered by a board of trustees is debited to the Profit and Loss Account when an employee renders the related service. The Bank has no further obligations.

Superannuation Fund

The Bank makes contributions in respect of eligible employees, subject to a maximum of ₹ 0.01 crore per employee per annum to a Fund administered by trustees and managed by Life Insurance Companies. The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligations.

New Pension Scheme

The Bank contributes up to 10% of eligible employees' salary per annum, to the New Pension Fund administered by a Pension Fund Regulatory and Development Authority (PFRDA) appointed pension fund manager. The Bank recognises such contributions as an expense in the year when an employee renders the related service.

DIFC Employee Workplace Savings Scheme (DEWS)

The Bank's branch in Dubai International Financial Centre (DIFC) contributes up to 8.33% of eligible branch employees' salary per annum to the DIFC Employee Workplace Savings Scheme (DEWS). The Bank recognises such contributions as an expense in the year when an employee renders the related service. The Bank has no further obligation.

Defined Benefit Plan

Gratuity

The Bank provides for Gratuity, covering employees in accordance with the Payment of Gratuity Act, 1972, service regulations and service awards as the case may be. The Bank's liability is actuarially determined (using Projected Unit Credit Method) at the Balance Sheet date. The Bank makes contribution to Gratuity Funds administered by trustees and managed by Life Insurance Companies.

Pension Scheme

In respect of pension payable to certain erstwhile ING Vysya Bank Limited ("eIVBL") employees under Indian Banks' Association ("IBA") structure, the Bank contributes 10% of basic salary to a pension fund and the difference between the contribution and the amount actuarially determined by an independent actuary is trued up based on actuarial valuation conducted as at the Balance Sheet date. The Pension Fund is administered by the Board of Trustees and managed by Life Insurance Company. The present value of the Bank's defined pension obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date.

Employees covered by the pension plan are not eligible for employer's contribution under the provident fund plan.

The contribution made to the Pension fund is recognised as planned assets. The defined benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains or losses in respect of all defined benefit plans are recognised immediately in the Profit and Loss Account in the year in which they are incurred.



Compensated Absences – Other Long-Term Employee Benefits

The Bank accrues the liability for compensated absences based on the actuarial valuation as at the Balance Sheet date conducted by an independent actuary which includes assumptions about demographics, early retirement, salary increases, interest rates and leave utilisation. The net present value of the Banks' obligation is determined using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial gains / losses are recognised in the Profit and Loss Account in the year in which they arise.

Other Employee Benefits

As per the Bank's policy, employees are eligible for an award after completion of a specified number of years of service with the Bank. The obligation is measured at the Balance Sheet date on the basis of an actuarial valuation using the Projected Unit Credit Method.

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service. These benefits include performance incentives.

Employee share based payments

Equity-settled scheme:

The Employee Stock Option Schemes (ESOSs) of the Bank are in accordance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The schemes provide for grant of options to employees of the Group to acquire the equity shares of the Bank that vest in cliff vesting or in a graded manner and that are to be exercised within a specified period.

RBI, vide its clarification dated 30th August, 2021 on Guidelines on Compensation of Whole Time Directors / Chief Executive Officers / Material Risk Takers and Control Function Staff, advised Banks that the fair value of share-linked instruments on the date of grant should be recognised as an expense for all instruments granted after the accounting period ending 31st March, 2021.

In accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Guidance Note on "Accounting for Employee Share-based payments" issued by The Institute of Chartered Accountants of India, the cost of equity-settled transactions is measured using the intrinsic value method for all options granted on or before 31st March, 2021. The intrinsic value being the excess, if any, of the fair market price of the share under ESOSs over the exercise price of the option is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The Bank has changed its accounting policy from intrinsic value method to fair value method for all share-linked instruments granted after 31st March, 2021 in accordance with the RBI guidance. The fair value of the option is estimated on the date of grant using Black-Scholes model and is recognised as deferred employee compensation with a credit to Employee's Stock Option (Grant) Outstanding account.

The deferred employee compensation cost is amortised on a straight-line basis over the vesting period of the option. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of equity instruments that are outstanding.

The options that do not vest because of failure to satisfy vesting condition are reversed by a credit to employee compensation expense in "Payment to and provision for employee", equal to the amortised portion of the cost of lapsed option and credit to deferred employee compensation equal to the unamortised portion. In respect of the options which expire unexercised the balance standing to the credit of Employee's Stock Option (Grant) Outstanding account is transferred to General Reserve. The fair market price is the latest available closing price, preceding the date of grant of the option, on the stock exchange on which the shares of the Bank are listed.

Where the terms of an equity-settled award are modified, the minimum expense recognised in 'Payments to and provision for employees' is the expense as if the terms had not been modified. An additional expense is recognised for any modification which increases the total intrinsic/ fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

In respect of options granted to employees of subsidiaries, the Bank recovers the related compensation cost from the respective subsidiaries.

Cash-settled scheme:

The cost of cash-settled transactions, stock appreciation rights (SARs) having grant date on or before 31st March 2021 is measured initially using intrinsic value method at the grant date taking into account the terms and conditions upon which the instruments were granted. Similar to Equity settled options, SARs granted after 31st March, 2021 are measured on fair value basis.

The intrinsic / fair value is amortised on a straight-line basis over the vesting period with a recognition of corresponding liability. This liability is remeasured at each balance sheet date up to and including the vesting date with changes in intrinsic / fair value recognised in the profit and loss account in 'Payments to and provision for employees'. The SARs that do not vest because of failure to satisfy vesting conditions are reversed by a credit to employee compensation expense, equal to the amortised cost in respect of the lapsed portion.

10 Foreign currency transactions

Foreign currency monetary assets and monetary liabilities are translated as at the Balance Sheet date at rates notified by the Foreign Exchange Dealers' Association of India (FEDAI) and the resultant gain or loss is accounted in the Profit and Loss Account.

Income and Expenditure items are translated at the rates of exchange prevailing on the date of the transactions except in respect of representative office (which are integral in nature) expenses, which are translated at monthly average exchange rates.

Outstanding forward (other than deposit and placement swaps) and spot foreign exchange contracts outstanding at the Balance Sheet date are revalued at rates notified by FEDAI for specified maturities and at the interpolated rates of interim maturities. In case of forward contracts of greater maturities where exchange rates are not notified by FEDAI, are revalued at the forward exchange rates implied by the swap curves in respective currencies. The forward profit or loss on the forward contracts are discounted using discount rate and the resulting profits or losses are recognised in the Profit and Loss Account as per the regulations stipulated by the RBI.

Foreign exchange swaps "linked" to foreign currency deposits and placements are translated at the prevailing spot rate at the time of swap. The premium or discount on the swap arising out of the difference in the exchange rate of the swap date and the maturity date of the underlying forward contract is amortised over the period of the swap and the same is recognised in the Profit and Loss Account.

Contingent liabilities on account of letters of credit, bank guarantees and acceptances and endorsements outstanding as at the Balance Sheet date denominated in foreign currencies and other foreign exchange contracts are translated at year-end rates notified by FEDAI.

The financial statements of IBU and DIFC which are in the nature of non-integral overseas operations are translated on the following basis: (a) Income and expenses are converted at the average rate of exchange during the period and (b) All assets and liabilities are translated at closing rate as on Balance Sheet date. The exchange difference arising out of year end translation is debited or credited as "Foreign Currency Translation Reserve" forming part of "Reserves and Surplus".

11 Derivative transactions

Notional amounts of derivative transactions comprising of swaps, futures and options are disclosed as off Balance Sheet exposures. The Bank recognises all derivative contracts (other than those designated as hedges) at fair value, on the date on which the derivative contracts are entered into and are re-measured at fair value as at the Balance Sheet or reporting date. Derivatives are classified as assets when the fair value is positive (positive marked to market) or as liabilities when the fair value is negative (negative marked to market). Changes in the fair value of derivatives other than those designated as hedges are recognised in the Profit and Loss Account.

Outstanding derivative transactions designated as "Hedges" are accounted in accordance with hedging instrument on an accrual basis over the life of the underlying instrument. Option premium paid or received is recognised in the Profit and Loss Account on expiry of the option. Option contracts are marked to market on every reporting date.

12 Lease accounting

Leases where all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight-line basis over the lease term. Initial direct costs in respect of operating leases such as legal costs, brokerage costs, etc. are recognised as expense immediately in the Profit and Loss Account.

13 Accounting for provisions, contingent liabilities and contingent assets

The Bank has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. In accordance with Accounting Standard - 29 on 'Provisions, Contingent Liabilities and Contingent Assets', the Bank recognises a provision for material foreseeable losses when it has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are measured based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure to this effect is made as contingent liabilities in the financial statements. The Bank does not expect the outcome of these contingencies to have a materially adverse effect on its financial results. Contingent assets are neither recognised nor disclosed in the financial statements.

14 Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. Impairment loss, if any, is provided in the Profit and Loss Account to the extent carrying amount of assets exceeds their estimated recoverable amount.

15 Taxes on income

The Income Tax expense comprises current tax and deferred tax. Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences being the difference between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred tax assets on account of timing differences are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In case of carry forward losses and unabsorbed depreciation, under tax laws, all the deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reassessed at each reporting date, based upon the Management's judgement as to whether realisation is considered as reasonably certain.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Changes in deferred tax assets / liabilities on account of changes in enacted tax rates are given effect to in the Profit and Loss Account in the period of the change.

Current tax assets and liabilities and deferred tax assets and liabilities are off-set when they relate to income taxes levied by the same taxation authority, when the Bank has a legal right to off-set and when the Bank intends to settle on a net basis.

16 Accounting for Dividend

As per AS 4 (Revised), with effect from April 2016, the Bank is not required to provide for dividend proposed / declared after the Balance Sheet date. The same shall be appropriated from next year amount available for appropriation.

17 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

18 Share issue expenses

Share issue expenses are adjusted from Securities Premium Account as permitted by Section 52 of the Companies Act, 2013.

19 Credit cards reward points

The Bank estimates the liability for credit card reward points and cost per point using actuarial valuation conducted by an independent actuary, which includes assumptions such as mortality, redemption and spends.

20 Segment reporting

In accordance with guidelines issued by RBI and Accounting Standard 17 (AS-17) on "Segment Reporting", the Banks' business has been segregated into the following segments whose principal activities were as under:

Segment	Principal activity
Treasury, BMU and Corporate Centre	Money market, forex market, derivatives, investments and primary dealership of government securities and Balance Sheet Management Unit (BMU) responsible for Asset Liability Management and Corporate Centre which primarily comprises of support functions.
Corporate / Wholesale Banking	Wholesale borrowings and lendings and other related services to the corporate sector which are not included under retail banking.
Retail Banking	Comprises of:
Digital Banking	Business involving digital banking products acquired by Digital Banking Unit including existing digital banking products as identified by the Management in accordance with the instructions of the RBI vide its circular dated April 7, 2022.

Segment	Principal activity
Other Retail Banking	Includes (other than covered under Digital Banking above): - I Lending Commercial vehicle finance, personal loans, home loans, agriculture finance, other loans / services and exposures which fulfill the four criteria for retail exposures laid down in Basel Committee on Banking Supervision document "International Convergence of Capital Measurement and Capital Standards: A Revised Framework". - II Branch Banking Retail borrowings covering savings, current, term deposit accounts and Branch Banking network / services including distribution of financial products. - III Credit Cards Receivables / loans relating to credit card business.
Other Banking business	Any other business not classified above.

A transfer pricing mechanism has been established by Asset Liability Committee (ALCO) for allocation of interest cost to the above segments based on borrowing costs, maturity profile of assets / liabilities etc. and which is disclosed as part of segment revenue.

Segment revenues consist of earnings from external customers and inter-segment revenues based on a transfer pricing mechanism. Segment expenses consist of interest expenses including allocated operating expenses and provisions.

Segment results are net of segment revenues and segment expenses including interdivisional items.

Segment assets include assets related to segments and exclude tax related assets. Segment liabilities include liabilities related to the segment excluding net worth and employees' stock option (grants outstanding).

Since the business operations of the Bank are primarily concentrated in India, the Bank is considered to operate only in the domestic segment.



SCHEDULE 18 – NOTES TO ACCOUNTS

A. DISCLOSURES AS LAID DOWN BY RBI CIRCULARS:

1. CAPITAL ADEQUACY RATIO:

The Bank's Capital Adequacy Ratios as per Basel III guidelines are as follows:

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Capital Ratios:		
(i) Common Equity Tier I Capital (CET 1)	87,991.19	77,036.40
(ii) Additional Tier I Capital [§]	-	500.00
(iii) Tier I Capital (i + ii)	87,991.19	77,536.40
(iv) Tier II Capital	5,957.28	3,817.29
(v) Total Capital (Tier I+Tier II)	93,948.47	81,353.69
(vi) Total Risk Weighted Assets (RWAs)	457,206.27	373,170.24
(vii) CET 1 Ratio (CET 1 as a percentage of RWAs)	19.25%	20.64%
(viii) Tier I Ratio (Tier I capital as a percentage of RWAs)	19.25%	20.78%
(ix) Tier II Ratio (Tier II capital as a percentage of RWAs)	1.30%	1.02%
(x) Capital to Risk Weighted Assets Ratio (CRAR) (Total Capital as a percentage of RWAs)	20.55%	21.80%
(xi) Leverage Ratio	13.12%	14.13%
(xii) Percentage of the shareholding of the Government of India	Nil	Nil
(xiii) Amount of paid-up equity capital raised during the year [#]	218.22	282.40
(xiv) Amount of non-equity Tier I capital raised during the year of which:		
PNCPS	Nil	Nil
PDI	Nil	Nil
(xv) Amount of Tier II Capital raised during the year of which:		
PNCPS	Nil	Nil
PDI	Nil	Nil

[#] The Bank has allotted during the year 1,364,316 (previous year 1,894,822) equity shares consequent to exercise of ESOPs vested. Accordingly, the share capital further increased by ₹ 0.68 crore (previous year ₹ 0.95 crore) and share premium increased by ₹ 217.54 crore (previous year ₹ 281.45 crore), net of share issue expenses of ₹ Nil (previous year ₹ Nil).

[§] The Bank has redeemed perpetual non-cumulative preference share capital ("PNCPS") during the year.

2. COMPOSITION OF INVESTMENT PORTFOLIO

(₹ in crore)

As at 31 st March 2024	Investments in India										Investments outside India				Total Investments
	Government Securities*	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India				
Held to Maturity															
Gross	28,517.74	-	-	-	3,902.02	-	32,419.76	-	38.32	-	38.32				
Less: Provision for nonperforming investments (NPI)	-	-	-	-	-	-	-	-	-	-	-				
Net	28,517.74	-	-	-	3,902.02	-	32,419.76	-	38.32	-	38.32			32,458.08	
Available for Sale															
Gross	77,485.52	-	1,267.83	14,524.76	-	5,869.50	99,147.61	277.78	-	1,421.63	1,699.41				
Less: Provision for depreciation and NPI	294.24	-	43.25	33.34	-	177.63	548.46	-	-	18.84	18.84				
Net	77,191.28	-	1,224.58	14,491.42	-	5,691.87	98,599.15	277.78	-	1,402.79	1,680.57			100,847.02	
Held for Trading															
Gross	7,686.05	-	-	2,357.94	-	12,621.97	22,665.96	-	-	-	-				
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-				
Net	7,686.05	-	-	2,357.94	-	12,621.97	22,665.96	-	-	-	-			22,665.96	
Total Investments	113,689.31	-	1,267.83	16,882.70	3,902.02	18,491.47	154,233.33	277.78	38.32	1,421.63	1,737.73				
Less: Provision for depreciation and NPI	294.24	-	43.25	33.34	-	177.63	548.46	-	-	18.84	18.84				
Net	113,395.07	-	1,224.58	16,849.36	3,902.02	18,313.84	153,684.87	277.78	38.32	1,402.79	1,718.89			155,403.76	

* Includes securities with face Value of ₹ 4,327.45 crore pledged and encumbered for availment of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.



(₹ in crore)

As at 31 st March 2023	Investments in India						Investments outside India				
	Government Securities*	Other Approved Securities	Shares	Debentures and Bonds	Subsidiaries and/or joint ventures	Others	Total investments in India	Government securities (including local authorities)	Subsidiaries and/or joint ventures	Others	Total Investments outside India
Held to Maturity											
Gross	32,181.79	-	-	-	3,179.02	-	35,360.81	-	38.33	-	38.33
Less: Provision for nonperforming investments (NPI)	-	-	-	-	10.13	-	10.13	-	-	-	-
Net	32,181.79	-	-	-	3,168.89	-	35,350.68	-	38.33	-	38.33
Available for Sale											
Gross	57,266.95	-	1,272.83	18,848.68	-	6,877.86	84,266.32	146.48	-	1,058.74	1,205.22
Less: Provision for depreciation and NPI	1,239.08	-	42.61	218.55	-	468.23	1,968.47	-	-	24.05	24.05
Net	56,027.87	-	1,230.22	18,630.13	-	6,409.63	82,297.85	146.48	-	1,034.69	1,181.17
Held for Trading											
Gross	1,496.40	-	-	339.65	-	699.65	2,535.70	-	-	-	-
Less: Provision for depreciation and NPI	-	-	-	-	-	-	-	-	-	-	-
Net	1,496.40	-	-	339.65	-	699.65	2,535.70	-	-	-	-
Total Investments	90,945.14	-	1,272.83	19,188.33	3,179.02	7,577.51	122,162.83	146.48	38.33	1,058.74	1,243.55
Less: Provision for depreciation and NPI	1,239.08	-	42.61	218.55	10.13	468.23	1,978.60	-	-	24.05	24.05
Net	89,706.06	-	1,230.22	18,969.78	3,168.89	7,109.28	120,184.23	146.48	38.33	1,034.69	1,219.50

* Includes securities with face Value of ₹ 8,447.61 crore pledged and encumbered for availing of fund transfer facility, clearing facility, margin requirements and with RBI for LAF.

3. MOVEMENT OF PROVISIONS FOR DEPRECIATION AND INVESTMENT FLUCTUATION RESERVE

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
i) Movement of provisions held towards depreciation on investments		
a) Opening balance	2,002.65	1,853.65
b) Add: Provisions made during the year	0.64	237.22
c) Less: Write-back of provisions during the year	1,435.99	88.22
d) Closing balance	567.30	2,002.65
ii) Movement of Investment Fluctuation Reserve		
a) Opening balance	2,300.00	1,774.69
b) Add: Amount transferred during the year	1,200.00	525.31
c) Less: Drawdown	-	-
d) Closing balance	3,500.00	2,300.00
iii) Closing balance in IFR as percentage of closing balance of investments in AFS and HFT/ Current Category	2.85%	2.67%

4. DETAILS OF REPO / REVERSE REPO (EXCLUDING LAF AND MSF TRANSACTIONS FOR THE YEAR) DEALS (IN FACE VALUE TERMS)

Year ended 31st March, 2024:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 st March, 2024
Securities sold under repos				
i. Government securities	-	8,962.75	913.34	-
ii. Corporate debt securities	-	185.71	11.05	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government securities	-	29,237.80	6,000.56	11,450.29
ii. Corporate debt securities	-	525.00	14.97	-
iii. Any other securities	-	-	-	-

Year ended 31st March, 2023:

(₹ in crore)

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily Average outstanding during the year	Outstanding as on 31 st March, 2023
Securities sold under repos				
i. Government securities	-	15,355.95	1,862.17	170.20
ii. Corporate debt securities	-	253.57	14.81	-
iii. Any other securities	-	-	-	-
Securities purchased under reverse repos				
i. Government securities	-	10,604.11	1,364.25	7,739.18
ii. Corporate debt securities	-	500.00	7.70	-
iii. Any other securities	-	-	-	-



5. DISCLOSURE IN RESPECT OF NON-SLR INVESTMENTS

(i) Non-performing Non-SLR investments:

(₹ in crore)

Particulars	Year ended	
	31 st March, 2024	31 st March, 2023
Opening balance	78.67	154.10
Additions during the year	64.91	0.00
Reductions during the year	(19.58)	(75.43)
Closing balance	124.00	78.67
Total provisions held	124.00	77.91

(ii) Issuer composition of Non-SLR investments as at 31st March, 2024:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	608.27	475.00	-	-	-
2	FIs	9,441.36	8,065.55	-	-	7,537.45
3	Banks	5,125.22	2,390.08	-	414.64	4,531.24
4	Private Corporates	19,988.18	16,064.18	244.58	866.78	6,762.68
5	Subsidiaries, Associates and Joint Ventures	3,940.34	2,036.58	-	3,940.34	3,940.34
6	Others	3,178.38	2,668.54	389.28	363.57	2,900.60
7	Provision held towards depreciation	(273.06)	-	-	-	-
	Total	42,008.69	31,699.93	633.86	5,585.33	25,672.31

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

Issuer composition of Non-SLR investments as at 31st March, 2023:

(₹ in crore)

No.	Issuer	Amount	Extent of Private Placement	Extent of 'Below Investment Grade' Securities	Extent of 'Unrated' Securities	Extent of 'Unlisted' Securities
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	PSUs	672.88	566.50	-	-	-
2	FIs	739.64	40.00	-	-	699.64
3	Banks	605.77	397.65	-	400.34	205.43
4	Private Corporates	24,023.73	18,663.49	358.71	901.20	6,248.50
5	Subsidiaries, Associates and Joint Ventures	3,217.35	1,850.71	-	3,217.35	3,217.35
6	Others	3,201.87	2,718.58	684.70	914.40	3,055.38
7	Provision held towards depreciation	(763.57)	-	-	-	-
	Total	31,697.67	24,236.93	1,043.41	5,433.29	13,426.30

Issuer also include investments held outside India.

Amounts reported under column (4), (5), (6) and (7) above are not mutually exclusive.

6. During the year ended 31st March, 2024 and year ended 31st March, 2023, the value of sale / transfer of securities to / from HTM category (excluding one-time transfer of securities, permitted sales by RBI consequent to a downward revision in SLR requirements and sales to RBI under Open Market Operation auctions/Switch/GSAP) was within 5% of the book value of instruments in HTM category at the beginning of the year.

7. DERIVATIVES

A. Forward Rate Agreements/ Interest Rate Swaps:

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
The notional principal of swap agreements	134,487.28	91,083.25
Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	933.94	995.81
Collateral required by the Bank upon entering into swaps	NA	NA
Concentration of credit risk arising from the swaps	32.19%(Banks)	56.47%(Banks)
The fair value of the swap book	186.02	419.30

B. Exchange Traded Interest Rate Derivatives:

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Notional principal amount of exchange traded interest rate derivatives undertaken during the year	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding	-	-
Notional principal amount of exchange traded interest rate derivatives outstanding and not "highly effective" *	NA	NA
Mark to market value of exchange traded interest rate derivatives outstanding and not "highly effective" *	NA	NA

* Being trading positions

C. Disclosures on risk exposures in derivatives:

Qualitative disclosures:

a) Structure and organization for management of risk in derivatives trading:

The Board of Directors, the Risk Management Committee (RMC), Board Committee for Derivatives products, the Asset Liability Management Committee (ALCO), the Senior Management Committee for Derivatives (SMC) and the Risk Management Department are entrusted with the management of risks in derivatives.

The philosophy and framework for the derivative business is laid out in the Board approved Investment and Derivative policies. The ALCO of the Bank is empowered to set the limit-framework for derivatives. It also reviews the market risk exposures of derivatives against the limits. The Risk Management Committee reviews all risks on a consolidated basis and also defines the risk appetite.

The Board Committee for Derivatives products and the Senior Management Committee for Derivatives (SMC) oversee the client derivatives business. These committees are responsible for reviewing and approving the derivative products that can be offered to clients (within the regulatory framework provided by the RBI). The Board approved 'Customer Suitability and Appropriateness Policy for Derivatives' lays down the risk management & governance framework for offering derivatives.

The Bank has Operations and Risk Management functions - independent of the dealing function. The Market Risk Management & Counterparty Risk Management Departments are responsible for assessment, monitoring, measurement & reporting of market & counterparty risks in derivatives.

b) Scope and nature of risk measurement, risk reporting and risk monitoring systems:

All significant risks of the derivative portfolio are monitored, measured & reported to the senior management. The Treasury Middle Office, on a daily basis, measures & reports risk-metrics like Value-at-Risk (VaR), PV01, Option Greeks like Delta, Gamma, Vega, Theta, Rho etc. Counterparty Risk exposure of the derivatives portfolio is also monitored & reported daily. The Treasury Middle Office independently reports profitability on a daily basis. Rate reasonability tests are performed on the Derivative portfolio to ensure that all trades are entered into at market rates. Stress testing is performed to measure the impact of extreme market shifts on the Bank's portfolio (including derivatives). Suitability and Appropriateness assessment is performed before offering derivatives to clients. The Bank continuously invests in technology to enhance the Risk Management architecture.



c) Policies for hedging and / or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges / mitigants:

The Board Approved 'Hedging Policy' details the hedging strategies, hedging processes, accounting treatment, documentation requirements and effectiveness testing for hedges.

Hedges are monitored for effectiveness periodically, in accordance with the Board Approved Policy.

d) Accounting policy for recording hedge and non-hedge transactions; recognition of income, premiums and discounts; valuation of outstanding contracts; provisioning, collateral and credit risk mitigation:

Derivative transactions are segregated into trading or hedge transactions. Trading transactions outstanding as at the Balance Sheet dates are marked to market and the resulting profits or losses, are recorded in the Profit and Loss Account.

Derivative transactions designated as "Hedges" are accounted in accordance with hedging instruments on an accrual basis over the life of the underlying instrument.

Option premium paid / received is accounted for in the Profit and Loss Account on expiry of the option.

Pursuant to the RBI guidelines, any receivables as well positive Mark to Market (MTM) in respect of future receivable under derivative contracts comprising of crystallised receivables which remain overdue for more than 90 days are reversed through the Profit and Loss Account. Full provision is made for the entire amount of overdue and future receivables relating to positive marked to market value of non-performing derivative contracts. Limits for counterparty exposure (arising from derivative trades) to Corporates are approved by the Credit Committee and for Banks by the ALCO. These limits are renewable annually and are duly supported by ISDA agreements. MTM breaches are monitored daily and are cash collateralised wherever necessary. Further, to mitigate the current exposure in noncentrally cleared forex and derivative transactions, Bank has entered into Credit Support Annex ('CSA') agreements with some of the major international counterparty banks and few Indian financial institutions.

Quantitative Disclosures:

31st March 2024:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
a)	For hedging	0.00	0.00
b)	For trading	522,317.25	134,487.28
2	Marked to Market Positions **		
a)	Asset (+)	-	186.02
b)	Liability (-)	115.21	-
3	Credit Exposure	12,655.54	1,852.34
4	Likely impact of one percentage change in interest rate (100*PV01) #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	55.95	1,418.33
5	Maximum of 100*PV01 observed during the year #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	63.82	1,549.01
6	Minimum of 100*PV01 observed during the year #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	32.71	1,293.01

Currency interest rate swaps have been included under currency derivatives.

* Excludes PV01 on options.

*Forwards in currency derivatives includes TOM, Spot deal.

** The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills – Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

The nature and terms of the Interest Rate Swaps (IRS) as on 31st March, 2024 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	2	874.96	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	2	874.96	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	158	11,259.48	SOFR	Receive Floating Vs. Pay Fixed
Trading	48	2,746.86	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	431.34	SONIA	Receive Floating Vs. Pay Fixed
Trading	1	431.34	SONIA	Receive Fixed Vs. Pay Floating
Trading	6	356.50	SOFR Vs. SOFR	Receive Floating Vs. Pay Floating
Trading	311	13,781.10	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	91	5,740.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	919	30,612.29	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,889	58,990.94	MIBOR	Receive Floating Vs. Pay Fixed
Trading	452	8,387.51	FBIL*	Receive Fixed Vs. Pay Floating
Total	3,880	134,487.28		

*Benchmark FBIL pertains to trades done in Rates FRA product.

The nature and terms of the Cross Currency Swaps (CCS) as on 31st March, 2024 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	4	365.73	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	4	364.91	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	3	270.82	FIXED	Pay Fixed
Trading	3	241.17	FIXED	Receive Fixed
Trading	52	2,004.94	FIXED	Receive Fixed Vs. Pay Fixed
Trading	1	32.81	SOFR	Receive Fixed Vs. Pay Fixed
Trading	37	2,931.41	SOFR	Receive Fixed Vs. Pay Floating
Trading	4	1,117.69	SOFR	Receive Floating Vs. Pay Fixed
Trading	17	441.00	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
Trading	2	1,000.86	SOFR Vs. TORF	Receive Floating Vs. Pay Floating
Total	127	8,771.34		

*Above notional principal does not include trades done with GIFT-City branch since it gets zeroed at bank level however, only count of trades done is specified.

The overnight Net open position as at 31st March, 2024 is ₹ 142.78 crore (previous year ₹ 331.21 crore).

31st March 2023:

(₹ in crore)

Sr. No.	Particulars	Currency Derivatives*	Interest rate Derivatives
1	Derivatives (Notional Principal Amount)		
a)	For hedging	-	-
b)	For trading	310,875.58	91,083.25
2	Marked to Market Positions **		
a)	Asset (+)	79.87	419.30
b)	Liability (-)	-	-
3	Credit Exposure	8,735.13	1,448.19
4	Likely impact of one percentage change in interest rate (100*PV01) #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	60.95	1,305.18
5	Maximum of 100*PV01 observed during the year #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	70.41	1,332.53
6	Minimum of 100*PV01 observed during the year #		
a)	On hedging derivatives	-	-
b)	On trading derivatives	55.62	180.84

Currency interest rate swaps have been included under currency derivatives.

Excludes PV01 on options.

** MTM has been considered at product level.

** The net position has been shown either under asset or liability, as the case may be, for each type of derivatives. The MTM does not include MTM on Export Bills – Discounted, BULRET deals and Internal deals between KMBL and GIFT, where counterparty is Kotak Bank.

The nature and terms of the Interest Rate Swaps (IRS) as on 31st March, 2023 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	1	45.95	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	1	45.95	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	19	486.89	LIBOR	Receive Fixed Vs. Pay Floating
Trading	104	6,970.17	LIBOR	Receive Floating Vs. Pay Fixed
Trading	1	164.34	LIBOR	Receive Floating Vs. Pay Floating
Trading	65	4,520.84	SOFR	Receive Floating Vs. Pay Fixed
Trading	22	1,548.39	SOFR	Receive Fixed Vs. Pay Floating
Trading	1	73.95	SOFR	Receive Floating Vs. Pay Floating
Trading	200	7,527.76	MIFOR	Receive Fixed Vs. Pay Floating
Trading	35	2,235.00	MIFOR	Receive Floating Vs. Pay Fixed
Trading	90	4,105.00	Mod MIFOR	Receive Fixed Vs. Pay Floating
Trading	19	1,340.00	Mod MIFOR	Receive Floating Vs. Pay Fixed
Trading	379	14,983.87	MIBOR	Receive Fixed Vs. Pay Floating
Trading	1,133	40,370.91	MIBOR	Receive Floating Vs. Pay Fixed
Trading	194	6,664.23	FBIL#	Receive Fixed Vs. Pay Floating
Total	2,264	91,083.25		

Benchmark FBIL pertains to trades done in Rates FRA product.

The nature and terms of the Cross Currency Swaps (CCS) as on 31st March, 2023 are set out below:

(₹ in crore)

Nature	No.*	Notional Principal	Benchmark	Terms
Trading	3	289.18	EURIBOR	Receive Fixed Vs. Pay Floating
Trading	3	289.18	EURIBOR	Receive Floating Vs. Pay Fixed
Trading	4	274.74	FIXED	Pay Fixed
Trading	3	237.60	FIXED	Receive Fixed
Trading	67	2,329.25	FIXED	Receive Fixed Vs. Pay Fixed
Trading	3	41.68	EURIBOR Vs. LIBOR	Receive Floating Vs. Pay Floating
Trading	14	1,759.59	LIBOR	Receive Fixed Vs. Pay Floating
Trading	3	1,039.51	LIBOR	Receive Floating Vs. Pay Fixed
Trading	5	690.35	SOFR	Receive Fixed Vs. Pay Floating
Trading	18	1,609.65	SOFR Vs. EURIBOR	Receive Floating Vs. Pay Floating
Total	123	8,560.73		

*Above notional principal does not include trades done with GIFT-City branch since it gets zeroed at bank level however, only count of trades done is specified.

8. CREDIT DEFAULT SWAPS

The Bank has not entered into any Credit Default Swap transactions (previous year Nil).

9. CLASSIFICATION OF ADVANCES AND PROVISIONS HELD

As at 31st March, 2024

(₹ in crore)

Particulars	Standard Total Standard Advances	Non-Performing			Total Non-Performing Advances	Total
		Sub-Standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	318,695.94	1,528.74	3,970.41	269.17	5,768.32	324,464.26
Add: Additions during the year					5,001.11	
Less: Reductions during the year (*)					5,494.65	
Closing Balance	374,815.45	2,092.78	2,979.65	202.35	5,274.78	380,090.23
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(1,737.08)	(1,737.08)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,499.65)	(1,499.65)
iii) Technical/Prudential Write-offs					-	-
iv) Write-offs other than those covered under (iii) above					(2,257.92)	(2,257.92)
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	28.03	837.21	3,468.64	269.17	4,575.02	4,603.05
Add: Fresh provisions made during the year					3,055.16	
Less: Excess provision reversed/Write-off loans					(3,625.97)	
Closing balance of provisions held	10.75	1,069.71	2,732.15	202.35	4,004.21	4,014.96
Net NPAs						
Opening Balance		691.53	501.77	-	1,193.30	
Add: Fresh additions during the year					1,945.95	
Less: Reductions during the year					(1,868.68)	
Closing Balance		1,023.07	247.50	-	1,270.57	
Ratios						
Gross NPA to Gross Advances (%)						1.39%
Net NPA to Net Advances (%)						0.34%

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹ 1,547.53 crore as at 31st March, 2024.

As at 31st March, 2023

(₹ in crore)

Particulars	Standard	Non-Performing			Total Non-Performing Advances	Total
	Total Standard Advances	Sub-Standard	Doubtful	Loss		
Gross Standard Advances and NPAs						
Opening Balance	269,558.47	1,792.01	4,397.42	280.31	6,469.74	276,028.21
Add: Additions during the year					3,989.92	
Less: Reductions during the year (*)					(4,691.34)	
Closing Balance	318,695.94	1,528.74	3,970.41	269.17	5,768.32	324,464.26
(*) Reductions in Gross NPAs due to:						
i) Upgradation					(2,041.37)	(2,041.37)
ii) Recoveries (excluding recoveries from upgraded accounts)					(1,859.60)	(1,859.60)
iii) Technical/Prudential Write-offs					(93.39)	(93.39)
iv) Write-offs other than those covered under (iii) above					(696.98)	(696.98)
Provisions (excluding Floating Provisions)						
Opening balance of provisions held	41.57	863.11	3,589.61	280.31	4,733.03	4,774.60
Add: Fresh provisions made during the year					2,313.56	
Less: Excess provision reversed/Write-off loans					(2,471.57)	
Closing balance of provisions held	28.03	837.21	3,468.64	269.17	4,575.02	4,603.05
Net NPAs						
Opening Balance		928.90	807.81	-	1,736.71	
Add: Fresh additions during the year					1,676.36	
Less: Reductions during the year					(2,219.77)	
Closing Balance		691.53	501.77	-	1,193.30	
Ratios						
Gross NPA to Gross Advances (%)						1.78%
Net NPA to Net Advances (%)						0.37%

Above numbers do not include standard asset provision on Advances (other than provision for country risk and unhedged foreign currency exposures) amounting to ₹ 1,449.75 crore as at 31st March, 2023.

10. MOVEMENT OF TECHNICAL WRITE-OFFS AND RECOVERIES

(₹ in crore)

Particulars	Year ended	
	31 st March, 2024	31 st March, 2023
Opening balance of Technical / Prudential written-off accounts as at 1 st April	1,581.89	1,818.80
Add: Technical / Prudential write-offs during the year	-	93.39
Less: Recoveries / Reductions made from previously Technical / Prudential written-off accounts during the year	(481.05)	(330.30)
Closing Balance as at 31st March	1,100.84	1,581.89

11. The Provision Coverage Ratio (PCR) of the Bank after considering technical write-off is 80.07% as at 31st March 2024 (previous year 83.77%).

12. CONCENTRATION OF NPAs

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total Exposure to top twenty NPA accounts*	610.61	653.47
Percentage of exposures to the twenty largest NPA exposure to total Gross NPAs	11.58%	11.33%

(*) Above represents Gross NPA

13. RBI vide its circular dated 1st April 2019, has directed banks shall make suitable disclosures, wherever either (a) the additional provisioning requirements assessed by RBI exceed 5 percent (previous year exceed 10 percent) of the published net profits before provision and contingency for the reference period or (b) the additional Gross NPAs identified by RBI exceed 5 percent (previous year exceed 10 percent) of the published incremental Gross NPAs for the reference period, or both. There has been no divergence observed by RBI for the financial year 2022-23 (previous year Nil) in respect of the Bank's asset classification and provisioning under the extant prudential norms on income recognition asset classification and provisioning (IRACP) which require such disclosures.

14. SECTOR-WISE ADVANCES AND GROSS NPAs

(₹ in crore)

Sl. No	Sector	As at 31 st March, 2024		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector			
1	Agricultural and Allied Activities	42,885.36	1,646.23	3.84%
2	Advances to Industries Sector eligible as Priority sector lending, Of which exceeding 10%:	50,274.69	243.61	0.48%
	- Textiles	7,856.83	14.15	
	- Rubber, Plastic and their Products	5,213.98	5.57	
3	Services, Of which exceeding 10%:	74,059.32	795.13	1.07%
	- Wholesale Trade	23,346.39	137.88	
	- Logistics and Auxiliary transport activities	20,025.35	342.23	
4	Personal Loans and others, Of which exceeding 10%:	2,490.25	12.79	0.51%
	- Home Loans	1,631.08	4.06	
	- Micro Loans	539.63	7.48	
	Sub-Total (A)	169,709.62	2,697.75	1.59%
B	Non Priority Sector			
1	Agricultural and Allied Activities	1,283.10	72.37	5.64%
2	Industry, Of which exceeding 10%:	53,835.25	547.77	1.02%
	- Infrastructure	16,367.97	40.87	
3	- Services, Of which exceeding 10%:	49,540.84	576.36	1.16%
	- NBFC	7,219.02	-	
	- Real Estate	5,963.79	0.00 [§]	
	- Wholesale Trade	9,369.31	201.36	
	- Financial Intermediation excluding broking services	6,668.08	-	
4	Personal loans and others, Of which exceeding 10%:	105,721.41	1,380.52	1.31%
	- Home Loans	58,969.90	147.81	
	- Credit Cards	14,837.53	792.22	
	- Personal Loans	12,754.13	321.15	
	Sub-Total (B)	210,380.61	2,577.03	1.22%
	Total (A+B)	380,090.23	5,274.78	1.39%

[§] Amount is less than 50,000/-.



(₹ in crore)

Sl. No	Sector	As at 31 st March, 2023		
		Outstanding Total Advances*	Gross NPAs	Percentage of Gross NPAs to Total Advances in that Sector
A	Priority Sector			
1	Agricultural and Allied Activities	39,696.68	1,496.95	3.77%
2	Advances to Industries Sector, eligible as Priority sector lending Of which exceeding 10%:	53,833.32	221.74	0.41%
	- Textiles	7,573.27	20.62	
	- All Engineering	5,557.82	9.33	
3	Services, Of which exceeding 10%:	52,649.70	657.41	1.25%
	- Wholesale Trade	15,947.33	76.69	
	- Logistics and Auxillary transport activities	12,734.47	259.38	
4	Personal Loans and others, Of which exceeding 10%:	2,633.62	14.68	0.56%
	- Home Loans	1,314.41	0.91	
	- Micro Loans	1,086.18	8.14	
	Sub-Total (A)	148,813.32	2,390.78	1.61%
B	Non Priority Sector			
1	Agricultural and Allied Activities	566.95	65.93	11.63%
2	Industry, Of which exceeding 10%:	40,064.46	878.23	2.19%
	- Chemicals and Chemical Products	5,640.31	33.13	
	- Metal and Metal Products	5,247.28	43.81	
	- Infrastructure	5,004.10	40.87	
	- Vehicles, Vehicle Parts and Transport Equipments	4,428.25	39.22	
	- All Engineering	4,354.57	99.90	
3	- Services, Of which exceeding 10%:	41,602.20	542.05	1.30%
	- NBFC	10,591.48	-	
	- Real Estate	6,409.68	43.09	
	- Wholesale Trade	5,189.81	171.71	
	- Financial Intermediation excluding broking services	4,555.22	1.78	
4	Personal loans and others, Of which exceeding 10%:	93,417.34	1,891.33	2.02%
	- Home Loans	56,246.97	149.62	
	- Credit Cards	11,081.14	792.22	
	- Personal Loans	10,987.58	549.89	
	Sub-Total (B)	175,650.94	3,377.54	1.92%
	Total (A+B)	324,464.26	5,768.32	1.78%

* Represents Gross Advances

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

15. PRIORITY SECTOR LENDING CERTIFICATES

The amount of PSLCs (category wise) Purchased and Sold during the year:

As at 31st March, 2024:

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	2,800.00	4,712.00
2	PSLC - SF / MF	11,290.00	-
3	PSLC - Micro Enterprises	-	27,342.00
4	PSLC – General	-	35,500.00
TOTAL		14,090.00	67,554.00

As at 31st March, 2023:

(₹ in crore)

S. No	Type of PSLCs	Purchased	Sold
1	PSLC – Agriculture	-	9,050.00
2	PSLC - SF / MF	9,360.00	-
3	PSLC - Micro Enterprises	-	28,477.75
4	PSLC – General	-	20,856.00
TOTAL		9,360.00	58,383.75



16. DETAILS OF ACCOUNTS SUBJECTED TO RESTRUCTURING*

(₹ in crore)

Particulars	Agriculture and allied activities		Corporates (excluding MSME)		Micro, Small and Medium Enterprises (MSME)		Retail (excluding agriculture and MSME)		Total	
	As on 31 st March, 2024	As on 31 st March, 2023	As on 31 st March, 2024	As on 31 st March, 2023	As on 31 st March, 2024	As on 31 st March, 2023	As on 31 st March, 2024	As on 31 st March, 2023	As on 31 st March, 2024	As on 31 st March, 2023
Standard	19	101	1	-	391	685	1,027	1,505	1,438	2,291
Number of borrowers										
Gross Amount (₹ crore)	12.45	14.57	19.71	-	312.59	546.50	149.24	265.14	493.99	826.21
Provision held # (₹ crore)	1.31	1.38	-	-	38.94	71.99	28.51	47.27	68.76	120.64
Substandard	203	70	-	-	95	144	10,841	7,365	11,139	7,579
Number of borrowers										
Gross Amount (₹ crore)	5.71	7.66	-	-	53.52	47.94	105.69	86.41	164.92	142.01
Provision held (₹ crore)	1.44	1.45	-	-	17.49	25.57	47.78	41.87	66.71	68.89
Doubtful	259	183	11	7	663	603	3,510	23,057	4,443	23,850
Number of borrowers										
Gross Amount (₹ crore)	41.92	14.51	211.00	198.39	167.17	166.28	154.57	400.14	574.66	779.32
Provision held (₹ crore)	37.82	12.18	211.00	190.06	147.66	121.30	134.98	370.51	531.46	694.05
Total	481	354	12	7	1,149	1,432	15,378	31,927	17,020	33,720
Number of borrowers										
Gross Amount (₹ crore)	60.08	36.74	230.71	198.39	533.28	760.72	409.50	751.69	1,233.57	1,747.54
Provision held (₹ crore)	40.57	15.01	211.00	190.06	204.09	218.86	211.27	459.65	666.93	883.58

*Restructuring as defined as per applicable regulations.

- does not include provisions made over regulatory requirement as on 31st March, 2024 amounting to ₹ 43.08 crore (previous year ₹ 82.50 crore).

Disclosure on the scheme for MSME sector – restructuring of advances:

As at 31st March, 2024:

(₹ in crore)

No. of accounts restructured	Amount
650*	396.44

* Disclosure given is at borrower level

As at 31st March, 2023:

(₹ in crore)

No. of accounts restructured	Amount
960*	630.78

* Disclosure given is at borrower level

Disclosure on Resolution of stressed assets:

In terms of the RBI circular dated 7th June 2019 on Prudential Framework for Resolution of Stressed Assets, during the financial year ended 31st March 2024, the Bank has implemented Resolution plan (RP) for Nil borrower (previous year one borrower), for which Inter Creditor Agreement (ICA) was executed under consortium arrangement / multiple banking arrangement. Borrowers for whom resolution plan is implemented under sole banking arrangement are not included here as no ICA is required.

In respect of certain borrowers with banking system exposure of ₹1,500 crore or more, where RP formulation / implementation was pending, the required additional provision has been made as required by RBI stipulations.

17. OVERSEAS ASSETS, NPAS AND REVENUE

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total Assets	8,962.40	7,168.17
Total NPAs	Nil	Nil
Total Revenue	506.05	266.38

18. DISCLOSURE OF TRANSFER OF LOAN EXPOSURES

Details of loans transferred/acquired for the year ended 31st March, 2024 and 31st March, 2023 under the RBI Master Direction on Transfer of Loan Exposures dated 24th September, 2021 are given below:

- The Bank has not transferred any Loans not in default, Special Mention Account (SMA) and Non-performing Assets (NPAs) (previous year Nil).
- Details of Loans not in default acquired from eligible lenders through assignment:

(₹ crore except tenor)

Sr. No	Particulars	31 st March, 2024	31 st March, 2023
1	Aggregate amount of loans acquired	1,784.43	404.97
2	Aggregate consideration paid	1,843.61	371.08
3	Weighted average residual maturity	1.41 years	1.9 years
4	Weighted average holding period of originator	0.53 years	3.26 years
5	Retention of beneficial economic interest	100%	Nil
6	Coverage of tangible security coverage (%)	Nil	100%
7	Rating-wise distribution of rated loans	Retail loans – NA	Retail loans – NA



(iii) Details of Special Mention Accounts (SMAs) acquired:

(₹ crore except tenor)

Portfolio acquired during the year ended	From lenders listed in Clause 3 of the circular dated 24 th September, 2021		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years)
31 st March, 2024	87.99	50.68	1.06
31 st March, 2023	176.79	110.87	1.89

(iv) Details of Non-performing Assets (NPAs) acquired:

(₹ crore except tenor)

Portfolio acquired during the year ended	From lenders listed in Clause 3 of the circular dated 24 th September, 2021		
	Aggregate Principal outstanding of loans acquired	Aggregate consideration paid	Weighted average residual tenor of loans acquired (in Years) \$
31 st March, 2024	1,979.11	76.00	1.53
31 st March, 2023	1,862.83	259.90	8.09

\$ - Weighted Average residual tenor of loans is excluding limit based facilities.

(v) Details of recovery ratings assigned for Security Receipts as :

Recovery Rating ^	Anticipated Recovery as per Recovery Rating	Carrying Value* as at 31 st March, 2024 (₹ crore)	Carrying Value* as at 31 st March, 2023 (₹ crore)
NR1/R1+/RR1+	>150%	176.51	11.14
NR2/R1/RR1	100% - 150%	208.79	447.04
NR3/R2/RR2	75% - 100%	35.53	36.12
NR4/R3/RR3	50% - 75%	114.87	134.33
NR5/R4/RR4	25%-50%	0.01	2.09
NR6/R5/RR5	0% - 25%	-	-
Yet to be rated**	-	134.60	524.97
Unrated	-	0.27	0.09
Total		670.58	1,155.78

^ - Recovery Rating is as assigned by various external rating agencies.

* - Net of Provisions.

** - Recent purchases whose statutory period has not elapsed.

19. UNSECURED ADVANCES

(₹ in crore)

Particulars	31 st March, 2024	31 st March, 2023
Total unsecured advances of the bank	87,573.75	66,348.92
Out of the above, amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. have been taken	-	-
Estimated value of such intangible securities	-	-

20. BUSINESS RATIOS / INFORMATION

Particulars	Year ended	
	31 st March, 2024	31 st March, 2023
Interest income as a percentage of working funds (A)	8.66%	7.72%
Non-Interest income as a percentage of working funds	1.94%	1.60%
Cost of deposits	4.77%	3.65%
Net Interest Margin (E)	5.32%	5.33%
Operating profit as a percentage of working funds (B) & (F)	3.71%	3.35%
Return on assets (average) (F)	2.61%	2.47%
Business (deposit plus advance) per employee (₹ in crore) (C)	9.63	8.73
Profit per employee (₹ in crore)	0.18	0.15

Definitions:

- (A) Working funds to be reckoned as average of total assets (excluding accumulated losses, if any) as reported to Reserve Bank of India in Form X, during the 12 months of the financial year.
- (B) Operating profit = (Interest Income + Other Income – Interest expenses – Operating expenses).
- (C) For the purpose of computation of business per employee (deposits plus advances), inter-bank deposits shall be excluded.
- (D) Productivity ratios are based on average number of employees.
- (E) Net Interest Income/ Average Earning Assets. Net Interest Income= Interest Income – Interest Expense
- (F) Return on Assets would be with reference to average working funds (i.e., total of assets excluding accumulated losses, if any).

21. MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES

31st March, 2024:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances ^A	559.22	3,812.33	4,630.36	6,668.53	13,260.60	9,760.99	16,456.09	54,301.68	160,349.60	38,999.66	67,276.21	376,075.27
Investments [*]	74,361.32	3,524.62	2,306.69	3,904.20	4,578.21	7,470.72	13,624.12	13,732.35	37,545.12	2,758.74	6,052.44	169,858.53
Deposits	11,356.30	19,025.36	11,245.44	13,740.69	22,070.82	20,158.35	73,866.27	71,021.81	204,968.15	1,133.61	366.95	448,953.75
Borrowings	449.12	31.21	353.95	578.85	789.30	2,012.33	4,022.36	9,485.09	5,533.86	417.03	4,695.00	28,368.10
Foreign Currency Assets	1,154.64	450.80	160.07	741.83	939.90	1,914.31	845.62	6,584.61	6,320.32	470.99	578.22	20,161.31
Foreign Currency Liabilities	3,090.17	1,544.80	720.03	1,634.90	1,754.59	1,627.41	2,329.41	3,852.66	2,118.91	1,629.11	259.72	20,561.71

^{*} Listed equity investments in AFS have been considered at 50% (₹ 596.23 crore) haircut as per RBI directions.

^{*} ₹15,051 crore of Standing Deposit Facility with RBI is considered.

^A Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 15,653.46 crore are netted off against advances.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

31st March, 2023:

(₹ in crore)

Particulars	Day 1	2 to 7 days	8 to 14 days	15 to 30 days	31 days to 2 months	Over 2 months & upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 years	Over 3 years & upto 5 years	Over 5 years	Total
Advances ^A	1,553.16	2,642.88	3,061.59	5,074.61	10,837.81	12,140.90	15,807.61	45,951.14	131,141.29	32,275.74	59,374.48	319,861.21
Investments [*]	35,764.85	3,523.26	1,901.66	4,731.83	4,183.72	3,687.30	10,611.74	12,703.37	36,661.58	2,534.34	4,501.39	120,805.04
Deposits	10,741.88	17,067.46	9,838.68	8,290.28	16,739.01	14,526.90	44,617.13	54,387.26	184,654.71	1,812.81	419.93	363,096.05
Borrowings	367.14	4,889.49	295.93	2,050.35	1,400.80	438.69	5,633.50	1,968.55	3,600.12	971.70	1,800.00	23,416.27
Foreign Currency Assets	2,514.86	1,903.04	526.53	1,921.90	1,585.60	1,885.48	2,480.10	2,209.10	2,793.99	779.95	261.42	18,861.97
Foreign Currency Liabilities	972.87	379.53	166.33	285.98	233.55	341.68	1,528.95	1,738.82	7,328.11	875.90	478.66	14,330.38

^{*} Listed equity investments in AFS have been considered at 50% (₹ 598.68 crore) haircut as per RBI directions.

^A Funds raised through bills rediscounted and Inter Bank Participatory Certificate amounting ₹ 5,682.10 crore are netted off against advances.

In computing the above information, certain estimates and assumptions have been made by the Bank's Management.

**22. EXPOSURES****(a) Exposure to Real Estate Sector*:**

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
a) Direct exposure	72,926.43	70,670.46
i. Residential Mortgages –	45,407.61	46,438.51
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Includes Individual housing loans eligible for inclusion in priority sector advances as at 31 st March, 2024 ₹ 1,836.47 crore and as at 31 st March, 2023 ₹ 1,441.90 crore). Exposure also includes non-fund based (NFB) limits		
ii. Commercial Real Estate –	27,518.82	24,231.95
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure also includes non-fund based (NFB) limits		
iii. Investments in Mortgage Backed Securities (MBS) and other securitised exposures–	-	-
– Residential,	-	-
– Commercial Real Estate	-	-
b) Indirect Exposure	3,313.34	5,924.40
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	3,313.34	5,924.40
Total Exposure to Real Estate Sector (a+b)	76,239.77	76,594.86

* On limit basis or outstanding basis whichever is higher.

(b) Exposure to Capital Market*:

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
i. Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;#	1,967.29	2,362.01
ii. Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	979.74	844.77
iii. Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
iv. Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	4,363.65	4,643.95
v. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	2,604.48	2,449.04
vi. Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii. Bridge loans to companies against expected equity flows / issues;	-	-
viii. Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds;	581.62	1,293.16
ix. Financing to stockbrokers for margin trading;	1,900.40	1,090.94
x. All exposures to Venture Capital Funds (both registered and unregistered) will be deemed to be on par with equity and hence will be reckoned for compliance with the capital market exposure ceilings (both direct and indirect)	1,735.62	30.54
xi. Others (Financial Guarantees)	293.09	219.92
Total Exposure to Capital Market*	14,425.89	12,934.33

The above amount excludes shares/convertible bonds aggregating to ₹ 10.52 crore (previous year ₹ 27.74 crore) acquired due to conversion of debt to equity under restructuring process. As per para 20 of DBR.No.BP/BC.101/21.04.048/2017-18 dated 12th February, 2018, the above amount is exempt from regulatory ceilings/restriction on capital market exposure.

* On limit basis or outstanding basis whichever is higher.

(c) Risk category wise country exposure:

As per extant RBI guidelines, the country exposure of the Bank is categorized into various risk categories listed in following table.

(₹ in crore)

Risk Category	Exposure (net) as at 31 st March, 2024	Provision held as at 31 st March, 2024	Exposure (net) as at 31 st March, 2023	Provision held as at 31 st March, 2023
Insignificant	9,976.36	-	8,255.85	-
Low	452.75	-	425.56	-
Moderately Low	64.09	-	2.74	-
Moderate	-	-	-	-
Moderately High	-	-	-	-
High	38.83	-	-	-
Very High	-	-	-	-
Total	10,532.02	-	8,684.15	-

Exposure is given as net exposure basis the definition given in circular dated 19th February, 2003

23. CONCENTRATION OF DEPOSITS

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total deposits of twenty largest depositors	41,269.42	29,947.17
Percentage of deposits of twenty largest depositors to total deposits of the Bank	9.19%	8.25%

24. CONCENTRATION OF ADVANCES*

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total advances to twenty largest borrowers	47,885.53	42,999.39
Percentage of advances to twenty largest borrowers to total advances of the bank	7.10%	7.37%

* Advances have been computed based on credit exposure i.e. funded and non-funded limits including derivative exposures where applicable. The sanctioned limits or outstanding, whichever are higher, have been reckoned. However, in the case of fully drawn term loans, where there is no scope for re-drawal of any portion of the sanctioned limit, Bank has reckoned the outstanding as the credit exposure.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

25. CONCENTRATION OF EXPOSURES**

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total exposure to twenty largest borrowers/customers	55,876.33	49,375.62
Percentage of exposures to twenty largest borrowers/customers to total exposure of the bank on borrowers/customers	7.78%	8.01%

** Exposures represents credit, derivatives and investment exposure as prescribed in Master Circular on Exposure Norms

DBR.No.Dir.BC. 12/13.03.00/2015-16 dated 1st July, 2015.

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.



26. DISCLOSURE ON RESOLUTION FRAMEWORK FOR COVID-19 RELATED STRESS

In accordance with Resolution Framework for COVID-19 announced by RBI on 6th August, 2020 and 5th May, 2021, the Bank has implemented one-time restructuring for certain eligible borrowers and such borrowers are classified as Standard in accordance with the above framework.

The disclosure requirements as required by RBI circular dated 6th August, 2020 (Resolution Framework 1.0) and 5th May 2021 (Resolution Framework 2.0) as at 31st March 2024 is given below:

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of the previous half - year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A) amount written off during the half - year [#]	Of (A) amount paid by the borrowers during the half-year [^]	Exposure to accounts classified as Standard consequent to implementation of resolution plan– Position as at the end of this half – year
Personal Loans	88.19	1.50	0.09	33.22	53.47
Corporate persons*	36.60	0.03	0.03	6.01	30.56
Of which, MSMEs	29.56	-	-	4.34	25.22
Others	61.47	0.06	0.00 [§]	8.51	52.90
Total	186.26	1.59	0.12	47.74	136.93

* As defined in section 3(7) of the Insolvency and Bankruptcy Code, 2016.

[#] includes debt that slipped into NPA and was subsequently written off during the half-year.

[^] includes change in balances on account of interest and net of increase in exposure during the period.

[§] Amount less than ₹ 50,000/-.

27. The factoring exposure of the Bank as at 31st March, 2024 is ₹ 4,710.44 crore (previous year ₹ 2,243.88 crore).

28. During the year, the Reserve Bank of India has levied a penalty of ₹ 3.96 crore (previous year ₹ 1.07 crore) on the Bank for the following:

Year ended 31st March 2024:

- ₹ 1 crore on account of failure to carryout annual review / due diligence of service provider.
- ₹ 1 crore on account of failure to ensure that customers are not contacted after 7 pm and before 7 am.
- ₹ 1 crore on account of levying interest from disbursement due date / loan agreement and not from the date of first disbursement of the loan contrary to the terms & conditions of sanction.
- ₹ 0.95 crore on account of charging foreclosures charges for the loans recalled by the Bank.
- ₹ 0.005 crore for 3 instances in relation to exchange of soiled notes / adjudicate mutilated notes as detected during incognito visits undertaken by RBI.

Year ended 31st March 2023:

- ₹ 0.30 crore on account of delayed credit of eligible amount to the Depositor Education and Awareness Fund within the period prescribed.
- ₹ 0.30 crore on account of failure to credit (shadow reversal) of the amount involved in the unauthorised electronic transactions to the customers' account within period prescribed.
- ₹ 0.45 crore on failure to maintain/ apply margin on advances to stock brokers.
- Penal interest of ₹ 0.017 crore for default in maintenance of Cash Reserve Ratio (CRR) on an average basis for a fortnight.
- ₹ 0.002 crore for 2 instances in relation to exchange of soiled notes / adjudicate mutilated notes as detected during incognito visits undertaken by RBI.

29. There are no Off-Balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms) (previous year Nil).

30. BANCASSURANCE BUSINESS

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 st March, 2024	31 st March, 2023
1.	For selling life insurance policies	691.84	380.18
2.	For selling non life insurance policies	77.99	32.04
3.	For selling mutual fund products	278.01	245.84
4.	Others	-	-

This Income has been reflected under Commission, exchange and brokerage under Other Income.

31. FLOATING PROVISIONS

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
(a) Opening balance in the floating provisions account	Nil	Nil
(b) The quantum of floating provisions made in the accounting year	Nil	Nil
(c) Amount of draw down made during the accounting year	Nil	Nil
(d) Closing Balance in floating provisions account	Nil	Nil

32. DRAW DOWN FROM RESERVES

In accordance with the RBI requirement there are no draw downs from reserves during the year (previous year Nil).

33. a) Status of Shareholder Complaints:

Sr. No.	Particulars	Year Ended	
		31 st March, 2024	31 st March, 2023
(a)	No. of complaints pending at the beginning of the year	0	2
(b)	No. of complaints received during the year	23	35
(c)	No. of complaints redressed during the year	23	37
(d)	No. of complaints pending at the end of the year	0	0

b) Summary information on complaints received by the bank from customers and from the Offices of the Banking Ombudsman (OBOs):

Sr. No	Particulars	31 st March, 2024	31 st March, 2023
Complaints received by the bank from its customers(*)			
1.	Number of complaints pending at beginning of the year	11,218	8,195
2.	Number of complaints received during the year	292,085	235,655
3.	Number of complaints disposed during the year	286,885	232,632
3.1	Of which, number of complaints rejected by the bank	125,105	109,209
4.	Number of complaints pending at the end of the year	16,418	11,218
Maintainable complaints received by the bank from OBOs			
5.	Number of maintainable complaints received by the bank from OBOs	5,693*	4,921*
5.1	Of 5, number of complaints resolved in favour of the bank by BOs	2,529	2,267
5.2	Of 5, number of complaints resolved through conciliation/mediation/advisories issued by BOs	3,164	2,654
5.3	Of 5, number of complaints resolved after passing of Awards by BOs against the bank	Nil	Nil
6.	Number of Awards unimplemented within the stipulated time (other than those appealed)	Nil	Nil

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in BO Scheme 2021 (Previously BO Scheme 2006) and covered within the ambit of the Scheme.

**Data is as received from CEPD, RBI*

**Top five grounds of complaints received by the bank from customers:**

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
31st March, 2024					
ATM/Debit Cards	1,126	80,267	0.3%	5,312	3,687
Internet Banking /Mobile Banking/E-Banking	5,686	63,287	(6)%	1,693	978
Credit Cards	924	31,345	77%	6,051	4,575
Account opening/difficulty in operation of accounts	660	15,641	(1)%	320	117
Levy of charges without prior notice/ excessive charges/foreclosure charges	365	12,561	69%	350	140
Others	2,457	88,984	88%	2,692	1,044
Total	11,218	292,085	24%	16,418	10,541
31st March, 2023					
ATM/Debit Cards	3,088	80,053	12%	1,126	187
Internet Banking /Mobile Banking/E-Banking	3,501	67,304	33%	5,686	1,883
Credit Cards	302	17,687	51%	924	350
Account opening/difficulty in operation of accounts	297	15,770	6%	660	22
Levy of charges without prior notice/ excessive charges/foreclosure charges	112	7,449	21%	365	5
Others	895	47,392	10%	2,457	256
Total	8,195	235,655	19%	11,218	2,703

Note: The master list for identifying the grounds of complaints is provided in Appendix 1 as prescribed in Master Circular on Strengthening of Grievance Redress Mechanism in Bank (CEPD.CO.PR.D.Cir.No.01/13.01.013/2020-21; dtd 27th January 2021.)

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

34. MARKETING AND DISTRIBUTION (EXCLUDING BANCASSURANCE BUSINESS)

(₹ in crore)

Sr. No.	Nature of Income	Year Ended	
		31 st March, 2024	31 st March, 2023
1.	Referral Fees	389.12	339.00
2.	Arrangers Fees	185.60	225.01
3.	Income on distribution of Sovereign Gold Bond	3.67	0.83
4.	Other Income	7.15	8.37

Above has been reflected under Commission, exchange and brokerage under Other Income.

35. DISCLOSURES ON REMUNERATION

A. Qualitative Disclosures:

a) Information relating to the composition and mandate of the Remuneration Committee:

The Nomination & Remuneration committee comprises of independent directors of the Bank. Key mandate of the Nomination & Remuneration committee is to oversee the overall design and operation of the compensation policy of the Bank and work in coordination with the Risk Management Committee to achieve alignment between risks and remuneration.

The Nomination and Remuneration Committee (NRC) will be, inter alia, reviewing and tracking the implementation of the Compensation Policy of the Bank. The NRC will comprises of at least 3 Non-executive Directors, out of which at least two third of the members should be independent directors and should include at least one member from the Bank's Risk Management Committee of the Board. (RMC).

b) Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy:²

Objective of Banks' Compensation Policy is:

- To maintain fair, consistent and equitable compensation practices in alignment with Bank's core values and strategic business goals;
- To ensure effective governance of compensation and alignment of compensation practices with prudent risk taking;
- To have mechanisms in place for effective supervisory oversight and Board engagement in compensation;
- To ensure that the Compensation practices are within the regulatory framework stipulated from time to time by RBI.

The remuneration process is aligned to the Bank's Compensation Policy objectives.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. It should include the nature and type of the key measures used to take account of these risks:

In order to manage current and future risk and allow a fair amount of time to measure and review both quality and quantity of the delivered outcomes, a significant portion of senior and middle management compensation is variable. Further reasonable portion variable compensation is non- cash and deferred, over a period of 3 years or longer.

In case the employee is retiring within next 2 years, cash to non-cash ratio may change in favor of more cash (including deferred cash) and the vesting schedule may be shorter.

In addition, remuneration process provides for 'malus' and 'clawback' option to take care of any disciplinary issue or future drop in performance of individual/ business/ company.

d) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration:³

Individual performances are assessed in line with business/ individual delivery of the Key Result Areas (KRAs), top priorities of business, budgets etc. KRAs of Line roles are linked to financials, people, service and process (Quality) and compliance parameters and KRAs of non-Line Roles have linkage to functional deliveries needed to achieve the top business priorities.

Further remuneration process is also linked to market salaries / job levels, business budgets and achievement of individual KRAs.

e) A discussion of the banks' policy on deferral and vesting of variable remuneration and a discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting:

A discussion on Policy on Deferral of Remuneration basis last amendment effective 22nd July, 2023

Employees have been broadly classified into following categories:

- Category I – Comprising MD & CEO and Whole Time Directors (WTDs).
- Category II – Material Risk Takers (MRTs). These include employees whose actions may have material impact on the risk exposures of the bank and who satisfy both - qualitative and quantitative criteria, as given below:
 - Qualitative Criteria: Employees in the grade M10 and above
 - Quantitative Criteria: Fixed Cost to Company (FCTC) is above ₹ 1.25 Crore p.a.

This excludes employees under Category III.

- Category III – Risk control and compliance employees – comprising staff in grade M9 and above in the following Control functions;
 - Risk & Policy function
 - Financial Control including group consolidation;
 - Compliance;
 - Internal Audit;
 - Back-office Operations

² GRI 2-19

³ GRI 2-20



- Vigilance
 - Legal
 - Secretarial
 - HR
 - Investor Relations
 - CSR
- Category IV: Other employees - This includes all employees, not explicitly covered in the first three categories.

Following principles are applied for deferral / vesting of variable remuneration in accordance with RBI guidelines and Bank's compensation policy:

Category I & II

- At least 50% of Total Pay, should be variable for arriving at the total compensation for the year.
- The Cash component of the Variable Pay will not exceed 50% of the Fixed Pay.
- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- In case variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay; and in case variable pay is above 200%, a minimum of 67% of the variable pay should be via non-cash instruments.
- Regardless of the quantum of pay, a minimum of 60% of the total variable pay must invariably be under deferral arrangements. Further, if cash component is part of variable pay, at least 50% of the cash bonus should also be deferred.
- However, in cases where the cash component of variable pay is under ₹ 25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both, the cash and non-cash components of the variable pay.

The compensation will be approved by the Nomination and Remuneration committee. Additionally, for Category I, the same will be further approved by RBI.

Category III

- The total variable payout shall be limited to a maximum of 300% of the fixed pay.
- However, in cases where the cash component of variable pay is under ₹ 25 lakh for a year, deferral requirements would not be necessary.
- The deferral period should be a minimum of three years. This would be applicable to both, the cash and non-cash components of the variable pay.

Approval authority: MD & CEO or as delegated by MD & CEO, will approve the variable pay.

For adjusting deferred remuneration before & after vesting:

Malus: Payment of all or part of amount of deferred variable pay can be prevented.

Clawback: Previously paid or already vested deferred variable pay can also be recovered under this clause.

Malus and clawback may be applied for following circumstances:

- Fraud, misfeasance, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information pertaining to the bank or any of its affiliates;
- Willful misinterpretation / misreporting of financial performance of the bank;
- Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the employee, whether directly or indirectly;
- Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or an act of a felonious or criminal nature;
- Non-disclosure of material conflict of interest by the employee or any misuse of official powers;
- An act of willful, reckless or grossly negligent conduct which is detrimental to the interest or reputation of the bank or any of its affiliates, monetarily or otherwise;
- Material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply malus or / and clawback provisions;

Besides the above there can be other circumstances when malus may be applied. In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality.

f) Description of the different forms of variable remuneration (i.e. cash, shares, ESOPs and other forms) that the bank utilizes and the rationale for using these different forms:

Depending on the nature of the business/function/ role, the risk involved, the time horizon for review, various forms of Variable Pay may be applicable.

The components of such variable pay will include:

- Cash – this may be paid at intervals ranging from Monthly, Quarterly, Half-Yearly and Annual. The Monthly/ Quarterly / Half Yearly Variable Pay will be under the role and preapproved business specific incentive schemes. This may be payable within one year of grant.
- Long Term Incentive Pay (LTIP): This shall be granted to employees, in the form of Employee Stock Options (ESOPs) and / or Stock Appreciation Rights (SARs) and / or Deferred Cash. This shall be granted on a discretionary and reasonable basis, to motivate employees, create shareholder value by aligning interest of employees with the long-term interests of the Bank. LTIP may also be granted from time to time with the objective of retaining employees.
 - ESOPs/ SARs will be linked to Kotak Mahindra Bank Stock price and will vest over a period of time.
 - Black Scholes Model will generally be applied for arriving at the value of the units to be granted. However, Bank may choose any other model with the approval of NRC within the regulatory framework.
 - ESOPs / SARs will be approved by the NRC. The quantum of ESOPs / SARs will be reasonable and the formulation of the ESOP series, the coverage, the vesting period and their pricing schedule, etc. will also be decided by the NRC as per SEBI guidelines.
 - Deferred Cash may paid over a period of 3 to 5 years.

B. Quantitative Disclosures:

a) Number of meetings of the Nomination and Remuneration Committee held during the financial year and remuneration (sitting fees) paid to its members during the financial year.

During the financial year ended 31st March, 2024, 14 meetings (previous year 8 meetings) of the Nomination and Remuneration Committee were held. Members of the Nomination and Remuneration Committee were paid, for attending the meetings held during the financial year, a sitting fee of ₹ 75,000 per meeting [previous year ₹ 50,000 per meeting (for the meetings held before 22nd October, 2022) and ₹ 60,000 per meeting (for the meetings held on or after 22nd October, 2022)].

b) Number of employees having received a variable remuneration award during the financial year.

As per FY24 policy for the year ended 31st March 2024 ("FY2024 policy"):

Quantitative disclosure restricted to one CEO* & two Whole Time Directors as Category I employees and Seventy Seven Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

*Plus 2 CEOs during the year.

As per FY23 policy for the year ended 31st March 2023 ("FY2023 policy"):

Quantitative disclosure restricted to CEO & four Whole Time Directors as Category I employees and Fifty Nine Category II employees as Material Risk Takers. For employees who have moved to a group company or retired or separated as well as new joiner awards up to the date in the Bank are included.

All quantitative disclosures are as per FY2024 policy which is applicable from 22nd July, 2023.

c) Number of employees and total amount of sign-on/joining bonus made during the financial year.

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
No of employees	7	5
Cash (Cr)	Nil	Nil
ESOPs (equity shares)	217,400	15,820
SARs (rights)	51,813	296,350

d) Details of severance pay, in addition to accrued benefits, if any.

Year ended 31 st March, 2024	Year ended 31 st March, 2023
Nil	Nil



e) **Total amount of outstanding deferred remuneration, split into cash, types of share-linked instruments and other forms.**

	As at 31 st March 2024	As at 31 st March 2023
Cash (Deferred)	₹ 35.24 crore	₹ 29.39 crore
Outstanding SARs	829,064 rights	650,239 rights
Outstanding ESOPs	859,823 equity shares	779,707 equity shares

f) **Total amount of deferred remuneration paid out in the financial year.**

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Cash (Deferred)	₹ 12.2 crore	₹ 7.20 crore
Payment towards SARs	₹ 42.25 crore	₹ 19.24 crore

g) **Breakdown of amount of remuneration awards for the financial year to show fixed and variable, deferred and non-deferred.**

Fixed Pay:

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Total fixed salary	₹ 155.13 crore	₹ 118.60 crore

Variable Pay:

	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Deferred Variable Pay[§]		
Cash (Deferred)	₹ 20.73 crore	₹ 16.67 crore
SARs	415,361 rights	484,740 rights
ESOPs	434,647 equity shares	449,142 equity shares
Non Deferred variable pay[§]	₹ 26.25 crore	₹ 22.84 crore

[§] Details relating to variable pay pertains to remuneration awards for the financial year 2022-23 awarded in FY2024. Remuneration award for the year ended 31st March, 2024 are yet to be reviewed and approved by the Nomination and Remuneration Committee.

h) **Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and / or implicit adjustments.**

Nil (previous year Nil)

i) **Total amount of reductions during the financial year due to ex- post explicit adjustments.**

Nil (previous year Nil)

j) **Total amount of reductions during the financial year due to ex- post implicit adjustments.**

Nil (previous year Nil)

k) **Number of MRT identified.**

82 (previous year 64)

l) **Number of cases where malus has been exercised.**

Nil (previous year Nil)

m) **Number of cases where clawback has been exercised.**

Nil (previous year Nil)

n) **Number of cases where both malus and clawback have been exercised.**

Nil (previous year Nil)

o) The mean pay for the bank as a whole (excluding sub-staff) and the deviation of the pay of each of its WTDs from the mean pay.

Mean pay for the Bank as a whole for all employees who were in employment for the whole of FY2023-24 and FY2022-23 was ₹ 0.12 crore (previous year ₹ 0.11 crore).

Ratio of pay of each WTD to the mean pay for the bank as a whole⁴

Director	Ratio	
	Year ended 31 st March, 2024	Year ended 31 st March, 2023
Mr Uday Kotak	3.53X	0.04X
Mr Dipak Gupta	67.40X	49.64X
Mr K.V.S. Manian	50.18X	47.80X
Mr Gaurang Shah	-	45.72X
Ms. Shanti Ekambaram	54.63X	19.38X
Mr. Ashok Vaswani	13.40X	NA

Notes:

1. Pay includes Fixed pay + variable pay paid during the year + perquisite value as calculated under the Income Tax Act, 1961, (excluding perquisite value of Stock Options).
2. Stock Appreciation Rights are awarded as variable pay. These are settled in cash and are linked to the average market price/closing market price of the Bank's stock on specified dates. Cash paid out during the year is included for the purposes of remuneration.
3. Remuneration of Mr. Uday Kotak includes NED commission for FY2023-24.
4. Mr. Dipak Gupta's remuneration for the FY 2023-24 is including one time settlement of retirement benefit.
5. Ms. Shanti Ekambaram remuneration for the FY2022-23 is for 5 Months (Appointed as WTD effective Nov'22).
6. Mr. Ashok Vaswani's remuneration is from 1st Jan 2024 till 31st Mar 2024.

36. INTRA – GROUP EXPOSURES

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
(a) Total amount of intra-group exposures	6,624.16	6,041.96
(b) Total amount of top-20 intra-group exposures	6,620.09	6,036.98
(c) Percentage of intra-group exposures to total exposure of the bank on borrowers / customers	0.92%	0.98%
(d) Details of breach of limits on intra-group exposures and regulatory action thereon, if any.	NA	NA

The Bank has compiled the data for the purpose of this disclosure from its internal MIS system.

37. TRANSFERS TO DEPOSITOR EDUCATION AND AWARENESS FUND (DEA FUND)

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Opening balance of amounts transferred to DEA Fund	356.42	303.00
Add: Amounts transferred to DEA Fund during the year	67.51	56.22
Less: Amounts reimbursed by DEA Fund towards claim	11.93	2.80
Closing balance of amounts transferred to DEA Fund	412.00	356.42



38. UNHEDGED FOREIGN CURRENCY EXPOSURE OF BORROWERS

The Bank recognises the importance of the risk of adverse fluctuation of foreign exchange rates on the profitability and financial position of borrowers who are exposed to currency risk. Currency induced credit risk refers to the risk of inability of borrowers to service their debt obligations due to adverse movement in the exchange rates and corresponding increase / decrease in their book values of trade payables, loan payables, trade receivables, etc. thereby exposing the Bank to risk of default by the borrower. In this regard, the Bank had put in place requisite policies & processes for monitoring and mitigation of currency induced credit risk of borrowers. These include the following:

- a) Currency risk of borrowers on account of un-hedged foreign currency exposures ("UFCE") is duly considered and analysed in credit appraisal notes.
- b) Quarterly monitoring of un-hedged foreign currency exposures of borrowers.
- c) Risk classification of borrowers having un-hedged foreign currency exposures, into Low / Medium / High, as per internal norms, based on potential loss / EBID ratio. Potential loss means the loss which may be arise over a one year horizon by adverse movement of exchange rates; this is computed as UFCE amount multiplied by the annual volatility factor.
- d) Incremental provisioning (over and above provision applicable for standard assets) is made in Bank's Profit and Loss Account, on borrower counterparties having UFCE, depending on the potential loss / EBID ratio, in line with stipulations by RBI. Incremental capital is maintained in respect of borrower counterparties in the highest risk category, in line with stipulations by RBI. These requirements are given below:

Potential Loss / EBID ratio	Incremental Provisioning Requirement (computed on the total credit exposures reckoned for standard asset provisioning)	Incremental Capital Requirement
Up to 15%	Nil	Nil
More than 15% to 30%	20 bps	Nil
More than 30% to 50%	40 bps	Nil
More than 50% to 75%	60 bps	Nil
More than 75% (Most risky)	80 bps	25 per cent increase in the risk weight

- e) In case of borrowers exposed to currency risk where declarations for foreign currency payables / receivables (UFCE declarations) are not submitted, provision for currency induced credit risk is made as per RBI stipulated rates mentioned below:
 - 10 bps in cases where limits with banking system are ₹ 50 crore or less;
 - 80 bps in cases where limits with banking system are more than ₹ 50 crore.
- f) Further, where annual certification from statutory auditors of UFCE data is not submitted, such borrowers are treated as UFCE declaration not submitted cases and provision is computed as per point (e) above.
- g) Exemption allowed by RBI are excluded from UFCE provision computation, including specified all India financial institutions, multilateral agencies, domestic & foreign sovereigns, and other exemptions. Further, 100% FD backed exposure is not reckoned as exposure as per RBI definition and thus not reckoned by the Bank for UFCE provision computation. Similarly, LCBD and BG/LC backed exposures are considered as exposure to LC/ SBLC issuing banks and not to borrower entity.
- h) Management of foreign exchange risk is considered as a parameter for internal risk rating of borrowers.

Provision held for currency induced credit risk as at 31st March, 2024 is ₹ 73.55 crore. (previous year ₹ 62.85 crore). Incremental Risk weighted Assets value considered for the purpose of CRAR calculation in respect of currency induced credit risk as at 31st March, 2024 is ₹ crore 3,154.68 crore (previous year ₹ 1,393.73 crore).



39. a) Liquidity Coverage Ratio

(₹ in crore)

Particulars	Average Q4 2023-2024			Average Q3 2023-2024			Average Q2 2023-2024			Average Q1 2023-2024		
	67			68			69			66		
	Total Unweighted Value (average)	Total Weighted Value (average)		Total Unweighted Value (average)	Total Weighted Value (average)		Total Unweighted Value (average)	Total Weighted Value (average)		Total Unweighted Value (average)	Total Weighted Value (average)	
High Quality Liquid Assets												
1 Total High Quality Liquid Assets (HQLA)		119,711			118,818			117,322			102,187	
Cash Outflows												
2 Retail deposits and deposits from small business customers, of which:												
(i) Stable deposits	40,923	2,046		40,053	2,003		38,014	1,901		36,398	1,820	
(ii) Less stable deposits	201,581	20,158		195,223	19,522		187,351	18,735		178,229	17,823	
3 Unsecured wholesale funding, of which												
(i) Operational deposits (all counterparties)	-	-		-	-		-	-		-	-	
(ii) Non-operational deposits (all counterparties)	120,099	74,115		120,801	74,669		117,751	72,107		106,623	64,521	
(iii) Unsecured debt	4,016	4,016		3,933	3,933		4,420	4,420		3,194	3,194	
4 Secured wholesale funding	968	2		180	2		422	2		2,485	2	
5 Additional requirements, of which												
(i) Outflows related to derivative exposures and other collateral requirements	28,659	28,659		28,883	28,883		24,699	24,699		22,563	22,563	
(ii) Outflows related to loss of funding on debt products												
(iii) Credit and liquidity facilities	3,102	336		2,773	289		3,627	446		3,078	280	
6 Other contractual funding obligations	9,024	9,024		8,590	8,590		6,782	6,782		5,574	5,574	
7 Other contingent funding obligations	208,184	9,330		203,218	9,055		195,440	8,702		188,564	8,432	
8 Total Cash Outflows		147,686			146,946			137,794			124,209	
Cash Inflows												
9 Secured lending (e.g. reverse repos)	5,566	10		10,405	5		8,307	10		1,914	7	
10 Inflows from fully performing exposures	61,638	51,305		55,600	46,809		47,064	39,625		41,700	34,880	
11 Other cash inflows	1,081	541		1,388	694		1,024	512		1,316	658	
12 Total Cash Inflows		51,856			47,508			40,147			35,545	
		Total Adjusted Value			Total Adjusted Value			Total Adjusted Value			Total Adjusted Value	
13 TOTAL HQLA		119,711			118,818			117,322			102,187	
14 Total Net Cash Outflows		95,830			99,438			97,645			88,665	
15 Liquidity Coverage Ratio (%)		124.92%			119.49%			120.15%			115.25%	

(₹ in crore)

Particulars		Number of working days in the quarter							
		Average Q4 2022-2023		Average Q3 2022-2023		Average Q2 2022-2023		Average Q1 2022-2023	
		66		69		71		66	
		Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)	Total Unweighted Value (average)	Total Weighted Value (average)
High Quality Liquid Assets									
1	Total High Quality Liquid Assets (HQLA)		94,801		87,406		84,712		86,305
Cash Outflows									
2	Retail deposits and deposits from small business customers, of which:								
	(i) Stable deposits	35,145	1,757	34,061	1,703	33,190	1,660	32,115	1,606
	(ii) Less stable deposits	173,408	17,341	169,013	16,901	164,832	16,483	161,514	16,151
3	Unsecured wholesale funding, of which								
	(i) Operational deposits (all counterparties)	-	-	-	-	-	-	-	-
	(ii) Non-operational deposits (all counterparties)	100,655	60,172	94,936	57,145	96,357	56,987	99,977	57,552
	(iii) Unsecured debt	1,378	1,378	601	601	952	952	564	564
4	Secured wholesale funding		3		3		1		-
5	Additional requirements, of which								
	(i) Outflows related to derivative exposures and other collateral requirements	21,638	21,638	24,140	24,140	21,971	21,971	18,054	18,054
	(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
	(iii) Credit and liquidity facilities	3,193	295	2,996	250	2,962	243	2,846	233
6	Other contractual funding obligations	5,489	5,489	5,699	5,699	6,146	6,146	6,166	6,166
7	Other contingent funding obligations	182,760	8,151	178,244	7,960	168,532	7,514	161,654	7,212
8	Total Cash Outflows		116,224		114,402		111,957		107,538
Cash Inflows									
9	Secured lending (e.g. reverse repos)	832	6	1,154	2	3,399	-	6,759	-
10	Inflows from fully performing exposures	41,759	34,406	44,710	38,186	43,046	35,970	38,180	31,511
11	Other cash inflows	809	405	1,067	534	1,663	832	2,243	1,122
12	Total Cash Inflows		34,817		38,722		36,802		32,633
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
13	TOTAL HQLA		94,801		87,406		84,712		86,305
14	Total Net Cash Outflows		81,407		75,680		75,155		74,905
15	Liquidity Coverage Ratio (%)		116.45%		115.49%		112.72%		115.22%

b) Qualitative disclosure around LCR

The Reserve Bank of India has prescribed monitoring of sufficiency of Bank's liquid assets using Basel III – Liquidity Coverage Ratio (LCR). The LCR is aimed at measuring and promoting short-term resilience of Banks to potential liquidity disruptions by ensuring maintenance of sufficient high quality liquid assets (HQLAs) to survive an acute stress scenario lasting for 30 days.

The ratio comprises of high quality liquid assets (HQLAs) as numerator and net cash outflows in 30 days as denominator. HQLA has been divided into two parts i.e. Level 1 HQLA which comprises of primarily cash, excess CRR, SLR securities in excess of minimum SLR requirement and a portion of mandatory SLR as permitted by RBI (under MSF and FALLCR) and Level 2 HQLA which comprises of investments in highly rated non-financial corporate bonds and listed equity investments considered at prescribed haircuts. Cash outflows are calculated by multiplying the outstanding balances of various categories or types of liabilities by the outflow run-off rates and cash inflows are calculated by multiplying the outstanding balances of various categories of contractual receivables by the rates at which they are expected to flow in.

The Bank has implemented the LCR framework and has consistently maintained LCR well above the regulatory threshold. The average LCR for the quarter ended 31st March, 2024 was 124.92% which is above the regulatory requirement of 100%. For the quarter ended 31st March, 2024 average Level 1 HQLA stood at 95.10% (₹ 113,839 crore.) of the total HQLA.

Apart from LCR, Bank uses various stock liquidity indicators to measure and monitor the liquidity risk in terms of funding stability, concentration risk, dependence on market borrowings, liquidity transformation, etc. The Bank maintains a diversified source of funding in terms of depositors, lenders and various funding instruments. This is evident through low depositor and lender concentration with top 20 depositors contributing 9.19% of Bank's total deposits and top 10 lenders contributing 3.52% of Bank's total liabilities.

Asset Liability Committee (ALCO) of the Bank is the primary governing body for Liquidity Risk Management supported by Balance Sheet Management Unit (BMU), Risk Management Department (RMD), Finance and ALCO Support Group. BMU is the central repository of funds within the Bank and is vested with the responsibility of managing liquidity risk within the risk appetite of the Bank. Bank has incorporated Basel III Liquidity Standards - LCR and NSFR as part of its risk appetite statement for liquidity risk.

40 FRAUDS

The Bank has reported 896 (previous year 706 cases) fraud cases involving fraud amount of one lakh and above during the financial year ended 31st March 2024 amounting to ₹ 97.91 crore (previous year ₹ 72.40 crore). The Bank has recovered / expensed off / provided the entire amount where necessary.

Details of fraud provisioning made in more than one financial year:

(₹ in crore)

Number of fraud reported	Amount involve in Fraud	Provision made during the year	Quantum of unamortised provision debited from 'other reserve'
Nil	Nil	Nil	Nil

41. DIVIDEND

The Board of Directors of the Bank have a proposed a dividend of ₹ 2.00 per share having a face value ₹ 5 for the year ended 31st March, 2024 (previous Year ₹ 1.50 per share). Dividend will be paid after the approval of the shareholders at the Annual General Meeting.

42. PAYMENT OF DICGC INSURANCE PREMIUM

(₹ in crore)

Sr. No.	Particulars	31 st March, 2024	31 st March, 2023
i)	Payment of DICGC Insurance Premium	454.48	378.01
ii)	Arrears in payment of DICGC Premium	-	-

43. IMPLEMENTATION OF IFRS CONVERGED INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Finance, Government of India, had vide its press release dated 18th January, 2016 outlined the roadmap for implementation of International Financial Reporting Standards ("IFRS") converged Indian Accounting Standards ("Ind AS") for Scheduled Commercial Bank (excluding RRBs), Non-Banking Financial Companies and Insurance companies. The Reserve Bank of India ("RBI") vide its circular dated 22nd March, 2019, deferred the implementation of Ind AS for Scheduled Commercial Banks ("SCB") till further notice pending the consideration of some recommended legislative amendments by the Government of India. The RBI has not issued any further notification on implementation of Ind AS for SCBs.

The Bank has so far taken following steps for Ind AS implementation:

- Formed Steering Committee for Ind AS implementation. The Steering Committee headed by the Joint Managing Director ('JMD') comprises representatives from Finance, Risk, Information Technology and Treasury. The Committee closely reviews progress of Ind AS implementation in the Bank and provides guidance on critical aspects of the implementation.
- The Bank is currently in the process of implementing an IT Solution for IndAS reporting. Further, there may be new regulatory guidelines and clarifications for Ind AS application, which the Bank will need to suitably incorporate in its implementation.

**44. DISCLOSURE ON AMORTISATION OF EXPENDITURE ON ACCOUNT OF ENHANCEMENT IN FAMILY PENSION OF EMPLOYEES OF BANKS**

Pursuant to the revision in family pension payable to employees of the Bank covered under 11th Bi-Partite settlement and Joint Note dated 11th November, 2020, the Bank has recognised the entire additional liability of ₹ Nil in the Profit and Loss Account during the year ended 31st March, 2024 (previous year Nil). There is no unamortised expenditure in the Balance Sheet on account of Family Pension.

45. ITEMS EXCEEDING 1% OF TOTAL ASSETS/TOTAL INCOME

- Details of items under Others (including provisions) (Schedule 5 – Other Liabilities and Provisions) exceeding 1% of total assets of the Bank is Nil. (previous year Nil).
- Details of items under Others (Schedule 11 – Other Assets) exceeding 1% of total assets of the Bank is Nil (previous year Nil).
- Details of items under Miscellaneous Income (Schedule 14 – Other Income) exceeding 1% of total income of the Bank is Nil. (previous year Nil).
- Details of items under Other expenditure (Schedule 16 – Operating Expenses) exceeding 1% of total income of the Bank are given below:

(₹ in crore)

Sr. No.	Nature of expense	Year ended 31 st March, 2024
1	Professional Fees	1,955.94
2	Brokerage Fees	770.58

(₹ in crore)

Sr. No.	Nature of expense	Year ended 31 st March, 2023
1	Professional Fees	1,647.68
2	Brokerage Fees	707.83
3	Goods and Service Tax (GST) Expense	509.47

B. OTHER DISCLOSURES:**1. EARNINGS PER EQUITY SHARE**

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Reconciliation between weighted shares used in the computation of basic and diluted earnings per share		
Weighted average number of equity shares used in computation of basic earnings per share	1,987,326,015	1,985,666,543
Effect of potential equity shares for stock options outstanding	150,565	502,301
Weighted average number of equity shares used in computation of diluted earnings per share	1,987,476,580	1,986,168,844
Following is the reconciliation between basic and diluted earnings per share		
Nominal value per share	5.00	5.00
Basic earnings per share	69.15	54.89
Effect of potential equity shares for stock options	0.00	0.02
Diluted earnings per share	69.15	54.87
Profit for the year after tax (₹ in crore)	13,781.58	10,939.30
Less : Preference dividend including tax (₹ in crore)	38.51	40.50
Earnings used in the computation of basic and diluted earnings per share (₹ in crore)	13,743.07	10,898.80

2. SEGMENT REPORTING

The Summary of the operating segments of the Bank are as given below:

(₹ in crore)

Sr. No.	Particulars	31 st March, 2024	31 st March, 2023
1.	Segment Revenue		
a.	Treasury, BMU and Corporate Centre	10,122.25	6,923.67
b.	Corporate / Wholesale Banking	22,788.95	18,130.83
c.	Retail Banking	27,831.08	19,179.15
d.	Other Banking business	-	-
	Sub-total	60,742.28	44,233.65
	Less : Inter-segmental revenue	4,670.27	2,899.75
	Total	56,072.01	41,333.90
2.	Segment Results		
a.	Treasury, BMU and Corporate Centre	4,807.18	3,906.35
b.	Corporate / Wholesale Banking	7,473.79	7,072.95
c.	Retail Banking	5,732.75	3,411.69
d.	Other Banking business	-	-
	Sub-total	18,013.72	14,390.99
	Total Profit Before Tax	18,013.72	14,390.99
	Provision for Tax	4,232.14	3,451.69
	Total Profit After Tax	13,781.58	10,939.30
3.	Segment Assets		
a.	Treasury, BMU and Corporate Centre	179,075.58	133,506.32
b.	Corporate / Wholesale Banking	239,539.02	223,845.52
c.	Retail Banking	384,257.91	310,374.20
d.	Other Banking business	-	-
	Sub-total	802,872.51	667,726.04
	Less : Inter-segmental Assets	203,032.03	178,234.99
	Total	599,840.48	489,491.05
	Add : Unallocated Assets	516.57	371.43
	Total Assets as per Balance Sheet	600,357.05	489,862.48
4.	Segment Liabilities		
a.	Treasury, BMU and Corporate Centre	134,765.70	93,987.32
b.	Corporate / Wholesale Banking	218,547.17	202,922.48
c.	Retail Banking	353,357.46	287,429.54
d.	Other Banking business	-	-
	Sub-total	706,670.33	584,339.34
	Less : Inter-segmental Liabilities	203,032.03	178,234.99
	Total	503,638.30	406,104.35
	Add : Unallocated liabilities	79.29	298.18
	Add : Share Capital & Reserves & surplus	96,639.46	83,459.95
	Total Capital & Liabilities as per Balance Sheet	600,357.05	489,862.48
5.	Capital Expenditure		
a.	Treasury, BMU and Corporate Centre	186.35	122.68
b.	Corporate / Wholesale Banking	57.75	65.17
c.	Retail Banking	630.10	562.99
d.	Other Banking business	-	-
	Total	874.20	750.84
6.	Depreciation / Amortisation		
a.	Treasury, BMU and Corporate Centre	118.25	90.11
b.	Corporate / Wholesale Banking	47.55	33.81
c.	Retail Banking	448.99	337.81
d.	Other Banking business	-	-
	Total	614.79	461.73

Segmental Information is provided as per the MIS available for internal reporting purposes, which includes certain estimates and assumptions.



RBI's Master Direction on Financial Statements - Presentation and Disclosures, requires to divide the 'Retail banking' into (a) Digital Banking (as defined in RBI circular on Establishment of Digital Banking Units dated April 7, 2022) and (b) Other Retail Banking segment. The Bank has two DBUs which commenced operations during the quarter ended 31st December, 2022. Accordingly, the segmental results for retail banking are subdivided as under:

For March 31, 2024:

(₹ in crore)

Particulars	Segment Revenue for year ended 31 st Mar, 2024	Segment Results for year ended 31 st Mar, 2024	Segment Assets as at 31 st Mar, 2024	Segment Liability as at 31 st Mar, 2024
Retail Banking	27,831.08	5,732.75	384,257.91	353,357.46
(i) Digital Banking	1,536.19	118.36	60.60	15,585.65
(ii) Other Retail Banking	26,294.89	5,614.39	384,197.31	337,771.81

3. LEASE DISCLOSURES

- The Bank has taken various premises and equipment under operating lease. The lease payments recognised in the Profit and Loss Account are ₹ 661.70 crore (previous year ₹ 672.27 crore). The sub-lease income recognised in the Profit and Loss Account is ₹ 12.90 crore (previous year ₹ 11.21 crore).
- The future minimum lease payments under non-cancellable operating lease – not later than one year is ₹ 680.40 crore (previous year ₹ 573.38 crore), later than one year but not later than five years is ₹ 2,009.28 crore (previous year ₹ 1,575.85 crore) and later than five years ₹ 911.40 crore (previous year ₹ 770.25 crore).

The lease terms include renewal option after expiry of primary lease period. There are no restrictions imposed by lease arrangements. There are escalation clauses in the lease agreements.

4. DEFERRED TAXES

"Others" in Other Assets (Schedule 11 (VI)) includes deferred tax asset (net) of ₹ 322.70 crore (previous year ₹ 371.43 crore). The components of the same are as follows:

(₹ in crore)

Particulars of Asset/ (Liability)	Year Ended	
	31 st March, 2024	31 st March, 2023
Provision for NPA and General provisions	434.71	437.87
Expenditure allowed on payment basis	99.37	122.15
Depreciation	32.64	23.97
Deduction u/s. 36(1)(viii) of the Income Tax Act, 1961	(244.02)	(212.56)
Net Deferred Tax Asset	322.70	371.43

5. PROVISIONS

Given below is the movement in provisions recognised by the Bank:

a) Credit card & debit card reward points:

The following table sets forth, for the periods indicated, movement in actuarially determined provision for credit card and debit card account reward points:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Opening provision for reward points	68.26	28.51
Provision for reward points made during the year	267.06	171.87
Utilisation/write-back of provision for reward points	(211.20)	(132.12)
Closing provision for reward points*	124.12	68.26

* This amount will be utilised towards redemption of the credit card & debit card accounts reward points.

b) Legal:

(₹ in crore)

Particulars	31 st March, 2024	31 st March, 2023
Opening Provision	41.44	43.78
Add: Addition during the year	0.51	0.70
Less: Reduction during the year	(6.87)	(3.04)
Closing Provision	35.08	41.44

c) Fraud and Other Provisions:

(₹ in crore)

Particulars	31 st March, 2024	31 st March, 2023
Opening Provision	39.02	42.19
Add: Addition during the year	26.80	4.78
Less: Reduction during the year	(19.83)	(7.95)
Closing Provision	45.99	39.02

6. FIXED ASSETS AS PER SCHEDULE 10 B INCLUDE INTANGIBLE ASSETS RELATING TO PURCHASED SOFTWARE AND SYSTEM DEVELOPMENT EXPENDITURE WHICH ARE AS FOLLOWS

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Gross Block		
At cost on 31 st March of the preceding year	887.69	713.43
Add: Additions during the year	141.46	212.24
Less: Deductions during the year	8.42	37.98
Total	1,020.73	887.69
Depreciation / Amortization		
As at 31 st March of the preceding year	625.90	549.80
Add: Charge for the year	159.06	109.77
Less: Deductions during the year	4.90	33.67
Depreciation to date	780.06	625.90
Net Block	240.67	261.79

Capital commitments for purchase of software and system development expenditure are ₹ 80.13 crore (previous year ₹ 91.10 crore).

7. RELATED PARTY DISCLOSURES

As per Accounting Standard -18, Related Party Disclosure, the Bank's related parties are disclosed below:

A. Parties where control exists:

Nature of relationship	Related Party
Subsidiary Companies	Kotak Mahindra Prime Limited Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Life Insurance Company Limited Kotak Mahindra Investments Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Trustee Company Limited Kotak Mahindra (International) Limited Kotak Mahindra (UK) Limited Kotak Mahindra Inc.



Nature of relationship	Related Party
	Kotak Alternate Assets Managers Limited (Formerly Known as Kotak Investment Advisors Limited)
	Kotak Mahindra Trusteeship Services Limited
	Kotak Infrastructure Debt Fund Limited
	Kotak Mahindra Pension Fund Limited
	Kotak Mahindra Financial Services Limited
	Kotak Mahindra Asset Management (Singapore) Pte. Limited
	Kotak Mahindra General Insurance Company Limited
	IVY Product Intermediaries Limited
	BSS Microfinance Limited
	Kotak Karma Foundation (w.e.f. 26 th Jun 2023)
	Sonata Finance Private Limited (w.e.f. 28 th Mar 2024)

B. Other Related Parties:

Nature of relationship	Related Party
Individual having significant influence over the enterprise	Mr. Uday S. Kotak, Promoter along with the persons / entities forming part of the Promoter Group, holds 25.90% of the paid-up share capital of Kotak Mahindra Bank Limited as on 31 st March, 2024.
Associates / Others	Infina Finance Private Limited Phoenix ARC Private Limited ING Vysya Foundation
Key Management Personnel (KMP)	Mr. Uday S. Kotak - Managing Director & CEO upto 1 st September 2023 Non Executive Director w.e.f. 2 nd September 2023 Mr. Dipak Gupta - Joint Managing Director (upto 31 st December 2023) Mr. Ashok Vaswani – Managing Director and CEO (w.e.f. 1 st January 2024) Mr. KVS Manian – Joint Managing Director Mr. Gaurang Shah - Whole-time Director (upto 31 st October 2022) Ms. Shanti Ekambaram – Deputy Managing Director (w.e.f. 1 st November 2022)
Enterprises over which KMP / relatives of KMP have control / significant influence	Aero Agencies Private Limited (formerly known as Aero Agencies Limited) Kotak and Company Private Limited Komaf Financial Services Private Limited Asian Machinery & Equipment Private Limited Insurekot Sports Private Limited Kotak Trustee Company Private Limited Cumulus Trading Company Private Limited Palko Properties Private Limited Kotak Chemicals Limited Kotak Ginning & Pressing Industries Private Limited Kotak Commodity Services Private Limited Harisiddha Trading and Finance Private Limited Puma Properties Private Limited Business Standard Private Limited Business Standard Online Private Limited Allied Auto Accessories Private Limited Uday S Kotak HUF Suresh A Kotak HUF KF Trust (formerly known as USK Benefit Trust II) Kotak Family Foundation Helena Realty Private Limited Doreen Realty Private Limited

Nature of relationship	Related Party
	Renato Realty Private Limited Pine Tree Estates Private Limited Meluha Developers Private Limited Quantyco Realty Private Limited Xanadu Properties Private Limited Laburnum Adarsh Trust True North Enterprises (upto 31 st October 2022) Manian Family Trust Brij Disa Arnav Trust (upto 31 st December 2023) Brij Disa Parthav Trust (upto 31 st December 2023) Kotak Mahindra Group Employee Welfare Trust TML Benefit Trust Brij Disa Foundation (upto 31 st December 2023) Amrit Lila Enterprises Private Limited Manians Family Trust II USK Benefit Trust III Kudin Trusteeship Services Private Limited (w.e.f. 9 th September 2022) Shanti Family Trust (w.e.f. 1 st November 2022) Shivkaran Trust (w.e.f. 1 st November 2022) USK Capital Partners (w.e.f. 2 nd January 2024)
Relatives of KMP	Ms. Pallavi Kotak Mr. Suresh Kotak Ms. Indira Kotak Mr. Jay Kotak Mr. Dhawal Kotak Ms. Aarti Chandaria Ms. Aditi Arya (w.e.f. 7 th November 2023) Ms. Anita Gupta (upto 31 st December 2023) Ms. Urmila Gupta (upto 31 st December 2023) Mr. Arnav Gupta (upto 31 st December 2023) Mr. Parthav Gupta (upto 31 st December 2023) Mr. Prabhat Gupta (upto 31 st December 2023) Ms. Jyoti Banga (upto 31 st December 2023) Ms. Seetha Krishnan Ms. Lalitha Mohan Ms. Shruti Manian Mr. Shashank Manian Mr. Ramesh Krishnan Ms. Vanathi Gopalakrishnan (w.e.f. 15 th April 2022) Ms. Asha Shah (upto 31 st October 2022) Ms. Divya Shah (upto 31 st October 2022) Ms. Manasi Shah (upto 31 st October 2022) Ms. Mahima Shah (upto 31 st October 2022) Mr. Chetan Shah (upto 31 st October 2022) Ms. Chetna Shah (upto 31 st October 2022) Ms. G. Saraswathi (w.e.f. 1 st November 2022) Ms. Shobha Srivastava (w.e.f. 1 st November 2022) Veena Vaswani (w.e.f. 1 st January 2024)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Liabilities						
Deposits	3,685.84 (1,823.43)	48.73 (67.64)	61.02 (261.73)	107.84 (104.26)	174.02 (184.32)	4,077.45 (2,441.38)
Borrowings	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Interest Payable	15.00 (3.04)	0.23 (0.10)	- (1.94)	1.13 (1.00)	0.61 (0.50)	16.97 (6.58)
Other Payables	87.31 (72.32)	- (-)	- (-)	0.01 (0.01)	- (-)	87.32 (72.33)
Assets						
Advances	400.00 (779.83)	25.31 (40.31)	0.01 (-)	1.31 (0.92)	0.04 (4.45)	426.67 (825.51)
Investments-Gross	4,234.92 (4,342.50)	- (-)	- (-)	# (#)	- (-)	4,234.92 (4,342.50)
Diminution on Investments	- (-)	- (-)	- (-)	# (#)	- (-)	# (#)
Commission Receivable	189.89 (102.63)	- (-)	- (-)	- (-)	- (-)	189.89 (102.63)
Others Receivable	132.65 (133.56)	0.23 (0.39)	- (-)	0.02 (-)	- (0.03)	132.90 (133.98)
Non Funded Commitments						
Bank Guarantees	1.07 (0.57)	- (-)	- (-)	1.13 (1.13)	- (-)	2.20 (1.70)
Swaps/Forward contracts	200.00 (334.83)	- (-)	- (-)	- (-)	- (1.65)	200.00 (336.48)
Expenses						
Salaries/fees (Include ESOP/SARs)	- (-)	- (-)	24.05 (23.66)	- (-)	0.57 (0.45)	24.62 (24.11)
Interest Expense	98.22 (32.50)	7.32 (4.40)	14.50 (44.30)	4.78 (3.09)	12.71 (8.77)	137.53 (93.06)
Expenses for services received	919.73 (551.44)	- (-)	- (-)	2.69 (0.76)	- (-)	922.42 (552.20)
Income						
Dividend	308.90 (242.27)	- (-)	- (-)	- (-)	- (-)	308.90 (242.27)
Interest Income	66.52 (104.85)	3.23 (4.05)	- (0.17)	0.06 (0.14)	0.30 (0.35)	70.11 (109.56)
Income from services rendered	1,208.03 (724.77)	0.06 (0.11)	# (0.01)	0.04 (0.04)	# (0.01)	1,208.13 (724.94)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Other Transactions						
Sale of Investments	1,260.31	-	-	-	-	1,260.31
	(377.25)	(-)	(-)	(-)	(-)	(377.25)
Purchase of Investments	1,731.57	-	-	-	-	1,731.57
	(1,161.82)	(-)	(-)	(-)	(-)	(1,161.82)
Loan Disbursed During the Year	1,556.58	-	-	-	-	1,556.58
	(1,294.02)	(-)	(-)	(-)	(-)	(1,294.02)
Loan Repaid During the Year	1,926.58	15.00	-	-	-	1,941.58
	(1,074.02)	(15.00)	(-)	(-)	(-)	(1,089.02)
Assignment Portfolio Buyout During the year	1,736.16	-	-	-	-	1,736.16
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend paid	-	-	76.95	0.23	0.53	77.71
	(-)	(-)	(56.37)	(0.14)	(0.39)	(56.90)
Reimbursement to companies	28.07	-	-	-	-	28.07
	(23.94)	(-)	(-)	(-)	(-)	(23.94)
Reimbursement from companies	141.35	0.27	-	-	-	141.62
	(131.42)	(0.43)	(-)	(-)	(-)	(131.85)
Purchase of Fixed assets	0.55	-	-	-	-	0.55
	(0.47)	(-)	(-)	(-)	(-)	(0.47)
Sale of Fixed assets	0.17	-	-	-	-	0.17
	(4.48)	(-)	(-)	(-)	(-)	(4.48)
Swaps/Forward contracts	724.80	2.84	4.50	4.32	24.61	761.07
	(902.00)	(-)	(5.90)	(4.21)	(26.02)	(938.13)
Guarantees/Lines of credit	10.55	-	-	-	-	10.55
	(0.80)	(-)	(-)	(-)	(-)	(0.80)
I. Liabilities:						
Other liabilities						
Other Payable						
Kotak Mahindra Prime Limited	0.16	-	-	-	-	0.16
	(2.79)	(-)	(-)	(-)	(-)	(2.79)
BSS Microfinance Pvt Ltd	77.86	-	-	-	-	77.86
	(61.31)	(-)	(-)	(-)	(-)	(61.31)
Kotak Securities Limited	1.95	-	-	-	-	1.95
	(3.92)	(-)	(-)	(-)	(-)	(3.92)
Kotak Mahindra Capital Company Limited	-	-	-	-	-	-
	(0.01)	(-)	(-)	(-)	(-)	(0.01)
Kotak Mahindra (UK) Limited	0.89	-	-	-	-	0.89
	(3.62)	(-)	(-)	(-)	(-)	(3.62)
Sonata Finance Private Limited	3.55	-	-	-	-	3.55
	(-)	(-)	(-)	(-)	(-)	(-)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra General Insurance Limited	1.42	-	-	-	-	1.42
	(0.37)	(-)	(-)	(-)	(-)	(0.37)
Others	1.48	-	-	0.01	-	1.49
	(0.31)	(-)	(-)	(0.01)	(-)	(0.32)
II. Assets:						
Investments						
Kotak Mahindra Life Insurance Company Limited	1,557.20	-	-	-	-	1,557.20
	(1,557.20)	(-)	(-)	(-)	(-)	(1,557.20)
Kotak Mahindra Prime Limited	146.37	-	-	-	-	146.37
	(654.46)	(-)	(-)	(-)	(-)	(654.46)
BSS Microfinance Private Limited	138.56	-	-	-	-	138.56
	(138.56)	(-)	(-)	(-)	(-)	(138.56)
Kotak Mahindra Investments Limited	488.03	-	-	-	-	488.03
	(587.33)	(-)	(-)	(-)	(-)	(587.33)
Kotak Mahindra General Insurance Limited	875.00	-	-	-	-	875.00
	(680.00)	(-)	(-)	(-)	(-)	(680.00)
Kotak Infrastructure Debt Fund Limited	91.49	-	-	-	-	91.49
	(324.79)	(-)	(-)	(-)	(-)	(324.79)
Sonata Finance Private Limited	537.12	-	-	-	-	537.12
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Alternate Assets Managers Limited	228.24	-	-	-	-	228.24
	(228.24)	(-)	(-)	(-)	(-)	(228.24)
Others	172.90	-	-	#	-	172.90
	(171.90)	(-)	(-)	(#)	(-)	(171.90)
Diminution on investments						
Business Standard Private Limited	-	-	-	#	-	#
	(-)	(-)	(-)	(#)	(-)	(#)
Commission Receivable						
Kotak Mahindra Life Insurance Company Limited	176.85	-	-	-	-	176.85
	(98.03)	(-)	(-)	(-)	(-)	(98.03)
Kotak Mahindra General Insurance Limited	13.04	-	-	-	-	13.04
	(4.60)	(-)	(-)	(-)	(-)	(4.60)
Others Receivable						
Kotak Mahindra Prime Limited	16.32	-	-	-	-	16.32
	(30.59)	(-)	(-)	(-)	(-)	(30.59)
Kotak Securities Limited	13.74	-	-	-	-	13.74
	(14.51)	(-)	(-)	(-)	(-)	(14.51)
Kotak Alternate Assets Managers Limited	34.86	-	-	-	-	34.86
	(23.94)	(-)	(-)	(-)	(-)	(23.94)
Kotak Mahindra Investments Limited	6.71	-	-	-	-	6.71
	(7.69)	(-)	(-)	(-)	(-)	(7.69)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra Life Insurance Company Limited	23.87 (20.56)	- (-)	- (-)	- (-)	- (-)	23.87 (20.56)
Kotak Infrastructure Debt Fund Limited	0.41 (9.54)	- (-)	- (-)	- (-)	- (-)	0.41 (9.54)
BSS Microfinance Limited	9.63 (19.38)	- (-)	- (-)	- (-)	- (-)	9.63 (19.38)
Sonata Finance Private Limited	2.62 (-)	- (-)	- (-)	- (-)	- (-)	2.62 (-)
Kotak Mahindra Asset Management Company Limited	5.83 (3.63)	- (-)	- (-)	- (-)	- (-)	5.83 (3.63)
Kotak Mahindra General Insurance Limited	9.50 (2.26)	- (-)	- (-)	- (-)	- (-)	9.50 (2.26)
Phoenix ARC Private Limited	- (-)	0.23 (0.33)	- (-)	- (-)	- (-)	0.23 (0.33)
Kotak Mahindra Capital Company Limited	6.59 (1.34)	- (-)	- (-)	- (-)	- (-)	6.59 (1.34)
Others	2.58 (0.10)	# (0.06)	- (-)	0.02 (-)	- (0.03)	2.60 (0.19)
Non Funded Commitments						
Bank Guarantees						
Kotak Mahindra Life Insurance Company Limited	0.30 (0.25)	- (-)	- (-)	- (-)	- (-)	0.30 (0.25)
Kotak Securities Limited	0.02 (0.02)	- (-)	- (-)	- (-)	- (-)	0.02 (0.02)
Aero Agencies Private Limited	- (-)	- (-)	- (-)	1.00 (1.00)	- (-)	1.00 (1.00)
Kotak Mahindra Prime Limited	0.25 (0.25)	- (-)	- (-)	- (-)	- (-)	0.25 (0.25)
Kotak Alternate Asset Managers Limited	0.50 (0.05)	- (-)	- (-)	0.13 (0.13)	- (-)	0.63 (0.18)
Swaps/Forward contracts						
Kotak Mahindra Prime Limited	100.00 (234.83)	- (-)	- (-)	- (-)	- (-)	100.00 (234.83)
Kotak Mahindra Investments Limited	100.00 (100.00)	- (-)	- (-)	- (-)	- (-)	100.00 (100.00)
Others	- (-)	- (-)	- (-)	- (-)	- (1.65)	- (1.65)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
III. Expenses:						
Salaries/fees (Include ESOP/SARs)						
Mr.Uday Kotak	-	-	0.40	-	-	0.40
	(-)	(-)	(#)	(-)	(-)	(#)
Mr. Gaurang Shah	-	-	-	-	-	-
	(-)	(-)	(5.27)	(-)	(-)	(5.27)
Mr. KVS Manian	-	-	6.72	-	-	6.72
	(-)	(-)	(7.82)	(-)	(-)	(7.82)
Mr.Dipak Gupta	-	-	8.37	-	-	8.37
	(-)	(-)	(8.22)	(-)	(-)	(8.22)
Ms. Shanti Ekambaram	-	-	6.73	-	-	6.73
	(-)	(-)	(2.35)	(-)	(-)	(2.35)
Mr.Ashok Vaswani	-	-	1.83	-	-	1.83
	(-)	(-)	(-)	(-)	(-)	(-)
Mr.Jay Kotak	-	-	-	-	0.57	0.57
	(-)	(-)	(-)	(-)	(0.45)	(0.45)
Expenses for services received						
Kotak Securities Limited	0.82	-	-	-	-	0.82
	(0.78)	(-)	(-)	(-)	(-)	(0.78)
Kotak Mahindra Life Insurance Company Limited	15.72	-	-	-	-	15.72
	(21.39)	(-)	(-)	(-)	(-)	(21.39)
Kotak Mahindra General Insurance Limited	3.18	-	-	-	-	3.18
	(3.49)	(-)	(-)	(-)	(-)	(3.49)
Kotak Mahindra Prime Limited	1.35	-	-	-	-	1.35
	(2.74)	(-)	(-)	(-)	(-)	(2.74)
Aero Agencies Private Limited	-	-	-	2.64	-	2.64
	(-)	(-)	(-)	(0.68)	(-)	(0.68)
Business Standard Private Limited	-	-	-	0.05	-	0.05
	(-)	(-)	(-)	(0.08)	(-)	(0.08)
BSS Microfinance Limited	895.03	-	-	-	-	895.03
	(523.01)	(-)	(-)	(-)	(-)	(523.01)
Sonata Finance Private Limited	2.42	-	-	-	-	2.42
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra (UK) Limited	0.09	-	-	-	-	0.09
	(0.03)	(-)	(-)	(-)	(-)	(0.03)
Others	1.11	-	-	-	-	1.11
	(#)	(-)	(-)	(-)	(-)	(#)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
IV. Income:						
Dividend						
Kotak Mahindra Capital Company Limited	34.36	-	-	-	-	34.36
	(34.36)	(-)	(-)	(-)	(-)	(34.36)
Kotak Mahindra Life Insurance Company Limited	117.88	-	-	-	-	117.88
	(88.41)	(-)	(-)	(-)	(-)	(88.41)
Kotak Infrastructure Debt Fund Limited	-	-	-	-	-	-
	(0.09)	(-)	(-)	(-)	(-)	(0.09)
Kotak Mahindra Asset Management Company Limited	111.75	-	-	-	-	111.75
	(74.50)	(-)	(-)	(-)	(-)	(74.50)
Kotak Mahindra Prime Limited	8.91	-	-	-	-	8.91
	(8.91)	(-)	(-)	(-)	(-)	(8.91)
Kotak Securities Limited	36.00	-	-	-	-	36.00
	(36.00)	(-)	(-)	(-)	(-)	(36.00)
Income from services rendered						
Kotak Mahindra Life Insurance Company Limited	728.63	-	-	-	-	728.63
	(407.35)	(-)	(-)	(-)	(-)	(407.35)
Kotak Mahindra General Insurance Company Limited	82.13	-	-	-	-	82.13
	(35.79)	(-)	(-)	(-)	(-)	(35.79)
Kotak Securities Limited	217.85	-	-	-	-	217.85
	(166.32)	(-)	(-)	(-)	(-)	(166.32)
Kotak Mahindra Capital Company Limited	15.05	-	-	-	-	15.05
	(8.93)	(-)	(-)	(-)	(-)	(8.93)
Kotak Mahindra Asset Management Company Limited	19.68	-	-	-	-	19.68
	(16.51)	(-)	(-)	(-)	(-)	(16.51)
Kotak Mahindra Prime Limited	37.46	-	-	-	-	37.46
	(37.09)	(-)	(-)	(-)	(-)	(37.09)
Kotak Alternate Assets Managers Limited	65.28	-	-	-	-	65.28
	(41.83)	(-)	(-)	(-)	(-)	(41.83)
BSS Microfinance Limited	26.73	-	-	-	-	26.73
	(#)	(-)	(-)	(-)	(-)	(#)
Others	15.22	0.06	#	0.04	#	15.32
	(10.95)	(0.11)	(0.01)	(0.04)	(0.01)	(11.12)
V. Other Transactions:						
Sale of Investment						
Kotak Infrastructure Debt Fund Limited	150.00	-	-	-	-	150.00
	(250.70)	(-)	(-)	(-)	(-)	(250.70)
Kotak Mahindra Prime Limited	205.00	-	-	-	-	205.00
	(35.00)	(-)	(-)	(-)	(-)	(35.00)
Kotak Mahindra Investments Limited	100.00	-	-	-	-	100.00
	(-)	(-)	(-)	(-)	(-)	(-)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra (UK) Limited	675.44	-	-	-	-	675.44
	(66.68)	(-)	(-)	(-)	(-)	(66.68)
Kotak Securities Limited	54.31	-	-	-	-	54.31
	(24.88)	(-)	(-)	(-)	(-)	(24.88)
Kotak Mahindra Life Insurance Company Limited	75.56	-	-	-	-	75.56
	(-)	(-)	(-)	(-)	(-)	(-)
Purchase of Investments						
Kotak Mahindra (UK) Limited	895.25	-	-	-	-	895.25
	(257.21)	(-)	(-)	(-)	(-)	(257.21)
Kotak Infrastructure Debt Fund Limited	60.00	-	-	-	-	60.00
	(360.00)	(-)	(-)	(-)	(-)	(360.00)
Kotak Mahindra Prime Limited	555.32	-	-	-	-	555.32
	(319.61)	(-)	(-)	(-)	(-)	(319.61)
Kotak Mahindra Investments Limited	25.00	-	-	-	-	25.00
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra General Insurance Limited	195.00	-	-	-	-	195.00
	(225.00)	(-)	(-)	(-)	(-)	(225.00)
Kotak Karma Foundation	1.00	-	-	-	-	1.00
	(-)	(-)	(-)	(-)	(-)	(-)
Loan Disbursed During the Year						
Kotak Mahindra Prime Limited	450.02	-	-	-	-	450.02
	(800.02)	(-)	(-)	(-)	(-)	(800.02)
Kotak Securities Limited	956.56	-	-	-	-	956.56
	(-)	(-)	(-)	(-)	(-)	(-)
Kotak Mahindra Investments Limited	150.00	-	-	-	-	150.00
	(494.00)	(-)	(-)	(-)	(-)	(494.00)
Loan Repaid During the Year						
Kotak Mahindra Investments Limited	245.00	-	-	-	-	245.00
	(249.00)	(-)	(-)	(-)	(-)	(249.00)
Kotak Securities Limited	956.56	-	-	-	-	956.56
	(-)	(-)	(-)	(-)	(-)	(-)
Phoenix ARC Private Limited	-	15.00	-	-	-	15.00
	(-)	(15.00)	(-)	(-)	(-)	(15.00)
Kotak Mahindra Prime Limited	725.02	-	-	-	-	725.02
	(825.02)	(-)	(-)	(-)	(-)	(825.02)
Assignment Portfolio Buyout During the year						
Sonata Finance Private Limited	1,736.16	-	-	-	-	1,736.16
	(-)	(-)	(-)	(-)	(-)	(-)
Dividend Paid						
Mr.Uday Kotak	-	-	76.65	-	-	76.65
	(-)	(-)	(56.20)	(-)	(-)	(56.20)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Mr.Dipak Gupta	-	-	0.07	-	-	0.07
	(-)	(-)	(0.07)	(-)	(-)	(0.07)
Ms. Shanti Ekambaram	-	-	0.20	-	-	0.20
	(-)	(-)	(-)	(-)	(-)	(-)
Gaurang Shah	-	-	-	-	-	-
	(-)	(-)	(0.10)	(-)	(-)	(0.10)
KVS Manian	-	-	0.02	-	-	0.02
	(-)	(-)	(-)	(-)	(-)	(-)
Ms. Pallavi Kotak	-	-	-	-	0.17	0.17
	(-)	(-)	(-)	(-)	(0.12)	(0.12)
Ms. Indira Kotak	-	-	-	-	0.30	0.30
	(-)	(-)	(-)	(-)	(0.22)	(0.22)
Others	-	-	-	0.23	0.06	0.29
	(-)	(-)	(-)	(0.14)	(0.05)	(0.19)
Reimbursements to companies						
Kotak Mahindra Capital Company Limited	0.96	-	-	-	-	0.96
	(#)	(-)	(-)	(-)	(-)	(#)
Kotak Mahindra Prime Limited	6.84	-	-	-	-	6.84
	(6.39)	(-)	(-)	(-)	(-)	(6.39)
Kotak Securities Limited	12.30	-	-	-	-	12.30
	(11.45)	(-)	(-)	(-)	(-)	(11.45)
Kotak Mahindra Life Insurance Company Limited	0.23	-	-	-	-	0.23
	(0.58)	(-)	(-)	(-)	(-)	(0.58)
Kotak Alternate Assets Managers Limited	1.36	-	-	-	-	1.36
	(0.25)	(-)	(-)	(-)	(-)	(0.25)
Kotak Mahindra Investments Limited	1.88	-	-	-	-	1.88
	(1.49)	(-)	(-)	(-)	(-)	(1.49)
Kotak Mahindra (UK) Limited	4.40	-	-	-	-	4.40
	(3.62)	(-)	(-)	(-)	(-)	(3.62)
Others	0.10	-	-	-	-	0.10
	(0.15)	(-)	(-)	(-)	(-)	(0.15)
Reimbursements from companies						
Kotak Mahindra Capital Company Ltd	10.53	-	-	-	-	10.53
	(10.34)	(-)	(-)	(-)	(-)	(10.34)
Kotak Mahindra Prime Limited	39.32	-	-	-	-	39.32
	(28.80)	(-)	(-)	(-)	(-)	(28.80)
Kotak Mahindra Life Insurance Company Limited	15.57	-	-	-	-	15.57
	(16.42)	(-)	(-)	(-)	(-)	(16.42)
Kotak Securities Limited	31.76	-	-	-	-	31.76
	(31.11)	(-)	(-)	(-)	(-)	(31.11)
Kotak Mahindra Investments Limited	7.76	-	-	-	-	7.76
	(8.12)	(-)	(-)	(-)	(-)	(8.12)



(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra Asset Management Company Limited	9.90 (11.76)	- (-)	- (-)	- (-)	- (-)	9.90 (11.76)
Kotak Alternate Assets Managers Limited	10.27 (9.64)	- (-)	- (-)	- (-)	- (-)	10.27 (9.64)
Kotak Mahindra Asset Management (Singapore) Pte Limited	4.06 (4.07)	- (-)	- (-)	- (-)	- (-)	4.06 (4.07)
Kotak Mahindra General Insurance Limited	5.04 (4.19)	- (-)	- (-)	- (-)	- (-)	5.04 (4.19)
Others	7.12 (6.96)	0.27 (0.43)	- (-)	- (-)	- (-)	7.39 (7.39)
Purchase of Fixed Assets						
Kotak Mahindra Prime Limited	0.07 (-)	- (-)	- (-)	- (-)	- (-)	0.07 (-)
Kotak Mahindra General Insurance Company Limited	- (0.14)	- (-)	- (-)	- (-)	- (-)	- (0.14)
Kotak Mahindra Investments Limited	- (0.09)	- (-)	- (-)	- (-)	- (-)	- (0.09)
Kotak Mahindra Life Insurance Company Limited	0.17 (0.09)	- (-)	- (-)	- (-)	- (-)	0.17 (0.09)
Kotak Securities Limited	- (0.10)	- (-)	- (-)	- (-)	- (-)	- (0.10)
Kotak Alternate Assets Managers Limited	0.30 (-)	- (-)	- (-)	- (-)	- (-)	0.30 (-)
Kotak Mahindra Capital Company Limited	- (0.04)	- (-)	- (-)	- (-)	- (-)	- (0.04)
Kotak Mahindra Trusteeship Services Limited	0.01 (0.01)	- (-)	- (-)	- (-)	- (-)	0.01 (0.01)
Kotak Mahindra Asset Management Company Limited	0.01 (#)	- (-)	- (-)	- (-)	- (-)	0.01 (#)
Sale of Fixed Assets						
Kotak Mahindra General Insurance Company Limited	# (-)	- (-)	- (-)	- (-)	- (-)	# (-)
Kotak Alternate Assets Managers Limited	0.01 (4.30)	- (-)	- (-)	- (-)	- (-)	0.01 (4.30)
Kotak Mahindra Trusteeship Services Limited	0.01 (-)	- (-)	- (-)	- (-)	- (-)	0.01 (-)

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel	Total
Kotak Mahindra Investments Limited	0.15 (0.03)	- (-)	- (-)	- (-)	- (-)	0.15 (0.03)
Kotak Mahindra Life Insurance Company Limited	- (0.14)	- (-)	- (-)	- (-)	- (-)	- (0.14)
Kotak Mahindra Prime Limited	0.01 (0.02)	- (-)	- (-)	- (-)	- (-)	0.01 (0.02)
Kotak Securities Limited	# (-)	- (-)	- (-)	- (-)	- (-)	# (-)
Swaps/Forwards/Options Contracts						
Kotak Mahindra International Ltd	# (#)	- (-)	- (-)	- (-)	- (-)	# (#)
Kotak Mahindra Prime Limited	136.21 (533.63)	- (-)	- (-)	- (-)	- (-)	136.21 (533.63)
Kotak Mahindra Investments Limited	0.03 (100.00)	- (-)	- (-)	- (-)	- (-)	0.03 (100.00)
Kotak Mahindra Life Insurance Company Limited	117.45 (26.82)	- (-)	- (-)	- (-)	- (-)	117.45 (26.82)
Kotak Alternate Assets Managers Limited	18.43 (9.50)	- (-)	- (-)	- (-)	- (-)	18.43 (9.50)
Kotak Mahindra Asset Management Company Limited	8.54 (10.30)	- (-)	- (-)	- (-)	- (-)	8.54 (10.30)
Kotak Mahindra Capital Company Limited	76.61 (15.09)	- (-)	- (-)	- (-)	- (-)	76.61 (15.09)
Kotak Securities Limited	367.13 (206.57)	- (-)	- (-)	- (-)	- (-)	367.13 (206.57)
BSS Microfinance Limited	0.14 (0.09)	- (-)	- (-)	- (-)	- (-)	0.14 (0.09)
Others	0.25 (-)	2.84 (-)	4.50 (5.90)	4.32 (4.21)	24.61 (26.02)	36.52 (36.13)
Guarantees/Lines of Credits						
Kotak Alternate Assets Managers Limited	10.50 (0.55)	- (-)	- (-)	- (-)	- (-)	10.50 (0.55)
Kotak Mahindra Life Insurance Company Limited	0.05 (-)	- (-)	- (-)	- (-)	- (-)	0.05 (-)
Kotak Mahindra Prime Limited	- (0.25)	- (-)	- (-)	- (-)	- (-)	- (0.25)

Note:

- Figures in brackets represent previous year's figures.
- The above does not include any transactions in relation to listed securities done on recognised stock exchange during the year. However above includes transactions done on NDS with known related parties.
- # in the above table denotes amounts less than ₹ 50,000
- Remuneration paid to KMPs is pursuant to approval from RBI (excluding value of employee stock options exercised during the year).

Maximum Balance outstanding during the year

(₹ in crore)

Items/Related Party	Subsidiary Companies	Associates/ Others	Key Management Personnel	Enterprise over which KMP/ Relative of KMP have control / significant influence	Relatives of Key Management Personnel
Liabilities					
Deposits ¹	8,514.67 (6,199.33)	347.49 (768.74)	311.72 (2,553.73)	269.00 (180.63)	207.31 (248.59)
Borrowings ¹	- -	- -	- -	- -	- -
Other Liabilities ²	116.92 (77.72)	2.20 (0.27)	2.28 (2.21)	1.32 (1.16)	1.25 (0.77)
Assets					
Advances ¹	1,351.92 (948.94)	42.82 (55.31)	0.04 (4.62)	1.44 (3.79)	5.58 (8.24)
Investments-Gross ¹	5,401.88 (5,164.90)	- -	- (#)	# (#)	- (#)
Commission Receivable ²	189.89 (102.63)	- -	- -	- -	- -
Other Assets ²	219.62 (215.70)	0.50 (0.65)	- (0.04)	0.01 (0.03)	- (0.09)
Non Funded Commitments					
Bank Guarantees ¹	11.07 (1.02)	- -	- -	1.13 (1.13)	- -
Swaps/Forwards ¹	696.99 (1,030.05)	2.84 -	3.64 (4.79)	1.06 (6.61)	18.21 (17.57)

Note:

1. Maximum balance is determined based on comparison of the total daily outstanding balances during the financial year.
2. Maximum balance is determined based on comparison of the total outstanding balances at each quarter end during the financial year.
3. Figures in brackets represent previous year's figures.
4. # in the above table denotes amounts less than ₹ 50,000/-.

8. EMPLOYEE SHARE BASED PAYMENTS

The Shareholders of the Bank had passed a Special Resolution in the General meeting dated 29th June, 2015 and 22nd December, 2023, to grant options to the eligible employees of the Bank and its subsidiaries. Pursuant to these resolutions, the Kotak Mahindra Equity Option Scheme 2015 & Kotak Mahindra Equity Option Scheme 2023 have been formulated and adopted respectively. The Kotak Mahindra Equity Option Scheme 2015 is operational only to the extent of treatment of options granted till 22nd December, 2023 and Kotak Mahindra Equity Option Scheme 2023 is currently in force.

Equity-settled options

The Bank has granted options to employees of the Group vide various employee stock option schemes. During the year ended 31st March, 2024, the following schemes were in operation:

Particulars	Plan 2015	Plan 2023
Date of grant	Various Dates	Various Dates
Date of Board Approval	Various Dates	Various Dates
Date of Shareholder's approval	29 th June, 2015	22 nd December, 2023
Number of options granted	21,080,963	108,417
Method of Settlement (Cash / Equity)	Equity	Equity
Vesting Period	0.01 – 4.16 years	1.03 – 3.40 years
Exercise Period	0.03 – 1 year	0.50 year
Vesting Conditions	Graded / Cliff vesting	Graded / Cliff vesting

The details of activity under Plan 2015 have been summarised below:

Particulars	Year ended 31 st March, 2024		Year ended 31 st March, 2023	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	3,573,225	1,642.98	4,270,658	1,485.35
Granted during the year	1,112,490	1,939.00	1,474,424	1,804.47
Forfeited during the year	206,273	1,804.14	137,475	1,611.54
Exercised during the year	1,364,316	1,460.33	1,894,822	1,413.62
Expired during the year	415,397	1,768.94	139,560	1,670.66
Outstanding at the end of the year	2,699,729	1,825.57	3,573,225	1,642.98
Out of the above exercisable at the end of the year	334,878	1,579.64	835,480	1,439.84
Weighted average remaining contractual life (in years)		1.65		1.46
Weighted average fair value of options granted		509.70		490.13

The details of activity under Plan 2023 have been summarised below:

Particulars	Year ended 31 st March, 2024		Year ended 31 st March, 2023	
	Number of Shares	Weighted Average Exercise Price (₹)	Number of Shares	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	108,417	1,823.00	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	108,417	1,823.00	-	-
Out of the above exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)		2.44		-
Weighted average fair value of options granted		377.70		-

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 1,842.83 (previous year ₹ 1,772.38).



The details of exercise price for stock options outstanding at the end of the year are:

31st March, 2024

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
1,201-1,300	10,020	0.28	1,240.89
1,301-1,400	174,514	0.25	1,341.00
1,701-1,800	786,518	1.65	1,798.00
1,801-1,900	774,484	1.48	1,814.32
1,901-2,000	1,062,610	2.08	1,939.00

31st March, 2023

Range of exercise prices (₹)	Number of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price (₹)
901-1,000	75,321	0.73	1,000.00
1,001-1,100	10,000	0.25	1,050.00
1,201-1,300	20,040	1.03	1,240.89
1,301-1,400	738,312	0.72	1,341.00
1,401-1,500	442,832	0.25	1,460.00
1,701-1,800	1,224,120	2.08	1,798.00
1,801-1,900	1,062,600	1.83	1,809.20

Stock appreciation rights

At the General Meeting on 29th June, 2015, the shareholders of the Bank had passed Special Resolution to grant SARs to the eligible employees of the Bank and its subsidiaries. Pursuant to this resolution, Kotak Mahindra Stock Appreciation Rights Scheme 2015 had been formulated and adopted. Subsequently, the SARs have been granted under this scheme. The Board of Directors of the Bank have formulated and adopted the Kotak Mahindra Stock Appreciation Rights Scheme 2023 effective from 1st December 2023 in place of SARs Scheme 2015. SARs Scheme 2015 is operational only to the extent of treatment of SARs granted till 30th November 2023.

The SARs are settled in cash and vest on the respective due dates in a graded manner as per the terms and conditions of grant. The contractual life of the SARs outstanding range from 1.00 to 4.13 years.

Detail of activity under SARs is summarised below:

Particulars	Year Ended 31 st March, 2024	Year Ended 31 st March, 2023
Outstanding at the beginning of the year	1,252,174	623,855
Granted during the year	1,351,301	870,541
Additions/(Reduction) due to transfer of employees	9,571	28,888
Settled during the year	431,501	193,696
Forfeited during the year	161,174	77,414
Outstanding at the end of the year	2,020,371	1,252,174

Fair value of Employee stock options

The fair value of the equity-settled options is estimated on the date of grant using Black-Scholes options pricing model taking into account the terms and conditions upon which the options were granted. The fair value of the cash-settled options is remeasured at each Balance Sheet date. The following table lists the inputs to the model used for equity-settled and cash-settled options:

Year ended 31 st March,	2024		2023	
	Equity-settled	Cash-settled	Equity-settled	Cash-settled
Exercise Price ₹	1823-1939	0-1801	1,798-1,900	0-1,801
Weighted Average Share Price ₹	1,927.50	1,825.07	1,782.25	1,735.68
Expected Volatility	16.79%-32.42%	11.25%-25.27%	26.57%-36.85%	14.24%-33.18%
Historical Volatility	16.79%-32.42%	11.25%-25.27%	26.57%-36.85%	14.24%-33.18%
Life of the options granted (Vesting and exercise period)				
- At the grant date	1.25-4.42		1.25-4.31	
- As at 31 st March		0.02-3.84		0.02-4.04
Risk-free interest rate	7.01%-7.26%	6.89%-7.19%	5.75%-7.77%	6.79%-7.32%
Expected dividend rate	0.08%	0.08%-0.09%	0.06%	0.06%

The expected volatility was determined based on historical volatility data and the Bank expects the volatility of its share price may not differ from historical volatility. The measure of volatility used in the Black-Scholes options pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. For calculating volatility, the daily volatility of the stock prices on the National Stock Exchange, over a period prior to the date of grant for equity settled options and re measurement date for the cash settled options, corresponding with the expected / residual life of the share-linked instruments has been considered.

Effect of the employee share-based payment plans on the Profit and Loss Account and on the financial position:

(₹ in crore)

Year ended 31 st March,	2024	2023
Total Employee compensation cost pertaining to share-based payment plans	168.02	99.77
Compensation cost pertaining to equity-settled employee share-based payment plan included above	25.44	24.18
Liability for employee stock options outstanding as at year end	140.44	121.78
Deferred Compensation Cost	61.15	61.48
Closing balance of liability for cash-settled options	163.11	99.10
Expense arising from increase in intrinsic value of liability for cash stock appreciation plan	77.22	31.69

Had the Bank recorded the compensation cost for all share-linked instruments granted on or before 31 March 2021 on the basis of fair valuation method instead of intrinsic value method, employee compensation cost would have been higher by ₹ 2.41 crore (previous year ₹ 5.20 crore) and the profit after tax would have been lower by ₹ 1.81 crore (previous year ₹ 3.89 crore). Consequently the basic and diluted EPS would have been ₹ 69.14 (previous year ₹ 54.87) and ₹ 69.14 (previous year ₹ 54.85) respectively.

9. EMPLOYEE BENEFITS

- i. The Bank has recognized the following amounts in the Profit and Loss Account towards contributions to Provident Fund and Other Funds:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Provident Fund	282.02	235.48
Superannuation Fund	1.20	1.17
New Pension Fund	12.84	10.51
DIFC Employee Workplace Savings Scheme (DEWS)	0.70	0.72



ii. Gratuity

The gratuity plan provides a lumpsum payment to vested domestic employees at retirement or on termination of employment based on respective employee's salary and years of employment with the Bank subject to a maximum of ₹ 0.20 crore. There is no ceiling on gratuity payable to directors and certain categories of employees subject to service regulations and service awards.

Reconciliation of opening and closing balance of present value of defined benefit obligation for gratuity benefits is given below.

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Change in benefit obligations		
Liability at the beginning of the year	522.55	515.20
Current Service cost	90.54	77.27
Interest cost	40.35	36.19
Actuarial Losses / (Gain)	17.39	(7.71)
Past Service Cost	4.32	-
Liability assumed on acquisition / (Settled on divestiture)	0.31	0.61
Benefits paid	(95.03)	(99.01)
Liability at the end of the year	580.43	522.55
Change in plan assets		
Fair value of plan assets at the beginning of the year	502.57	572.43
Expected return on plan assets	32.83	38.66
Actuarial Gain / (Losses)	64.85	(40.51)
Benefits paid	(95.03)	(99.01)
Employer contributions	127.70	31.00
Fair value of plan assets at the end of the year	632.92	502.57

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan assets	As at	
	31 st March, 2024	31 st March, 2023
Fair value of plan assets at the end of the year	632.92	502.57
Liability at the end of the year	580.43	522.55
(Net Liabilities)/Net Asset included in "Others" under "Other Liabilities & Other Asset"	52.49	(19.98)
Expense recognised for the year		
Current Service cost	90.54	77.27
Interest cost	40.35	36.19
Expected return on plan assets	(32.83)	(38.66)
Actuarial (Gain) / Loss	(47.46)	32.80
Past Service Cost	4.32	-
Net gratuity expense recognised in Schedule 16.I	54.92	107.60
Actual return on plan assets	97.69	(1.84)

(₹ in crore)

Reconciliation of the Liability recognised in the Balance Sheet	As at	
	31 st March, 2024	31 st March, 2023
Net (Asset) / Liability at the beginning of the year	19.98	(57.23)
Expense recognized	54.92	107.60
Liability assumed on acquisition / (Settled on divestiture)	0.31	0.61
Employer contributions	(127.70)	(31.00)
Net (Asset) / Liability	(52.49)	19.98

Investment details of plan assets

The plan assets are invested in insurer managed funds. Major categories of plan assets as a percentage of fair value of total plan assets are as follows:

	31 st March, 2024 %	31 st March, 2023 %
LIC managed funds #	0.34%	0.31%
Government securities	24.88%	32.87%
Bonds, debentures and other fixed income instruments	14.70%	35.65%
Money market instruments	4.62%	19.55%
Equity shares	55.46%	11.62%
Total	100.00%	100.00%

* In the absence of detailed information regarding plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Actuarial assumptions used

Discount rate	7.15% - 7.18% p.a. (previous year 7.30% - 7.39% p.a.)
Salary escalation rate	5.50% - IBA, 7% – (others) p.a. (previous year 5.50% (IBA) and 12% in year 1 inclusive and 7% thereafter (others) p.a.)
Expected return on plan assets	7.50% p.a. (previous year 7.00% p.a.)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments

Amounts for the current and previous four years are as follows:

(₹ in crore)

Gratuity	Year ended 31 st March				
	2024	2023	2022	2021	2020
Defined benefit obligation	580.43	522.55	515.20	497.48	455.85
Plan assets	632.92	502.57	572.43	546.65	412.45
Surplus / (Deficit)	52.49	(19.98)	57.23	49.17	(43.40)
Experience adjustments on plan liabilities	12.97	7.66	22.61	12.62	41.19
Experience adjustments on plan assets	64.85	(40.51)	34.10	60.28	(36.81)

The Bank expects to contribute ₹ 53.71 crore to gratuity fund in financial year 2024-2025.

The above information is as certified by the actuary and relied upon by the auditors.



iii. Pension

Pension liability relates to employees of Eivbl

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for pension benefits is given below.

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
	Funded	Funded
Change in benefit obligations		
Liability at the beginning of the year	1,912.65	1,909.31
Transfer of liabilities funded during the year	-	-
Current Service cost	74.28	63.16
Interest cost	135.35	134.04
Actuarial (gain) / loss on obligations	171.29	40.67
Past Service cost	-	-
Benefits paid	(181.90)	(234.53)
Liability at the end of the year	2,111.67	1,912.65
Change in plan assets		
Fair value of plan assets at the beginning of the year	1,873.26	1,953.43
Expected return on plan assets	126.45	133.47
Actuarial Gain / (loss)	13.37	11.27
Benefits paid	(181.90)	(234.53)
Employer contributions	48.13	9.62
Fair value of plan assets as at the end of the year	1,879.31	1,873.26

(₹ in crore)

Reconciliation of present value of the obligation and the fair value of the plan Assets	As at	
	31 st March, 2024	31 st March, 2023
	Funded	Funded
Fair value of plan assets as at the end of the year	1,879.31	1,873.26
Liability at the end of the year	2,111.67	1,912.65
Net Asset / (Liability) included in "Others" under "Other Assets" / "Other Liabilities"	(232.36)	(39.39)
Expenses recognised for the year		
Current service cost	74.28	63.16
Interest cost	135.35	134.04
Expected return on plan assets	(126.45)	(133.47)
Actuarial (gain) / loss	157.92	29.40
Effect of the limit in Para 59(b)	-	-
Net pension expense recognized in Schedule 16.I	241.10	93.13
Actual return on plan assets	139.81	144.74

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
	Funded	Funded
Reconciliation of the Liability recognized in the Balance Sheet		
Net (Asset) / Liability at the beginning of the year	39.39	(44.12)
Expense recognized	241.10	93.13
Employer contributions	(48.13)	(9.62)
Effect of the limit in Para 59(b)	-	-
Net (Asset) / Liability is included in "Others" under "Other Assets" / "Other Liabilities"	232.36	39.39

Investment details of plan assets

The plan assets are invested in a fund managed by Life Insurance Corporation of India. In the absence of detailed information regarding plan assets of the fund, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Actuarial assumptions used

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Discount rate	7.19% p.a.	7.39% p.a.
Salary escalation rate	5.50% p.a.	5.50% p.a.
Expected rate of return on plan assets	7.50% p.a.	7.50% p.a.
Inflation	10.00% p.a.	10.00% p.a.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors like settlement with employee unions.

Expected rate of return on plan assets is based on expectation of the average long term rate of return expected on investments of the Fund during the estimated term of the obligations.

Experience adjustments

Amounts for the current year are as follows:

(₹ in crore)

Pension	Year ended 31 st March,				
	2024	2023	2022	2021	2020
Defined benefit obligation	2,111.67	1,912.65	1,909.31	1,891.94	1,600.48
Plan assets	1,879.31	1,873.26	1,953.43	1,872.49	1,514.35
Surplus / (deficit)	(232.36)	(39.39)	44.12	(19.45)	(86.13)
Experience adjustments on plan liabilities	133.49	140.78	248.33	199.72	440.57
Experience adjustments on plan assets	13.37	11.27	34.13	(1.52)	(7.85)

The Bank expects to contribute ₹ 228.21 crore to pension fund in financial year 2024-2025.

iv. Compensated absences

The actuarially determined liability for compensated absences of accumulated leaves of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total actuarial liability	153.11	129.40
Assumptions:		
Discount rate	7.15% - 7.18% - 4.27% (DIFC) p.a.	7.30% - 7.39% - 3.52% (DIFC) p.a.
Salary escalation rate	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.	5.50% (IBA), 7.00% (Others) and 3% (DIFC) p.a.

v. Long Service Award

The actuarially determined liability in respect of Long Service Award of the employees of the Bank is given below:

(₹ in crore)

Particulars	As at	
	31 st March, 2024	31 st March, 2023
Total actuarial liability	10.41	9.49
Assumptions:		
Discount rate	7.15%-7.19% p.a.	7.30%-7.39% p.a.



10. PROVISIONS AND CONTINGENCIES

Breakup of "Provisions and Contingencies" (including write-offs; net of write-backs) shown under the head Expenditure in Profit and Loss Account:

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Provisions for Investments (including NPI)**	79.22	(21.05)
Provision towards NPA	1,486.46	507.69
Provision towards Unhedged Foreign Currency Exposure	10.71	(11.09)
Provision towards Standard Assets	97.65	140.42
General Provision – Covid-19 Deferment Cases	(124.90)	(159.55)
Provision for country risk exposure	-	(4.79)
Provision for Current Tax	4,183.40	3,412.17
Provision for Deferred Tax	48.73	39.52
Other Provision and Contingencies	24.60	5.36
Total Provisions and Contingencies	5,805.87	3,908.68

*Provision in respect of security receipts of ₹ 64.91 crore for the year ended 31st March, 2024 was re-classified as Non Performing Investments (NPI). The same was earlier accounted as Mark to Market Loss under "Other Income". Such reclassification has no impact on the result of the respective periods.

#Includes provision of ₹ 33.13 crore on applicable Alternate Investments Funds (AIF) Investments in accordance with RBI circular dated 19th December, 2023 and 27th March, 2024.

11. The Bank held an aggregate COVID-19 related provision of ₹ 387.45 crore as of 31st March, 2023. Based on the improved outlook and on actual collections, the Bank has reversed provisions amounting to ₹ 124.90 crore during the year ended 31st March, 2024 and continues to hold provision of ₹ 262.55 crore as at 31st March, 2024.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Kotak Mahindra Bank Limited ("Bank") recognises its responsibility to bring about a positive change in the lives of the communities through its business operations and Corporate Social Responsibility ("CSR") initiatives.

Disclosures in relation to corporate social responsibility expenditure:

(₹ in crore)

Details of CSR Expenditure	31 st March 2024	31 st March 2023
Amount of expenditure incurred*		
Contribution to Kotak Education Foundation	32.12	22.74
Contribution to Other Initiatives	87.61*	72.10
Accrual towards unspent obligations (Shortfall) in relation to:		
Ongoing project	111.08**	93.11
Other than ongoing project	Nil	Nil
Total	230.81	187.95
Amount required to be spent as per Section 135 of the Act	230.24	187.41
Amount of cumulative unspent at the end of the year	184.55**	168.34
Amount spent during the year on		
(i) Construction / acquisition of any asset	28.31 [§]	22.47 [^]
(ii) On purposes other than (i) above	91.42	72.36

*Includes administrative overheads and impact assessment cost and excludes ₹ 6.27 crore (unutilised funds) which was refunded by implementing agencies in April 2024.

**Includes ₹ 6.27 crore (unutilised funds) which was refunded by implementing agencies in April 2024.

[§] For funding capital assets which are held in the books of the implementing partner organizations / beneficiaries / public authorities. Includes advances paid against construction/acquisition of Capital assets and doesn't include amount spent on creation/acquisition of Capital assets out of Unspent CSR accounts of previous financial years.

[^] does not include advances paid against construction / acquisition of Capital assets and amount spent on creation/acquisition of Capital assets out of Unspent CSR accounts of previous financial years.

Details of ongoing CSR projects under Section 135(6) of the Act:

(₹ in crore)

Financial Year	Balance as at 1 st April		Amount required to be spent during the year	Amount spent during the year		Balance as at 31 st March	
	With the Company	In Separate CSR Unspent account		From the Company's Bank account	From Separate CSR Unspent account	With Company	In Separate CSR Unspent account
FY 23-24	-	-	218.39	107.31	-	111.08 [#]	-
FY 22-23	93.11 [*]	-	-	-	56.15	-	36.96 ^{**}
FY 21-22	-	70.86 [§]	-	-	34.36	-	36.50
FY 20-21	-	4.37	-	-	4.37	-	Nil

^{*} The amount was transferred to Kotak Mahindra Bank Limited Unspent Account FY 2022-23 in April 2023 and includes refund of ₹ 2.96 crore received in April 2023.

^{**} Includes refund of ₹ 0.007 crore received in April 2024.

[#] The amount was transferred to Kotak Mahindra Bank Limited Unspent CSR Account FY2023-24 on 29th April 2024. Also includes an amount of ₹ 6.27 crore which was refunded by implementing agencies in April 2024.

[§] Includes ₹ 0.29 crore (unutilised funds) received from implementing agencies in April 2023.

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects:

(₹ in crore)

Balance unspent as at 1 st April 2023	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at 31 st March 2024
Nil	-	8.87	8.87	Nil

Notes

- The amount required to be spent is Board approved CSR Project Budget for Other than Ongoing (Annual) CSR Projects for FY2023-24.
- The amount spent does not include CSR Administrative Overheads Expenditure of ₹ 2.99 crore and impact assessment cost of ₹ 0.56 crore.

Details of excess CSR expenditure under Section 135(5) of the Act:

(₹ in crore)

Balance excess spent as at 1 st April 2023	Amount required to be spent during the year	Amount spent during the year	Unspent/ unutilised CSR amount transferred to Unspent CSR Account FY 2023-24	Total	Balance excess spent as at 31 st March 2024
1.42	230.24	119.73 [*]	111.08	230.81	1.99

^{*} Include CSR Administrative Overheads Expenditure of ₹ 2.99 crore and impact assessment cost of ₹ 0.56 crore.

13. TIER II BONDS

- Lower Tier II Bonds outstanding as at 31st March, 2024 and as at 31st March 2023 is ₹ Nil.
- Upper Tier II Bonds outstanding as at 31st March, 2024 and as at 31st March 2023 is ₹ Nil.
- Interest Expended-Others (Schedule 15(III)) includes interest on subordinated debt (Lower and Upper Tier II) ₹ Nil (previous year ₹ 21.33 crore).

14. DETAILS OF PAYMENTS OF AUDIT FEES

(₹ in crore)

Particulars	Year Ended	
	31 st March, 2024	31 st March, 2023
Statutory Audit fees	3.69	3.44
Other Matters	0.47	0.44
Total	4.16	3.88



15. DESCRIPTION OF CONTINGENT LIABILITIES

Sr.	Contingent Liability*	Brief Description
1.	Claims not acknowledged as debts	This includes liability on account of Direct and Indirect tax demands and legal cases filed against the Bank. The Bank is a party to various legal proceedings in the normal course of business. The Bank does not expect the outcome of these proceedings to have a material adverse effect on the Bank's financial conditions, result of operations or cash flows. In respect of appeals filed by the Income Tax department with higher authorities, where the matter was settled in favour of the Bank at the first appellate stage, and where in view of the Management, it gives rise to an item of timing difference, no contingent liability is envisaged by the Bank.
2.	Liability on account of outstanding forward exchange contracts	The Bank enters into foreign exchange contracts with inter Bank participants and with its customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate.
3.	Guarantees on behalf of constituents	As a part of its Banking activities, the Bank issues guarantees on behalf of its customers. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of customer failing to fulfill its financial or performance obligations.
4.	Acceptances, endorsements and other obligations	These includes: - Documentary credit such as letters of obligations, enhance the credit standing of the customers of the Bank. - Bills re-discounted by the Bank and cash collateral provided by the Bank on assets which have been securitised. - Underwriting commitments in respect of Debt Syndication.
5.	Other items for which the Bank is contingently liable	These include: - Liabilities in respect of interest rate swaps, currency swaps, forward rate agreements, futures and options contracts. The Bank enters into these transactions with inter Bank participants and its customers. Currency Swaps are commitments to exchange cash flows by way of interest/principal in one currency against another, based on predetermined rates. Interest rate swaps are commitments to exchange fixed and floating interest rate cash flows. The notional amounts that are recorded as contingent liabilities are amounts used as a benchmark for the calculation of interest component of the contracts. - Liability in respect of Capital commitments relating to fixed assets and undrawn commitments in respect of investments. - Amount Transferred to RBI under the Depositor Education and Awareness Fund ('DEA Fund').

* Also refer Schedule 12 – Contingent Liability

16. SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Following is the disclosure as applicable:

(₹ in crore)

Sr. No	Particulars	As at	
		31 st March, 2024	31 st March, 2023
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.81	Nil
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid on principal amount due to suppliers as at year end	0.03	Nil
3	Principal amounts paid to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	28.58	7.09
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, where delay is beyond the appointed day during the year	Nil	Nil
6	Interest due and payable towards suppliers registered under MSMED Act, for principal payments already made	0.31	0.05
7	Further interest remaining due and payable for earlier years	0.05	Nil
8	Total amount of interest remaining due and unpaid at the end of the current financial year (sum of items in Sr. no. 2, 6 & 7)	0.39	0.05

17. The Bank, as part of its normal banking business that is conducted ensuring adherence to all regulatory requirements, grants loans and advances, makes investment, provides guarantees to and accept deposits and borrowings from its customers, other entities and persons.

Other than the transactions described above which are carried out in the normal course of business, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or deposits or any other sources or kinds of funds) by the Bank to or in any other persons or entities, including foreign entities ("intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Bank ("Ultimate Beneficiaries"). The Bank has also not received any funds from any parties (Funding Party) with the understanding that the Bank shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

18. The Bank has acquired 100% of the issued and paid up capital of Sonata Finance Private Limited, a Non-Banking Finance Company – Micro Finance Institution registered with the RBI for a total consideration of ₹ 537.12 crore. With this acquisition, Sonata has become a wholly owned subsidiary of the Bank w.e.f. 28th March, 2024.

19. The Bank and Kotak Mahindra General Insurance Company Limited ("KGI") have entered into definitive agreements for a transaction with Zurich Insurance Company Limited ("Zurich"), whereby Zurich will acquire 70% stake in KGI by way of a combination of primary and secondary acquisitions in a single tranche, for a total consideration of approximately ₹ 5,560 Crore ("Transaction"). Transaction would be subject to fulfilment of customary conditions precedent, including the receipt of regulatory approvals from the Reserve Bank of India and the Insurance Regulatory and Development Authority of India. Upon completion of the Transaction (subsequent to receipt of all requisite approvals), KGI will cease to be a Wholly Owned Subsidiary of the Bank.

20. As per the requirements of rule 3(1) of the Companies (Accounts) Rules 2014 the Bank has used accounting software for maintaining its books of account that have a feature of recording audit trail (edit log) facility and the audit trail feature has operated throughout the year for all relevant transactions recorded in the software except for six of the accounting software where audit trail has not been enabled at the database level to log any direct data changes. Also in respect of one cloud based accounting software, the Service Organization Control Report does not cover whether audit trial was enabled or not for direct data changes at the database level.

21. The Bank has received an order from the Reserve Bank of India dated 24th April 2024, directing the Bank to cease and desist, with immediate effect from (i) onboarding new customers through the Bank's online and mobile banking channels and (ii) issuing fresh credit cards. The order was based, inter alia, on the deficiencies observed by the RBI in their IT Examination of the Bank.

These directions shall be reviewed by RBI upon satisfactory remediation of the observations. The Bank has taken concrete steps to adopt new technologies to strengthen its IT systems and will continue to work with RBI to swiftly resolve balance issues at the earliest. The Bank believes that these directions will not materially impact its overall business. The Bank has evaluated the order and assessed no material impact on its financial statements and internal financial controls over financial reporting for the year ended 31st March 2024.

22. Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current years' presentation.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **KKC & Associates LLP**
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration No. 105146W/W100621

C S Rajan
Chairman
DIN: 00126063

Ashok Vaswani
Managing Director and
Chief Executive Officer
DIN: 10227550

Gautam Shah
Partner
Membership No. 117348

Shanti Ekambaram
Deputy Managing Director
DIN: 00004889

Uday Khanna
Director
DIN: 00079129

For **Price Waterhouse LLP**
Chartered Accountants
Firm Registration No. 301112E/E300264

Devang Gheewalla
President and
Group Chief Financial Officer
Membership No. 045993

Avan Doomasia
Senior Executive Vice President and
Company Secretary
FCS. No. 3430

Russell I Parera
Partner
Membership No. 042190

Mumbai
4th May, 2024

THE ISSUER

Kotak Mahindra Bank

Registered Office
27 BKC, C 27, G Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400051
India

GIFT-City Branch

10th Floor, Hiranandani Signature
Block No. 13, Zone 1 GIFT SEZ, GIFT City
Gandhinagar, Gujarat
India-382355

ARRANGER AND DEALER

The Hongkong and Shanghai Banking Corporation Limited

Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

LEGAL ADVISERS

To the Arranger and Dealer as to English law

Linklaters Singapore Pte. Ltd.

2 Central Boulevard #28-01 West Tower
IOI Central Boulevard Towers
Singapore 018916

To the Issuer as to Indian law

Khaitan & Co

One World Centre
10th, 13th and 14th Floors
Tower 1C, 841, Senapati Bapat Marg
Mumbai – 400013
Republic of India

TRUSTEE

Bank of New York Mellon, London Branch

160 Queen Victoria Street
London EC4V 4LA
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Dublin Branch

The Shipping Office
20-26 Sir John Rogerson's Quay
Dublin 2, D02 Y049
Ireland

PRINCIPAL PAYING AGENT AND (WHERE APPOINTED) CALCULATION AGENT

Bank of New York Mellon, London Branch

160 Queen Victoria Street
London EC4V 4LA
United Kingdom